2026:PHHC:023718

213 **IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH**

CWP-23325-2021
Date of decision: 05.02.2026

Jatinder Pal Singh Grewal ....Petitioner

Versus

PEPSU Road Transport Corporation ...Respondent

CORAM: HON'BLE MR. JUSTICE HARPREET SINGH BRAR

Present: Mr. Sumeet Mahajan, Senior Advocate with
Mr. Shrey Sachdeva, Advocate,
Ms. Radhika, Advocate and
Mr. Deekshay, Advocate
for the petitioner.

Mr. A.P.S.Sandhu, Advocate and
Mr. Ashish Kaushik, Advocate
for the respondent.

<u>HARPREET SINGH BRAR, J. (ORAL)</u>

1. The present writ petition has been filed under Articles 226/227 of the Constitution of India for issuance of a writ in the nature of *Certiorari* for quashing the letter dated 19.10.2021 (Annexure P-13) along with the proceedings report of the committee dated 22.06.2021 (Annexure P-12), whereby the claim of the petitioner to be considered a member of the PEPSU Road Transport Corporation Employees Pension/Gratuity & General Provident Fund Regulations, 1992 (hereinafter referred to as 'the 1992 Regulations') was declined. The petitioner further seeks a writ of Mandamus directing the respondent-Corporation to treat him as a member of the General Provident Fund ('GPF') Scheme instead of the Contributory Provident Fund ('CPF') Scheme for all intents and purposes.

CONTENTIONS

2. Learned counsel for the petitioner *inter alia* contends that the petitioner was initially engaged as a Junior Engineer (Civil) on *ad hoc* basis for 89 days vide order dated 16.01.1992 (Annexure P-1). His *ad hoc* tenure was subsequently extended through various orders dated 10.04.1992 (Annexure P-2), 10.07.1992 (Annexure P-3) and 23.10.1992 (Annexure P-4), each for a period of 89 days. Crucially, while the petitioner was serving on *ad hoc* basis, the respondent-Corporation framed the 1992 Regulations (Annexure P-5) which came into force on 15.06.1992.

3. It is contended that on 28.12.1992, the petitioner was issued a fresh appointment order as a Junior Engineer on a regular basis with a probation period of six months (Annexure P-6). His services were eventually regularized effective from 28.06.1993 vide office order dated 08.06.1994 (Annexure P-7), and he continues to remain in service. It is argued that since the petitioner's regular appointment occurred after the 1992 Regulations came into force, he is governed by Clause 3(1)(i) of the said Regulations, which provides that the scheme applies automatically to employees appointed on a "whole time and regular basis" on or after the date of issuance of the Regulations.

4. Learned counsel submitted that as the petitioner was not a regular employee on 15.06.1992 (the date of notification), there was no requirement or occasion for him to exercise an "option" under Clause 3(1)(ii) or Clause 4 of the Regulations, as those provisions applied only to employees already working on a regular basis who wished to shift from CPF to the new Pension Scheme. It is the petitioner's case that the Corporation committed a wrong by continuing

to deduct CPF from his salary instead of GPF, and they cannot now take advantage of their own administrative lapse.

5. It is argued that the petitioner made numerous representations to the respondent-Corporation over the years, seeking to be treated as a member of the Pension Scheme. However, no decision was communicated to him on these representations. On 11.07.2019 (Annexure P-8), the petitioner submitted a detailed representation to the respondent-Corporation in this regard and upon this representation, the Managing Director of the respondent-Corporation constituted a committee comprising four senior officers to examine the petitioner's case.

6. Learned counsel submitted that as per the information received by the petitioner under the Right to Information Act, 2005, certain employees whose services were regularised after 15.06.1992 were indeed treated as members of the 1992 Pension Scheme. Additionally, the petitioner has provided a list of employees who were already working on regular basis prior to 15.06.1992 and who never opted for the Pension Scheme, yet were treated as its members, with the respondent-Corporation deducting GPF from their salaries w.e.f. 15.06.1992. A comparative chart of such employees has been provided in Paragraph 17 of the writ petition. However, since the committee did not submit any report for a considerable period, the petitioner submitted another representation dated 11.06.2020 (Annexure P-9) and a reminder dated 20.11.2020 (Annexure P-10), reiterating his claim to be considered a member of the 1992 Pension Scheme.

