

ORDER SHEET  
IN THE HIGH COURT OF SINDH AT KARACHI

**Const. Petition No.D-2421 of 2026**  
**Along with**  
**Const. Petition Nos.D-1031 to D-1039, D-4578 of 2025,**  
**D-2324, D-2411, D-2456, D-2457 & D-3467 of 2026**

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| DATE | ORDER WITH SIGNATURE OF JUDGE(S). |
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1. For orders on office objection
2. For hearing of CMA No.5921/2026
3. For hearing of main case

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**Dated 15.09.2026**

Mr. Leela Ram Meghwar, Advocate for the petitioners in C.P. Nos.D-2421, D-2324, D-2456 and D-2457 of 2026.

M/s. Muhammad Ilyas Tanoli and Ashaar Qureshi, Advocates for the petitioners in C.P. Nos.D-1031 to D-1039 of 2025.

Mr. Asad Ahmed, Advocate for KMC.

Mr. Jahangir Kalhoro, Advocate for TMC Orangi Town.

Ms. Sana Abid, Advocate for TMC Moriho Mirbahar in C.P. No.D-2421 of 2026.

Mr. Faizan Hussain Memon, Addl. A.G. Sindh, for the Chief Secretary, Government of Sindh, and the Secretary, Local Government Department, Government of Sindh.

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1. Learned counsel for the petitioners, learned Additional Advocate General, Sindh (appearing for the Chief Secretary, Government of Sindh, and the Secretary, Local Government Department, Government of Sindh, who are respondents in these petitions), learned counsel representing KMC and the respective Town Municipal Corporations/Councils, as well as the officers present, have been heard.

2. These petitions have been tagged together as they raise a common and recurring grievance concerning non-payment/delayed payment of pension, gratuity and other retiral benefits to retired employees of KMC and different Town Municipal Corporations/Councils. The principal explanation advanced on behalf of the concerned local bodies is paucity of funds.

3. Comments have also been filed on behalf of the Finance Department, Government of Sindh. Broadly stated, the position taken therein is that the respective fiscal transfers/OZT share of the local councils are being released, and that financial assistance/grants

under the head of pensionary benefits are also provided in accordance with the applicable arrangement. It has, however, been pointed out that the concerned local bodies are required to observe the prescribed financial discipline, including maintenance of the requisite account/head for pensionary liabilities, contribution thereto from their available lawful resources, and ensuring that funds earmarked for pensionary purposes are not utilized for other purposes. According to the Finance Department, the requisite financial discipline has not uniformly been maintained.

4. Without presently entering into the correctness of the respective assertions regarding the precise cause of the financial shortfall, one aspect admits of little controversy: retired employees, after rendering service for the prescribed period, are awaiting payment of pension and other lawful retiral benefits. The issue, therefore, cannot be viewed merely as an accounting disagreement between different public authorities. Behind every unpaid pensionary claim is a retired employee who has already rendered the service against which the benefit has accrued.

5. Pension and other lawful retiral benefits cannot be regarded as a bounty, charity or ex gratia payment contingent upon the financial convenience or discretion of the employer. Once such benefits have lawfully accrued and become due, they assume the character of an enforceable entitlement earned in consideration of the service already rendered by the employee: see *I.A. Sherwani and others v. Government of Pakistan through Secretary, Finance Division, Islamabad and others* (1991 SCMR 1041); *Re: Pensionary Benefits of the Judges of Superior Courts* (PLD 2013 SC 829); *Muhammad Yousaf v. Province of Sindh and others* (2024 SCMR 1689); and *Prof. Ghazi Khan Jakhrani v. Province of Sindh* (PLD 2007 SC 35), in which unjustified delay in the settlement of pension cases was also deprecated. A retiring employee legitimately arranges his or her post-retirement affairs on the reasonable expectation that, upon cessation of service, the benefits accrued during the course of employment will be released and paid in accordance with law. Compelling such an employee, after retirement, to pursue one office after another and, ultimately, to invoke the jurisdiction of the Court for recovery of admitted and accrued dues not only causes undue

hardship but also frustrates the very object and purpose underlying the grant of pensionary and other retiral benefits.

6. We are conscious that KMC and the respective Town Municipal Corporations/Councils function within their statutory and fiscal frameworks; that public resources are finite and subject to competing demands; and that it is neither the function of this Court to frame their budgets nor to determine their fiscal priorities. Those matters properly fall within the domain of the authorities entrusted with such responsibilities under the law. Judicial restraint in matters of fiscal administration, however, cannot be understood to mean that an accrued and admitted pensionary liability may remain unpaid indefinitely on account of inadequate budgeting, administrative inefficiency, lack of coordination amongst public authorities, failure to maintain the prescribed accounts or absence of financial discipline.

