

(Appellate Jurisdiction)

Justice Yahya Afridi, CJ
Justice Jamal Khan Mandokhail
Justice Muhammad Ali Mazhar

L, 2404-L & 2405-L of 2025 Appeal against the judgment dated 15.07.2025 passed by the Punjab Service Tribunal, Lahore in Appeals No.2240, 2241,2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258 & 2259/2022.

...Petitioners

Mst. Najma Parveen	(In CP.2354-L/ 25)
Mst. Asma Batool	(In CP.2355-L/ 25)
Mst. Samina Iqbal	(In CP.2356-L/ 25)
Mst. Nasreen Murtaza	(In CP.2357-L/ 25)
Mst. Sofia Noreen	(In CP.2358-L/ 25)
Mst. Farzana Makhdoom	(In CP.2359-L/ 25)
Mst. Shehla Yasmeen	(In CP.2360-L/ 25)
Mst. Rahat Parveen	(In CP.2361-L/ 25)
Mst. Rehana Jabeen	(In CP.2362-L/ 25)
Mst. Fahmida Nasreen	(In CP.2363-L/ 25)
Mst. Fozia Jabeen	(In CP.2364-L/ 25)
Mst. Suraiya Khatoon	(In CP.2365-L/ 25)
Mst. Asma Hayat Niazi	(In CP.2366-L/ 25)
Mst. Shazia Anwar	(In CP.2367-L/ 25)
Mst. Allia Tufail	(In CP.2368-L/ 25)
Mst. Noreen Akhtar	(In CP.2369-L/ 25)
Mst. Ghazala Mumtaz	(In CP.2370-L/ 25)
Mst. Sajida Kareem	(In CP.2403-L/ 25)
Mst. Nasira Hussain	(In CP.2404-L/ 25)
Mst. Ansa Jami	(In CP.2405-L/ 25)
... Respondents	

Date of Hearing: 09.04.2026

Muhammad Ali Mazhar, J: These Civil Petitions for leave to appeal are directed against the consolidated judgment dated

15.07.2025 passed by the Punjab Service Tribunal, Lahore (**Tribunal**) in Service Appeals No.2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258 & 2259/2022.

2. According to the narrative of the petitioners, the respondents were recommended for recruitment by Punjab Public Service Commission (**PPSC**) to the post of Senior Headmistress/Deputy District Education Officer (Women BS-18) on contract basis for a period of 05 years. The respondents were posted by School Education Department Punjab vide joint order dated 12.02.2010. Afterwards, their services were regularized vide office order dated 18.08.2012 with effect from 10.09.2011 on the advice rendered by the Regulations Wing of Services and General Administration Department (**S&GAD**) that the regularization of contractual employment will be effective from immediate effect. The respondents filed their representation with the plea that the period of their services should be counted and the regularization should take effect from the date of initial appointment on contract basis but their representation was rejected. At last, the respondents filed service appeals which were allowed by means of consolidated impugned judgment.

3. The learned Addl.A.G argued that the learned Tribunal relied on its own judgment dated 01.03.2018 (Parveen Shad Vs. Chief Secretary Punjab) but failed to appreciate that though Punjab Government's CPLA No.1641-L/2018 was dismissed vide order dated 08.02.2021 but the Civil Review Petition No.30-L/2021 moved in CPLA No.1641-L/2018 was allowed by this Court and converted the civil petition into appeal and was allowed vide order dated 08.07.2024. As a result thereof, the judgment dated 01.03.2018 passed by learned Tribunal in Service Appeal No.5002/2021 was set aside. It was further contended that the learned Tribunal ignored the consistent policy of the Department and also failed to appreciate the relevant provisions of Punjab Regularization of Service Act, 2018, which provides that the regularization of contractual services shall be effective from

immediate effect. It was further averred that the claim of the respondents with regard to regularization was based on the Notification dated 10.09.2011 issued by the School Education Department, which itself clarified that the regularization will be from immediate effect.

4. The learned counsel for the respondents argued that the learned Tribunal has rightly held that the contractual service rendered by the respondents from 12.02.2010 to 10.09.2011 shall be counted as qualifying service for purposes of seniority, pension, and pay fixation and the date of initial appointment should be reflected as 12.02.2010 in the service record including the payment of increments for the said period. It was further contended that denying the benefits of contractual service period contravenes Articles 4, 9, and 14 of the Constitution of Islamic Republic of Pakistan 1973, (**Constitution**) and is also against the doctrine of legitimate expectation.