7. Vide order dated 31.05.2021 (Annexure P-11), the respondent-Corporation reconstituted a fresh committee with a direction to submit its report

within one month. The committee held a meeting on 22.06.2021 and submitted its proceedings report (Annexure P-12), recommending that it would not be appropriate to consider the petitioner under the GPF Scheme by transferring him from the CPF Scheme. The primary ground for rejecting the petitioner's claim was that CPF has been deducted from the petitioner's salary since 16.01.1992 and that his name is reflected in the list of CPF employees. Based on the said report, the respondent-Corporation issued the impugned letter dated 19.10.2021 (Annexure P-13), formally rejecting the petitioner's claim.

8. *Per Contra*, learned counsel for respondents submits that the petitioner was appointed in January 1992 and has been treated as a member of the CPF scheme for nearly 30 years without challenge. Thus, the present writ petition is liable to be dismissed on the grounds of delay and laches.

9. It is contended that Clause 3(1) of the 1992 Regulations envisages two distinct categories of employees. The first category, under Clause 3(1)(i), comprises those employees who were appointed for the first time in the Corporation on a whole-time and regular basis on or after 15.06.1992 and were not members of any retirement benefit scheme prior to such appointment. The second category, under Clause 3(1)(ii), comprises those employees who were already working in the Corporation before 15.06.1992, whether on regular or on *ad hoc* basis, and were already members of the PRTC Contributory Provident Fund Scheme. Employees falling in the second category were required to positively opt for the 1992 Regulations within the stipulated period. In contrast, employees falling in the first category were automatically covered by the Pension Scheme, with no option required.

10. Learned counsel argued that the petitioner falls squarely within the

second category of employees. He was appointed on 16.01.1992, i.e., prior to 15.06.1992 and was a member of the CPF Scheme from the very inception of his employment. The 1992 Regulations do not differentiate between regular and *ad hoc* employees for the purposes of Clause 3(1)(ii) and therefore, the petitioner, being an employee working as on 15.06.1992, was required to exercise his option under the 1992 Regulations within the stipulated period, which he failed to do.

11. It is further submitted that the petitioner's *ad hoc* service is liable to be counted for all purposes, including annual increments, gratuity, and other retiral benefits. Accordingly, the petitioner was required to exercise his option under the 1992 Regulations in the same manner as other employees of the respondent-Corporation who were in service immediately prior to the issuance of the said Regulations.

12. With regard to the employees referred to in paragraph 17 of the writ petition, it is submitted that they were engaged on a work-charged or daily-wage basis prior to the enforcement of the 1992 Regulations. Under Clause 3(2)(d) of the said Regulations, work-charged employees were not required to exercise an option for the GPF scheme and were, therefore, not similarly situated to the petitioner. Further, their services were regularised only after the implementation of the 1992 Regulations, and being treated as fresh entrants, they fell within the ambit of Clause 3(1)(i), under which no option was required to be exercised.

<u>OBSERVATION & ANALYSIS</u>

13. I have heard the learned counsel for the parties and perused the record with their able assistance. The seminal issue that requires to be

adjudicated by this Court is whether the petitioner, initially engaged on *ad hoc* basis prior to the enforcement of the 1992 Regulations (15.06.1992) but regularized subsequent thereto, falls within the ambit of Clause 3(1)(i) as a fresh entrant entitled to automatic coverage, or is governed by Clause 3(1)(ii), thereby necessitating a positive exercise of option within the prescribed period.

14. At this juncture, this Court considers it apposite to refer to the relevant provisions of the 1992 Regulations, which are reproduced hereunder:

> "*1. Short title and commencement: These Regulations shall be called the PEPSU Road Transport Corporation Employees Pension/Gratuity & General Provident Fund Regulations, 1992, hereinafter called as 'Regulations':-*
>
> *(i)* ***These shall come into force with immediate effect from 15.06.1992, the date of issue****.*
>
> *xx xx xx*
>
> *3. Application:*
>
> *(1)* ***These regulations shall apply to the employees of the PEPSU Road Transport Corporation, who****:*
>
> > *(i)* ***were/are appointed on or after the date of issue of Regulations on whole-time and regular basis; and***
> > *(ii)* ***were working immediately before the date of issue of Regulations and opt for these regulations.***
>
> *(2)* ***These regulations shall not apply to the employees, who****;*
>
> > *(a)* ***Opt out of these regulations.***
> >
> > *(b) Are on deputation with the corporation.*
> >
> > *(c) Are paid out of contingencies.*
> >
> > *(d)* ***Are work charged employees****.*
> >
> > *(e)* ***Are employed on contract basis, except when the contract provides otherwise****.*
> >
> > *(f) Are re-employed after superannuation.*
> >
> > *(g) Are specifically excluded wholly or partly from the operation of these regulations; and*