7. Paucity of funds may explain the circumstances in which a default has occurred, but it cannot extinguish, suspend or indefinitely defer a lawful and admitted pensionary obligation. Where the law imposes a financial liability upon a public body, it is for that body and the authorities responsible for its fiscal administration to arrange and manage the available lawful resources so as to discharge such liability. The consequences of deficient financial planning, non-observance of the prescribed financial mechanism, diversion or non-availability of allocated funds, or lack of coordination between public authorities cannot ordinarily be transferred to a retired employee who has already fulfilled his or her obligation by rendering the requisite service.

8. There is yet another important aspect. Retirement is ordinarily neither sudden nor unforeseen. The date of retirement of an employee is known to the employer well in advance and the corresponding pensionary liability is, therefore, capable of being assessed, budgeted and provided for before the employee actually retires. A system under which verification of liability, arrangement of funds and processing of pensionary benefits commence only after retirement inevitably causes avoidable hardship and, as the present batch of petitions demonstrates, gives rise to recurring litigation.

9. The number of petitions before us involving substantially the same grievance further indicates that isolated directions in individual cases are unlikely to provide an enduring solution. If every retired employee is compelled to invoke the constitutional jurisdiction of this Court merely to secure payment of lawful pensionary dues, the underlying institutional deficiency remains unaddressed. The matter, therefore, requires not only relief to the petitioners before us but also a coordinated and sustainable administrative response within the existing statutory framework.

10. The existence of a systemic problem, however, cannot be permitted to delay relief to the present petitioners. The petitions do not set out the precise particulars or quantum of the dues claimed by each petitioner; those particulars are, nonetheless, ascertainable from the service record maintained by the respective employer. We, therefore, direct the respective KMC/TMC/Council, as the case may be, to compute, verify and reconcile, on the basis of each petitioner's own service record and in accordance with the rules applicable to his or her service, the pensionary and other retiral dues of each petitioner, and to ensure payment of all admitted and verified amounts within sixty (60) days from today. Where the service record of a petitioner is incomplete, the respondent shall reconstruct it from the record available with it, after notice to the petitioner, and shall not withhold payment on that account.

Where any component of a claim is genuinely disputed, the competent authority shall determine the same strictly in accordance with law, after affording an opportunity of hearing wherever required, within the aforesaid period. The admitted or undisputed portion of the claim shall not be withheld merely because another component remains under verification or dispute. A written order of computation/sanction, together with a statement of the amount found due and paid, shall be furnished to each petitioner or his/her counsel within the same period.

11. The respective heads or competent authorities of KMC/TMC/Council, as the case may be, shall be responsible for ensuring due and timely compliance with the foregoing directions. Internal movement of files, inter-departmental correspondence or administrative arrangements shall not constitute justification for

non-compliance. In the event that compliance is not effected within the stipulated period, the concerned authority shall place before this Court, through a responsible officer, a complete explanation supported by the relevant record, setting out the steps taken and the reasons for the default. Any wilful or deliberate disobedience of these directions shall expose the officer or authority responsible to such proceedings and consequences as may be available under the Constitution and law, including proceedings for contempt of Court.

12. The matter, however, cannot conclude with payment to the petitioners presently before us. A workable mechanism must be put in place so that employees retiring hereafter are not subjected to the same hardship. We, accordingly, direct the Chief Secretary, Government of Sindh, a respondent in these petitions, to convene, within fifteen (15) days of receipt of this order, a meeting of all relevant stakeholders, including the Secretary Finance, the Secretary Local Government (also a respondent in these petitions), competent representatives of KMC and the concerned Town Municipal Corporations/Councils, together with such other officers or authorities as may be considered necessary, for devising an effective, coordinated and sustainable mechanism for timely assessment, budgeting, processing and payment of pensionary and other lawful retiral benefits.

