

ORDER SHEET  
IN THE HIGH COURT OF SINDH AT KARACHI  
C.P. No. D-3752 of 2014  
[Siddiqullah v. Federation of Pakistan and others]

Date	Order with signature of Judge(s)
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Before:  
Mr. Justice Adnan-ul-Karim Memon  
Mr. Justice Zulfiqar Ali Sangi

**Date of hearing and Order: 12.03.2026**

Mr. Muhammad Ramzan advocate for the petitioner  
Mr. Feroz Ahmed advocate for the Respondent No.2  
Ms. Wajiha Mehdi, Assistant Attorney General

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**ORDER**

**Adnan-ul-Karim Memon, J.** – Petitioner has filed this Constitution Petition under Article 199 of the Constitution of the Islamic Republic of Pakistan 1973, seeking the following relief:-

- i) *To direct the Respondent No.2 to pay the earned leave encashment of 214 days to the petitioner at the rate of the last gross salary of the petitioner;*
- ii) *To direct the Respondent No.2 to pay the benefit/profit at the rate of pensioner benefit account at the payable amount to the petitioner as per the schedule annexed herewith as Annexure D.*

2. The case of the petitioner is that he is a retired driver of Respondent No. 2, Pakistan Steel Mills Limited, who has approached this Court seeking encashment of 214 days of earned leave accumulated at the time of his retirement on 12.01.2011.

3. The petitioner's counsel contends that under the CBA agreement dated 22.04.2009, employees retiring with accrued leave are entitled to encashment at gross salary. He added that despite submitting an application for leave encashment on 21.10.2011, his request was declined. The petitioner's counsel argues that another employee, Faiz Muhammad, retired simultaneously, received leave encashment, and therefore, the refusal amounts to discrimination and a violation of his constitutional rights. He seeks directions for payment of his leave encashment, profit/benefits, and any other relief deemed appropriate by the Court.

4. Respondent No. 2, through its counsel, raised preliminary objections, stating that Pakistan Steel Mills is a private limited company without statutory rules and thus not amenable to constitutional jurisdiction. It was further submitted that encashment of earned leave is a contractual matter under the CBA, and the petitioner has an alternate remedy through civil or labor proceedings. On merits,

the respondent's counsel contended that the CBA agreement relied upon by the petitioner, dated 22.04.2009, was effective from 12.06.2008 to 11.06.2010 and is therefore inapplicable. However, the subsequent CBA agreement dated 10.10.2011, Clauses 21 and 22 govern leave encashment, requiring employees to submit an option before retirement. He added that the petitioner failed to exercise this option, whereas Faiz Muhammad had done so. Consequently, the petitioner's request for leave encashment was declined in accordance with the CBA provisions. The respondent's counsel requested that the petition be dismissed in light of the contractual requirements and the availability of alternate remedies.

5. We have heard the learned counsel for the parties and perused the record with their assistance.

6. It is settled law that terms and conditions of service agreed between employer and employees through a Collective Bargaining Agreement (CBA) constitute a binding contractual obligation on the employer, once accepted and acted upon by both parties. A CBA, though contractual in nature, cannot be denied effect when it confers a clear and enforceable right. Where a benefit such as earned leave encashment is expressly provided under the terms of the CBA, the employing authority must honor such entitlement unless there is a clear, lawful, and contemporaneous rule or provision to the contrary.

7. In the present case, the petitioner retired on 12.01.2011 with 214 days earned leave in his credit, and at the time of retirement, he was entitled to the benefit under the operative terms of the CBA dated 22.04.2009, which was in force during his period of service and at the time he became eligible for retirement. The petitioner submitted his application for encashment within a reasonable period after retirement, which was declined by the respondents. This refusal, on the face of it, amounts to a denial of a contractual entitlement accruing during the subsistence of the CBA.

8. The contention of the respondent that the CBA dated 22.04.2009 ceased to be operative on 11.06.2010 does not immunize the employer from honoring the rights which accrued before that date. Right to earned leave encashment, once vested, cannot be taken away retrospectively unless a legal provision or a validly enacted policy expressly permits such withdrawal. The subsequent CBA dated 10.10.2011, which requires the selection of an option before retirement, cannot be applied retrospectively against a retiree whose entitlement had already accrued under the earlier agreement.

9. Equity, consistency, and non-discrimination are fundamental tenets of contractual and constitutional jurisprudence. The respondents admitted in their replies that another employee, Faiz Muhammad, who retired on the same date and

in similar circumstances, was paid leave encashment. Equal treatment in like circumstances is a recognized principle of natural justice and is part of the constitutional guarantee under Articles 4 and 25 of the Constitution of Pakistan. Differential treatment without reasonable justification is discriminatory and unlawful.

10. The objection raised regarding constitutional jurisdiction cannot be a shield to protect clear violations of established rights where no alternate remedy is efficacious in terms of providing immediate redress. Where an adjudicatory forum, including civil or labour courts, would result in multiplicity of proceedings and uncertain relief, constitutional jurisdiction is rightly invoked to secure enforcement of settled contractual rights.

11. It has been urged that the petitioner was entitled to encashment of 214 days' earned leave on retirement under the operative CBA applicable at the time the leave accrued and at the time of his retirement.

12. Prime facie, the refusal to grant such encashment is therefore contrary to the CBA agreement and discriminatory.

13. Accordingly, the petition is disposed of with a direction to the competent authority of the respondents to reconsider the petitioner's case within one month without fail after providing a meaningful hearing to him.

JUDGE

JUDGE