(h) ***<u>Opt for the P.R.T.C. Employees Pension/Gratuity and General Provident Fund Regulations, 1992, but failed to refund the amount of advance taken out of the Employer's share of the contributory Provident Fund alongwith interest thereon within the stipulated period</u>.***

4. <u>Exercise of Option</u>: ***<u>The option under clause (ii) of the sub-rule (1) of Regulation 3</u>*** *shall be exercised in duplicate in writing in Form-1 so as to reach the Managing Director as forwarded by General Manager in case of depots and Administrative Officer in the case of headquarter with his counter- signatures within a period of six months from the date of issue of these Regulations."*

(Emphasis added)

15. A perusal of Clause 3(1) of the 1992 Regulations reveals that the applicability of the Pension Scheme is bifurcated into **two distinct categories** of employees:

First, under Clause 3(1)(i), the regulations apply to those who were or are appointed on or after the date of issue of the Regulations on a ***whole-time and regular basis***.

Second, under Clause 3(1)(ii), they apply to those who were ***working*** immediately before the date of issue of the Regulations ***and*** specifically opt for them.

16. As per Clause 1(i), these Regulations came into force with immediate effect from 15.06.1992. Further, Clause 4 expressly mandates that the requirement to exercise a positive option is restricted solely to the second category of employees identified under Clause 3(1)(ii), i.e., those "working immediately before the date of issue of Regulations." Conversely, Clause 3(2) identifies specific classes of employees to whom these regulations do not apply, which includes those who opt out of the regulations, work-charged employees, and those employed on a contract basis, unless the contract specifically provides otherwise.

17. This Court is of the considered view that the aforementioned provisions must be harmoniously construed to give effect to the statutory intent. Upon such construction, it becomes evident that since Clause 3(2) expressly excludes work-charged and contractual employees from the ambit of the Pension Scheme, the phrase "working immediately before the date of issue of Regulations" in Clause 3(1)(ii) must be interpreted to mean "***working on a whole-time and regular basis immediately before the date of issue of Regulations***."

18. Thus, in light of the above and subject to the other provisions of the 1992 Regulations, the following legal position emerges:

a) Employees who were or are ***appointed on or after*** the date of issuance of the Regulations (15.06.1992) on a ***whole-time and regular basis*** stand ***automatically*** covered by the Pension Scheme. Such employees are not required to exercise any option and are entitled to the benefits of the GPF scheme as a matter of right.

b) Employees who were ***already working*** on a ***whole-time and regular basis*** immediately ***before 15.06.1992***, are required to positively opt for the 1992 Regulations as per Clause 4. Upon exercising such an option, they are further required to refund any advance taken from the Employer's share of the Contributory Provident Fund, along with interest, within the stipulated time frame.

c) Employees engaged on a work-charged or contractual basis (unless provided otherwise by contract), i.e., **non-regular employees**, are expressly excluded from the purview of the 1992 Regulations. For such employees, two scenarios may arise:

I. **<u>Regularization Prior to 15.06.1992</u>**: If such employees were regularized before the date of issuance of the Regulations, they fall under the ambit of Clause 3(1)(ii). Consequently, they must positively exercise an option to be covered under the Pension Scheme. Failure to do so within the prescribed period would result in their continued coverage under the CPF scheme.

II. **<u>Regularization After 15.06.1992</u>**: If such employees are regularized after the date of issuance of the Regulations, they are governed by Clause 3(1)(i). In this situation, they are treated as fresh entrants on a regular basis and **automatically** stand covered by the 1992 Regulations without the need to exercise any option.

19. Applying the aforementioned legal principles to the facts of the present case, it is undisputed that the petitioner was initially engaged on *ad hoc* basis as a Junior Engineer (Civil) on 16.01.1992 (Annexure P-1). He continued to serve in this capacity through successive extensions dated 10.04.1992, 10.07.1992, and 23.10.1992. On the date the 1992 Regulations came into force (15.06.1992), the petitioner was serving as an *ad hoc* employee. At that stage, by virtue of Clause 3(2), the petitioner was outside the ambit of the 1992 Regulations. As he was not a "whole-time and regular" employee on 15.06.1992, there was no legal occasion or requirement for him to exercise an option under Clause 3(1)(ii).

