

ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI

Constitutional Petition No. D-1297 of 2023
 (Syed Sardar Hussain v Federation of Pakistan & others)

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

Date of hearing and order :-09.2.2026

Syed Ashikue Raza advocate for the petitioners
 Ms. Wajiha Mehdi, Assistant Attorney General
 Mr. Furqan Ali advocate for respondents No.2 to 4

O R D E R

Adnan-ul-Kari Memo, J. Petitioners have filed this Constitutional Petition under Article 199 of the Constitution of the Islamic Republic of Pakistan, 1973, with the following relief: -

a) *To direct the respondent Nos.3, CEO, NICL to implement the unanimous recommendations of the committee and allow 18.50% increase in pay and allowances with effect from 01.1.2015 to all officers of NICL as already allowed to the unionized staff (CBA) in order to remove the disparity among the officers and staff of NICL.*

2. The case of the Petitioners is that they were duly appointed to key positions in the National Insurance Company Limited (NICL) through lawful recruitment procedures after completion of all codal formalities. They are now retired employees and are legally entitled to pensionary and post-retirement benefits under Section 4 of the Insurance Ordinance, 2000, read with Regulation 16(3)(iv) of the Pension Regulations, 1986, which mandates indexation of pension in line with Federal Government policy. Despite the clarity of the governing rules, Respondent No. 3, with mala fide intent, unnecessarily sought repeated clarifications to delay the grant of increases in pay and pension. The Ministry of Commerce, vide letters dated 13.06.2009 and 26.07.2016, categorically clarified that the Pension Regulations, 1986, are binding upon NICL and must be followed. Notwithstanding these directions, pension indexation and corresponding pay increases were unlawfully withheld. It is further submitted that Respondent No. 1 had issued mandatory directions dated 02.12.1998 requiring parity between unionized staff and officers to avoid anomalies. In violation thereof, NICL granted repeated increases in pay and allowances to unionized staff (CBA) and MSP officers from 2015 onwards, while denying the same to permanent and regular officers, including the Petitioners. The Board of Directors of NICL, in its

76th meeting held on 03.09.2013, resolved that pay increases would be granted at par to all employees every two years. However, this decision was deliberately ignored. Although an 18.50% increase for the years 2015–2016 was granted to CBA employees and approved by the Board, the same was unlawfully withheld from regular officers. A management committee, constituted upon representations by the Officers Association, unanimously recommended extension of the said increase to regular officers vide report dated 28.12.2016, yet the recommendations were not implemented. Due to the denial of pay increases from 2015 to 2020, the Petitioners suffered substantial financial loss in commutation and monthly pension. The situation worsened when NICL withdrew previously granted pension increases vide Office Order dated 22.11.2018 and initiated recoveries, resulting in severe hardship. Consequently, junior officers who retired prior to 2015 are drawing higher pensions than senior officers retiring thereafter, amounting to discrimination in violation of Articles 4 and 27 of the Constitution. Left with no alternate remedy, the Petitioners approached this Court. Although partial compliance was made pursuant to Court directions, the crucial 18.50% increase for the years 2015–2016 remains unpaid. Even thereafter, a committee constituted under Court directions again unanimously recommended, vide report dated 01.08.2022, that the Petitioners are entitled to the said increase to remove disparity. Pension, being a vested right and not a bounty, cannot be arbitrarily frozen or reduced, particularly in the face of rising inflation.

3. Accordingly, learned counsel for the Petitioners submits that the Petitioners are lawfully entitled to the grant of 18.50% increase in pay and allowances with effect from 01.01.2015, at par with unionized staff, along with all consequential pensionary benefits.

4. At the very outset, learned counsel for the respondent-company submits that the matter is presently sub judice before the Board of Directors of NICL and undertakes that a decision shall be taken in accordance with law within three weeks. Request so made seems to be reasonable and acceded to.

5. By consent of the parties, the petition stands disposed of in the above terms along with pending applications, if any.

JUDGE

JUDGE

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