5. Heard the arguments. The survey of Punjab Civil Services Pension Rules, (**Rules**) made effective from 14.10.1955 depict that unless otherwise expressly provided, these rules shall apply to all Government servants under the rule making control of the Government of the Punjab. According to Rule 1.5, the aforesaid rules are not made applicable to (i) the Government servants paid from contingencies or borne on work-charged Establishment; (ii) Government servants engaged on contractual basis which contains no stipulation for pension under these rules; (iii) any person for whose appointment and conditions of service special provision is made by or under any law for the time being in force; (iv) any Government servant or class of Government servants who may be excluded by a competent authority from the application of these rules; (v) any Government servant who holds a post which has been declared by a competent authority to be non-pensionable; (vi) any person whose whole-time is not retained for public service but is merely paid for work done, such as Government Pleaders and Law Officers not debarred from private practice; (vii) any person who is not paid from the provincial consolidated fund, but is paid from a fund held by Government as

a Trustee, or from a local fund or is remunerated by fees for the grant of a tenure of land or of any other source of revenue or of a right to collect money. According to Rule 1.10, the competent authority if it is satisfied may for reasons to be recorded in writing relax any of these rules in individual cases if it causes hardship. However, at the same time, Chapter II, Rule 2.1, reckons the “Service Qualifying for Pension and Conditions of Qualifications”, wherein it is elucidated that service of a Government servant does not qualify for pension unless it conforms to the following three conditions i.e. the service must be under Government; the service must not be non-pensionable and the service must be paid by Government from the Provincial Consolidated Fund. Inversely, Rule 2.3 categorically endows pensionary benefits evenly balanced to the “Temporary and officiating services” with the rider that the (i) Government servants borne on temporary establishment who have rendered more than five years continuous temporary service shall count such service for the purpose of pension or gratuity; and (ii) temporary and officiating service followed by confirmation shall also count for pension or gratuity. At one go, Rule 4.1 ordains that the amount of pension will be determined by length of completed years of qualifying service of a Government servant as set forth in Rule 4.4, which accentuates that after qualifying service of not less than 10 years, full superannuation, retiring, invalid or compensation pension may be granted in accordance with the scale laid down in the table appended to the Rules.

6. If we look into the collocation and comparison, the rudiments of Civil Service Regulations (**CSR**) designed for the Federal Government employees/civil servants of the civil departments, which contain Government instructions for regulating the service conditions such as pay, leave, pension, other allowances, etc., even though CSR-352 excludes the right of pension (a) when an officer is appointed for a limited time only, or for a specified duty, on the completion of which he is to be discharged; (b) when a person is employed temporarily on monthly wages without specified limit of time or duty; but a month's notice of discharge should be given to such a person, and his wages must be paid for

any period by which such notice falls short of a month and (c) when a person's whole-time is not retained for the public service, but he is merely paid for work done for the Government. In tandem, CSR 371A is carrying great weight with an important end result which is reproduced as under:-

II. CSR 371A:

Notwithstanding anything contained in Articles 355 (b), 361, 368, 370 and 371 of these regulations, temporary and officiating service, in the case of Government servant who retired on or after 1st January, 1949 or who joined service thereafter, shall count for pension according to the following rule:-

- i. Government servants born on temporary establishments who have rendered more than 5 years continuous temporary service shall count such service for the purpose of pension or gratuity excluding broken periods of temporary service, if any, rendered previously and;
- ii. Continuous temporary and officiating service of less than five years immediately followed by confirmation shall also count for gratuity or pension, as the case may be.

7. The legal discourse of CSR 371A shows up its prologue with a non-obstante clause making an edict that notwithstanding anything contained in Articles 355 (b), 361, 368, 370 and 371, the Government servants of temporary establishments who have rendered more than 5 years continuous service shall count for the purpose of pension or gratuity excluding broken periods and continuous, temporary, and officiating service of less than 5 years immediately followed by confirmation shall also count for gratuity or pension, as the case may be. So for all intents and purposes of the regulation, the period of contractual service is to be counted for the purposes of awarding pension.

8. The situation here is totally different. The engagement on temporary basis is meant for the temporary job or task/project with specific timeline of its culmination or completion. In the present case, the respondents were appointed on contract basis on the recommendation of none other than the Punjab Public Service Commission and it was not pleaded that the posts on which the respondents are performing duties are abolished, rather, the competent authority already regularized their services which denote that the job on which the respondents are