20. The petitioner's status shifted only when the respondent-Corporation issued a fresh appointment order on a regular basis on 28.12.1992 (Annexure P-6). His services were subsequently regularized w.e.f. 28.06.1993 vide office order dated 08.06.1994 (Annexure P-7). Since his regularization

occurred after the 1992 Regulations were already in force, this Court is of the considered view that the petitioner falls squarely within the ambit of Clause 3(1)(i). As a fresh entrant into regular service, **he stood automatically covered** by the Pension Scheme, and the requirement to exercise a positive option was not applicable to him. This conclusion is further reinforced by the language of the regularization order dated 28.12.1992 (Annexure P-6), which expressly notes that the petitioner shall be understood as a new entrant in the service of PRTC for all intents and purposes. Such a designation confirms that the petitioner must be treated as a new appointee under Clause 3(1)(i) rather than an existing regular employee under Clause 3(1)(ii). Relevant portion of the order dated 28.12.1992 (Annexure P-6) is reproduced as under:

> *"Shri Jatinder pal Singh s/o Sh. Bhajan Singh is hereby appointed as Junior Engineer in the pay scale of Rs. 1800-40-2000-50-2400-60-2700-75- 3000-100-3200 plus usual allowances as admissible from time to time, with immediate effect, subject to the following conditions:-*
>
> *xx xx xx*
>
> *7. If he is at present employed in Central/S. Govt./Autonomous Body etc., he will have to left his present post before joining the PRTC.* ***<u>He should be clearly understood that he will be as new entrant in the service of the PRTC for all intents and purposes</u>****."*
>
> (Emphasis added)

21. Despite the petitioner submitting multiple representations seeking the benefit of the GPF scheme, the respondent-Corporation erroneously declined his claim based on a flawed interpretation of the Regulations. It was the duty of the respondent-Corporation to correctly apply the 1992 Regulations and grant the petitioner the benefit of the GPF scheme. For any administrative lapse or fault on the part of the Corporation, the employee cannot be made to suffer. Reliance in this regard is placed on the two-Judge Bench judgment of the Hon'ble Supreme Court in ***Calcutta State Transport Corporation v. Ashit***

Chakraborty, 2023 SCC Online SC 594, wherein the Court, speaking through Justice Rajesh Bindal, observed as follows:

> *"11. **It is not in dispute that the respondent no.1 had exercised his right to receive pension under the 1990 Regulations in the year 1991. Thereafter, it was the duty of the Corporation to have given effect to the same. Merely because there were some wrong deductions from his salary and he was treated as member of the CPF Scheme, cannot be permitted to be raised as a ground to defeat his rightful claim. The pension was to start after retirement of the respondent. When the same was not released to him, immediately representation was made by him. As no response was received from the appellant, the writ petition was filed**. The argument that there are number of similarly situated employees who will also stake their claims, will not deter this Court in granting the relief to the respondent, which is legitimately due to him. Rather this argument shows that the Corporation was at fault in implementing the 1990 Regulations in the cases of number of employees though these were notified on 4.1.1991 and were given retrospective effect from 1.4.1984. Technical objections are sought to be raised, which are not tenable. **For any fault on the part of the Corporation, the employees cannot be made to suffer**."*

(Emphasis added)

22. Furthermore, the plea of discrimination raised by the petitioner carries significant weight. As detailed in Para 17 of the writ petition, several employees whose services were regularized after 15.06.1992 were indeed treated as members of the 1992 Pension Scheme by the respondent-Corporation. Additionally, certain employees who were already working on a regular basis prior to 15.06.1992 and failed to opt for the scheme were still granted its benefits. The learned counsel for the respondents failed to provide a satisfactory explanation as to how these employees were not similarly situated to the petitioner or why the petitioner was singled out for a different, more restrictive interpretation of the same Regulations.

CONCLUSION

23. In view of the foregoing discussion, the present petition is allowed. The impugned letter dated 19.10.2021 (Annexure P-13) and the

committee report dated 22.06.2021 (Annexure P-12) are hereby quashed. The respondent-Corporation is directed to treat the petitioner as a member of the General Provident Fund (GPF) Scheme under the 1992 Regulations for all intents and purposes. The petitioner is directed to refund the employer's contribution received under the CPF Scheme within a period of three months from the date of receipt of certified copy of this order. The respondent-Corporation shall not be entitled to claim any interest on the aforesaid refunded amount, particularly as the petitioner continues to be in service and has raised the present claim during the subsistence of his service.

24. Pending miscellaneous applications, if any, shall also stand disposed of.

(HARPREET SINGH BRAR)
JUDGE

05.02.2026
Neha

Whether speaking/reasoned	:	Yes/No
Whether reportable	:	Yes/No