13. The purpose of the meeting shall be to formulate, within the applicable statutory and financial framework, a uniform, workable and sustainable mechanism for timely discharge of pensionary and retiral liabilities of KMC and the concerned local councils. While the precise fiscal architecture and administrative arrangements shall be determined by the competent authorities themselves, the mechanism shall be directed towards securing, at the minimum and to the extent permissible under the applicable law and financial rules, the following outcomes:

- (i) the pension case of every employee approaching retirement on attaining superannuation shall be initiated and processed sufficiently in advance of the date of retirement;

- (ii) the pensionary liability likely to arise upon retirement shall be assessed and financially provided for beforehand rather than after the employee has retired;
- (iii) subject to any genuine legal impediment, which shall be recorded in writing by the competent authority, all lawful lump-sum pensionary/retiral benefits shall be credited to the retired employee's designated bank account within thirty (30) days of retirement;
- (iv) monthly pension shall commence forthwith upon becoming due and shall thereafter be paid regularly in accordance with law, without requiring the pensioner to repeatedly approach different departments for its release;
- (v) appropriate arrangements shall be made, in accordance with the applicable law and financial rules, for maintenance of the requisite pension account/fund/head and for ensuring availability of funds against anticipated pensionary liabilities;
- (vi) funds lawfully earmarked for pensionary purposes shall be protected against unauthorized diversion or utilization for unrelated expenditure;
- (vii) the respective contributions and financial responsibilities of the concerned local body and other authorities, wherever applicable under the statutory framework, shall be clearly identified so that responsibility for non-payment does not become diffused between different institutions;
- (viii) a system of periodic reconciliation and monitoring of existing as well as impending pensionary liabilities shall be established; and
- (ix) responsibility shall be assigned to identifiable officers/authorities at each material stage of processing and payment so that failure to perform the assigned obligation may be appropriately examined under the applicable law.

14. We clarify that the foregoing directions do not have the effect of transferring to the Provincial Government any financial liability which, under the applicable statutory framework, rests upon KMC or a particular local council, nor do they prescribe the precise manner in which public revenues are to be allocated, nor direct the enactment or amendment of any law or the appropriation of funds. Such matters shall continue to be regulated by the applicable law, financial rules and statutory arrangements. The competent authorities shall remain free to determine, within the bounds of law, the fiscal means by which the obligations identified herein are to be discharged. It is well settled that, though a Constitutional Court will not interfere in policy-making, which is the domain of the Executive, it may nonetheless intervene, or observe, where the absence of a policy or mechanism results in the infringement of a fundamental right; the directions in this and the following paragraph are confined to that limited purpose and, being ancillary to the relief claimed.

15. What cannot, however, remain uncertain is the fulfilment of the accrued entitlement itself. Once a pensionary or other retiral benefit has lawfully accrued, stands admitted and has become payable, administrative arrangements, institutional boundaries or financial coordination between different public bodies cannot be permitted to render such entitlement ineffective or illusory. The responsibility to arrange the requisite finances lies with the authorities upon whom the law places that obligation, and the consequences of any failure on their part cannot indefinitely be borne by the retired employee.

16. The constitutional jurisdiction of this Court is, therefore, not being exercised to administer the finances of the local councils or to substitute judicial preferences for fiscal choices falling within the lawful domain of the Executive. The purpose of these directions is confined to ensuring that the concerned public authorities discharge their existing legal obligations in a coordinated, timely and effective manner, and that deficiencies in internal administration do not result in continued deprivation of accrued pensionary and retiral benefits.

17. The Chief Secretary, Government of Sindh, shall ensure that the exercise directed hereinabove is undertaken in its true letter

and spirit and shall place before this Court, on the next date of hearing, the minutes of the meeting together with the mechanism or action plan so formulated. The report shall, in particular, identify the responsibilities assigned to the respective stakeholders, the proposed arrangements for ensuring the availability, allocation and protection of pensionary funds, and the system through which adherence to the timelines prescribed herein shall be monitored.

18. Before parting with the matter for today, we consider it necessary to observe that an effective pension administration must be prospective rather than reactive. Retirement is a foreseeable event and the corresponding financial liability is equally capable of being anticipated in advance. The mechanism now to be formulated should, therefore, ensure that the pensionary liability of an employee is assessed before retirement, appropriately provided for, processed without avoidable delay and discharged when it becomes due, rather than being left to become the subject of litigation after retirement.

19. The office shall forthwith transmit a copy of this order, through the learned Additional Advocate General, Sindh, and the learned counsel for KMC and the Town Municipal Corporations/Councils, to the Chief Secretary, Government of Sindh, the Secretary Finance, the Secretary Local Government, and the heads of KMC and the concerned Town Municipal Corporations/Councils, for information and compliance.

To come up on **27.11.2026** along with the compliance report/action plan. The respondent KMC/TMCs/Councils shall file, through counsel, statements showing the computation made and the amounts paid to each petitioner at least seven (7) days before that date. A responsible officer from the office of the Chief Secretary, fully conversant with the exercise undertaken pursuant to this order, shall be in attendance on the next date without fail.

JUDGE  
HEAD OF CONST. BENCHES

JUDGE

Ayaz Gul