

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI

Constitutional Petition No. D-2667 of 2024
(State Bank of Pakistan versus The Full Bench of NIRC & others)
Constitutional Petition No. D-2668 of 2024
(SBP – Banking Services Corporation versus The Full Bench of NIRC & others)

Date	Order with signature of Judge
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Mr. Justice Adnan-ul-Karim Memon
Mr. Justice Zulfiqar Ali Sangi

Date of hearing and order: 16.2.2026

Chaudhry Azhar Elahi, Advocate for the Petitioners in both petitions, along with Mr. Manzoor-ul-Haq, Law Officer, Legal Services Department, State Bank of Pakistan, Karachi

Mr. Ehsanullah Advocate for Respondent No.4 in both petitions alongwith Mr. Ghulam Nabi Deeshak advocate

Mr. S.M. Iqbal, Advocate for Respondent No.5 in both petitions

ORDER

Adnan-ul-Karim Memon, J. – Petitioners State Bank of Pakistan and SBP Banking Services Corporation have filed Constitutional Petitions under Article 199 of the Constitution of the Islamic Republic of Pakistan, 1973, with the following prayer(s): -

- A. *Call for record and proceedings of Case No.4B(91) / 2018 - K and Appeals No.12A(192) / 2022 - K 12A(193) / 2022 - K and 12A(204) / 2022 - K from the respondents No.1 & 2 and after giving opportunity of hearing to the parties set aside the impugned order dated 10.05.2022 passed in Case No.4B(91) / 2018 - K and order dated 08.05.2024 passed in Appeals No.12A(192) / 2022 - K 12A(193) / 2022 - K and 12A(204) / 2022 - K and dismiss the Case No.4B(91) / 2018 - K.*
- B. *Suspend the operation of the impugned order dated 10.05.2022 passed in Case No.4B(91) / 2018 - K and order dated 08.05.2024 passed in Appeals No.12A(192) / 2022 - K 12A(193) / 2022 - K and 12A(204) / 2022 - K and further restrain the respondents No.1 & 2 from initiating coercive measures for implementation of the above mentioned orders till final disposal of this petition.*

2. Being aggrieved by the Order dated 10.05.2022 passed by the Learned Single Member, National Industrial Relations Commission (NIRC), Karachi in Case No. 4B(91)/2018-K, whereby private Respondent was directed to be reinstated in service with back benefits, as well as the consolidated Appellate Order dated 08.05.2024 passed by the Learned Full Bench of the National Industrial Relations Commission in Appeals No. 12A(192)/2022-K, 12A(193)/2022-K and 12A(204)/2022-K, dismissing the Petitioner's appeals, the Petitioners have invoked the constitutional jurisdiction of this Court.

3. Learned counsel for the Petitioner submits that the Petitioner, i.e., State Bank of Pakistan, is a statutory body established under the State Bank of Pakistan Act, 1956, whereas Respondent No.3/petitioner in Constitutional Petition No. D-2668 of 2024, i.e., SBP Banking Services Corporation, is a distinct legal entity created under the SBP Banking Services Corporation Ordinance, 2001. Private

respondent No.4 was appointed by respondent No.5 (M/s Prime HR Services Pvt. Ltd.) under a contractual arrangement executed between Respondent No.3/petitioner in Constitutional Petition No. D-2668 of 2024 and Respondent No.5 for the provision of medical support services, and was never in the employment of the Petitioner Bank. It is further contended that Respondent No.4 accepted contractual employment in 2015, his services were terminated on 27.07.2017 upon expiry of the contract, and thereafter a fresh contract dated 15.08.2017 was executed wherein he remained on probation for a period of three months. His services were again terminated on 13.11.2017 strictly in accordance with the terms of the contract during probation. It is argued that the said contract explicitly provided that deployment of services with the client shall not constitute employment, and the employee shall not represent himself as an employee of the client organization. Learned counsel submits that the grievance application was initially filed before the Sindh Labour Court under the Sindh Terms of Employment (Standing Orders) Act, 2015, which, instead of returning the same for presentation before the competent forum, illegally transferred the matter to NIRC, being purportedly trans provincial establishment. However, there exists no provision under the Industrial Relations Act, 2012, for the transfer of proceedings from a Provincial Labour Court to NIRC. Consequently, the assumption of jurisdiction by NIRC was coram non iudice and without lawful authority. It is also argued that Respondent No.4, being a probationary contractual employee of Respondent No.5, does not fall within the definition of “workman” under the Federal Standing Orders Ordinance, 1968, to invoke the jurisdiction of NIRC. Moreover, medical dispensary services outsourced by Respondent No.3 do not constitute core banking functions so as to establish an employer-employee relationship with the Petitioner. Learned counsel for the petitioner in support of his contentions has relied upon the cases Moulvi Aziz-ur-Rehman v. Ahmad Khan (2004 SCMR 1622), Faqir Muhammad v. Khursheed Bibi (2024 SCMR 107), Sprint Oil and Gas Services Pakistan FZC, Islamabad v. Oil and Gas Development Company Limited (OGDCL), Islamabad (2024 SCMR 117), Muhammad Fazil v. Mumtaz Munawar Khan Niazi (2024 SCMR 1059), Divisional Superintendent, Quetta Postal Division v. Muhammad Ibrahim (2022 SCMR 292), Pak Telecom Mobile Limited v. Muhammad Atif Bilal (2024 SCMR 719), National Electric Power Regulatory Authority v. Aijaz Ahmed (2022 SCMR 611) and Pakistan Beverages Limited v. Muhammad Afzal (2025 PLC 73). He lastly prayed to allow these petitions.

