ORDER SHEET

IN THE HIGH COURT OF SINDH, Karachi

Constitutional Petition No. D-3935 of 2024
along with
C. P. NO. D-5439 / 2024, 2457, 4317 /2023, 383 / 2025
C. P. NO. D-3017, 3091, 3092, 3095 of 2026

Date	Order with signature of Judge

Present:
Mr. Justice Adnan-ul-Karim Memon
Mr. Justice Muhammad Jaffer Raza

Date of hearing and order:_ 16.09.2026.

Mr. Ali Asadullah Bullo, Advocate for Petitioners
Mr. Leela Ram, Advocate for Petitioners
C. P. No. D-3017, 3091, 3092, 3095 of 2026
Barrister Zohaib Zulfiqar Sarki, Additional AG
Mr. Asad Ahmed, Advocate for Respondent KMC.
Mr. Zafar Imam, Advocate for Respondent TMC Orangi.
Mr. Kashif Ali AFS(LF)
Mr. Iman Ali DS (Legal)
Mr. Abdul Hafeez Abbasi, S.O. (Legal-II).
Mr. Zaheer Ali, S.O. (LT-I).

Adnan-ul-Karim Memon, J. The C. P. No. D-3935, 5439 / 2024, 2457, 4317 /2023, 383 / 2025 have already been disposed of vide common order dated 12.03.2025, and contempt applications in the above petitions are pending, whereas C. P. No. D-3017, 3091, 3092, 3095 of 2026 are pending, and the similar issue has been involved in all these pending petitions and is being taken up for final decision.

2. The petitioners are retired employees of KMC/TMCs and have filed the Constitutional Petitions under Article 199 of the Constitution seeking payment of their outstanding pensionary/retirement benefits. Their counsel contended that despite having completed their service and retired, their pension and other dues remained unpaid, causing hardship to them and their families. They maintained that pension was/is a lawful entitlement and that financial constraints of the department could not justify withholding it.

3. This Court, in the disposed-of petitions, noted that although the Government of Sindh was releasing funds to KMC and TMCs for pensions, the TMCs claimed lack of funds. Accordingly, this Court directed the Finance Department to recover the pension component of OZT funds from the TMCs and directed the Secretary Local Government to establish proper pension arrangements, including separate pension funds and accounts. For the interim period, KMC undertook to disburse monthly pensions and arrears of retired TMC employees for two years, subject to provision of sufficient funds by the Finance

Department. The Secretary Local Government was also directed to collect details of existing and forthcoming pensioners to facilitate timely payments. An excerpt of the order dated 12.03.2025 is reproduced as under: -

4. Learned AAG, on behalf of the Finance Department, submits that the Department is actively pursuing payment of pension and post-retirement dues of employees of KMC and TMCs in compliance with the directions of this Court. Meetings were held on 08.06.2026, 20.08.2026 and 10.09.2026 with the concerned departments to review pension payments, verification of pension records, utilization of released funds, establishment of dedicated pension accounts, deposit of 20% Own Source Revenue (OSR) share and clearance of outstanding liabilities. He submits that Rs.200 million per month has been released to KMC for TMC pensioners and, up to August 2026, Rs.1,600 million had been released, out of which Rs.1,234.019 million was utilized for pensions and Rs.209.805 million for pension arrears, commutation and gratuity. As informed by KMC, 3,301 pension cases of employees retired up to December 2025 have been finalized and monthly pensions are being regularly paid. A separate pension account for TMC pensioners has also been established. Learned AAG further submits that the concerned authorities have been directed to ensure opening of dedicated accounts by TMCs for Pension, Provident Fund, Benevolent Fund and 20% OSR share. In the meeting dated 10.09.2026, it was reported that 35 such accounts had been opened by various TMCs and available balances had been reported therein. He further submits that KMC has reported 5,734 outstanding pension cases, involving an estimated financial liability of approximately Rs.12.243 billion, subject to verification and reconciliation. It is further submitted that a mechanism has been introduced for verification and reconciliation of pensioner data through the Local Fund Audit and SAP systems, and finalized and verified cases are to be processed without unnecessary delay. The Finance Department is monitoring the matter through periodic meetings and inter-departmental coordination. Learned AAG submits that the available balances in the dedicated 20% Own Source Revenue (OSR) and Pension Fund accounts may be utilized by the concerned KMC/TMCs, subject to verification, reconciliation and determination of admissibility of claims, for phased clearance of verified dues. Any remaining legitimate liability, after utilization of available funds, may be assessed and placed before the Government of Sindh for requisite financial support, subject to availability of funds and approval of the competent authority. He finally submits that the Finance Department shall continue to facilitate and monitor the process and, in view of its efforts and coordination, prays that the Secretary Finance may kindly be excluded from the list of alleged contemnors.

5. In compliance, the Local Government Department directed collection and transfer of pensioners' personal files to KMC. Subsequently, 2,125 pension cases were received by KMC, while the Municipal Commissioner sought enhancement of the monthly pension fund from Rs.399.714 million to Rs.600 million for 2025-26. A summary was accordingly forwarded to the Chief Minister, Sindh.

6. Accordingly, the pending Constitutional Petitions are also disposed of in terms of the directions contained in the common order dated 12.03.2025. The competent authority is directed to process, determine, and release the pensionary and other post-retirement/ outstanding service benefits of the respective petitioners strictly in accordance with law and their verified entitlement, within a period of one month from the date of receipt of this order, positively. The concerned authorities shall ensure that the process is completed by coordinating with each other without any unnecessary delay or avoidable procedural impediment.

7. In case of failure to comply with the aforesaid directions within the stipulated period, the matter shall be viewed seriously, and appropriate proceedings/action may be initiated against the delinquent officials in accordance with law, including in terms of the ratio laid down by the Honorable Supreme Court in the case of *Professor Jakhrani*.

Copy of this order be communicated to all concerned for timely compliance.

Office to place a copy of this order in the connected matters.

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Arshad/