4. Conversely, learned counsel for private Respondent No.4 supported the impugned orders and contended that Respondent No.4 had continuously served since 2015 and performed duties at the establishment of Respondent No.3/petitioner in Constitutional Petition No. D-2668 of 2024, i.e., SBP Banking

Services Corporation, thereby establishing an implied employer-employee relationship. It was argued that termination of his services was unlawful, and the learned NIRC rightly exercised jurisdiction in directing his reinstatement with back benefits after due appraisal of evidence. Learned counsel for Respondents No.1 and 2 submitted that the impugned orders were passed after recording evidence, hearing the parties, and applying settled principles of labour jurisprudence, and therefore do not warrant interference in constitutional jurisdiction under Article 199 of the Constitution. He argued that the respondents admitted that SBP-BSC, a trans-provincial establishment and wholly owned subsidiary of the State Bank of Pakistan, serves as its operational arm performing currency, forex, banking, development finance, and agency functions. Therefore, any question of NIRC's jurisdiction at this stage is unnecessary and may be dismissed. Learned counsel for respondent No.4 in support of his contentions has relied upon the cases of *State Oil Company Limited v. Bakht Siddique* (2018 SCMR 1181), *Abdul Ghafoor v. President National Bank of Pakistan* (2018 SCMR 157), and *IFFCO Pakistan (Pvt.) Ltd. v. Ghulam Murtaza* (2024 SCMR 1548). He prayed to dismiss the petition.

5. We have heard the learned counsel for the parties and perused the record with their assistance and case law cited at the bar.

6. The respondent No.4 was employed as a Dispenser in the main dispensary located within the premises of the State Bank of Pakistan (SBP) through a contractor, respondent No.1. He provided medical services to SBP employees continuously and without complaint. On 14-11-2017, he was abruptly stopped at the SBP gate and informed of his termination via order dated 13-11-2017, without reasons, in violation of Standing Order No.16(3) of the Sindh Terms of Employment (Standing Orders) Act, 2015. His grievance filed on 16-11-2017 went unaddressed. The respondent No.4 emphasized that, despite being formally employed by the contractor, he worked entirely under the control, supervision, and using the resources of SBP, establishing an employer-employee relationship with SBP. Reliance was placed on judgments such as *Fauji Fertilizer Company vs NIRC (2014)* and *SSGCL (2020)*, holding that contract workers integrated into an establishment's operations are deemed employees for labor law purposes.

7. The Single Bench of NIRC initially set aside the termination and directed SBP to reinstate respondent No.4 as a permanent employee with back benefits. However, on appeal, the Full Bench observed that respondent No.4 had been performing duties of a permanent nature for more than nine months and thus, by operation of law, had acquired the status of a permanent workman. The termination without written reasons violated the Standing Orders, and any contractual arrangement attempting to bypass this right was invalid. The appeal

filed by SBP was dismissed as not maintainable, and the Full Bench upheld the Single Bench's order.

8. It appears from the record that Petitioner SBP Banking Services Corporation, established under the SBP Banking Services Corporation Ordinance, 2001, as a wholly-owned subsidiary of the State Bank of Pakistan, operates 16 field offices nationwide, providing banking services to federal, provincial, and district governments. Thus, their functions are as a federal, trans-provincial establishment. The grievance by private respondent No.4 originated before the Sindh Labour Court under the Sindh Terms of Employment (Standing Orders) Act, 2015, which transferred the matter to the National Industrial Relations Commission (NIRC). Therefore, the contention that the SBP/Corporation is not a trans-provincial establishment is erroneous. As such, the NIRC has the jurisdiction to entertain the grievance Petition under the law.

9. The concurrent findings of the Single and Full Bench are conclusive and cannot be interfered with through constitutional jurisdiction under Article 199 of the Constitution, particularly in the absence of any material disputing the petitioner's permanent employment status.

10. The contention that respondent No.4 was merely an employee of a third-party contractor is erroneous, as discussed supra. The Supreme Court in cases such as *Fauji Fertilizer Company vs NIRC (2014 PLC (Labour) 10)*, *SSGCL case (2020 PLC 153)*, *Moulvi Aziz-ur-Rehman v. Ahmad Khan (2004 SCMR 1622)*, and *Pak Telecom Mobile Limited v. Muhammad Atif Bilal (2024 SCMR 719)* has consistently held that workers performing permanent duties under an establishment cannot be deprived of their rights based on a contractor arrangement. Similarly, the objection regarding NIRC's jurisdiction is without merit. SBP-BSC is a trans-provincial, federal establishment, and the grievance petition was properly entertained under the Industrial Relations Act, 2012, as discussed supra.

11. In view of the above, both Constitutional Petitions are dismissed. The impugned orders of the Single and Full Bench of NIRC are hereby maintained. However, with no order as to costs.

JUDGE

JUDGE