performing their duties is permanent in nature. It is also not the case at this juncture that the specific period of contractual engagement came to an end automatically, quite the reverse, according to the administrative decision of competent authority, the respondents were found capable to be confirmed in the same job, therefore, after confirmation, if the services rendered on contract basis were excluded it will amount to the forfeiture of past service without any lawful justification. Albeit, Rule 1.5 of Rules (Punjab Civil Services Pension Rules) is not made applicable for the Government servants engaged on contractual basis but the coalesced or combined reading of CSR 371-A (Civil Service Regulations) and Rule 2.3 (Punjab Civil Services Pension Rules) looking beyond the literal text interpreted the contextual implications and extended the benefit of pensionary benefits to the temporary and officiating service followed by confirmation and continuous temporary and officiating service of less than five years immediately followed by confirmation. Sanguine to the “rule of mischief” and applying the tool of purposive interpretation, there is no logical reason to hold that the person who is appointed on temporary job may be extended the benefit of pensionary benefits but not to the contractual employee who worked for certain period and was also regularized on his job with immediate effect. If in this scenario, the past service is excluded in terms of Rule 1.5 of Rules, it will outrageously and egregiously negate the elementary theme and life-force of the beneficial provision which literally safeguards the past service with certain benchmarks towards qualifying service for pension followed by confirmation or regularization of service but it is to be read down for purposive interpretation in terms of Rule 2.3 of the Rules.

9. This is a common dispute nowadays that after retaining sizeable period on contract, the employee is regularized on the same position but when he reaches the age of superannuation, he is deprived of pensionary benefits due to lacking in the qualifying service for pension. The government department latch onto contractual services for unlimited period of time even after expiry of initial period, extend it for further period and so on so forth

despite having conducted test and trial that the employee deserves to be confirmed. The "own wrong" principle derives from a Latin maxim "*nullus commodum capere potest de injuria sua propria*" (no one can derive an advantage from his own wrong). The laws should be applied and interpreted to advance cause of justice rather than indulging in the hyper-technicalities or focusing on trivial procedural rules or negligible defects to sidestep the substantial merits of the case to dissuade justice.

10. In the case of Chairman, Pakistan Railway, Government of Pakistan v. Shah Jahan Shah (PLD 2016 SC 534), this Court while dilating upon CSR-371A, held that the government servant who has rendered temporary service for more than five years at the temporary establishment, their service is to be counted for the purposes of pension but it must be continuous and excludes broken periods of service rendered previously. It was further held that pension is a vested right, distinguishing between "qualifying service" and "counting of service" for calculations. This Court in the case of Chairman, Central Board of Revenue v. Nawab Khan (2010 SCMR 1399) also discussed the question of counting previous service in the district judiciary toward retirement benefits. In the case of Ministry of Finance vs. Syed Afroz Akhtar Rizvi (2022 PLC (C.S.) 202), the Court clarified that Article 371-A applies to calculating benefits, not to the 10 year regularization requirement. Whereas in the case of VC Agriculture University Peshawar vs. Muhammad Shafiq (2024 SCMR 527), this Court reaffirmed that prior continuous contract service is recognized for financial benefits despite technical "fresh appointment" upon regularization. While in the case of Chairman/Dean Sheikh Zayed Hospital vs. Amjad Mehmood Khan (2025 SCMR 168), it was also declared that continuous contract service preceding regular appointment counts towards pension, even if less than 5 years.

11. The ratio decidendi of the judgments rendered by Supreme Court of India is almost same on the point in issue. In the case of State of H.P. v. Sheela Devi (SLP Civ. No. 10399/2020), the Court

for counting pre-regularization service held that while contractual employees are generally excluded from pension rules, those rules become applicable retrospectively once the employee is regularized. In the case of S.D. Jayaprakash v. Union of India (2025 INSC 594), while reiterating the rule set down in Sheela Devi case held that upon regularization, the Pension Rules become applicable and Rule 17 requires that past service as a contractual employee is to be taken into account for calculating pension. It was further held that the contractual service period rendered prior to the appellants' regularization in 2015 must be counted towards the payment of their pensionary benefits in accordance with the mechanism set out in Rule 17. While in the case of State of Gujarat v. Talsibhai Dhanjibhai Patel (2022 PLR 482), it was held that the State cannot be permitted to take the benefit of its own wrong. To take the Services continuously for 30 years and thereafter to contend that an employee who has rendered 30 years continues service shall not be eligible for pension is nothing but unreasonable. As a welfare State, the State as such ought not to have taken such a stand.

12. On level pegging, United Kingdom Civil Service and Public Sector schemes by and large allow for prior temporary service to be reckonable for awarding pension if it was continuous with the regular appointment and all periods of pensionable service are added together to calculate the total length of service. Likewise, in Canada also, buyback system is in vogue under the Public Service Superannuation Act for non regular services. The Supreme Court of Canada in the case of Fraser v. Canada (2020 SCC 28) ruled that denying the ability to buy back pension credits for periods of part-time work (often a form of contractual or modified service) violated the Canadian Charter of Rights and Freedoms. This ensures that employees can retroactively validate their prior service history to increase their pension value. In the U.S. Federal Government (FERS or CSRS), temporary service can be counted to calculate pensionary benefits and length of service. The underlying code of belief deducible from local and foreign judicial precedent is that continuous service, even if initially contractual

or ad-hoc, should be recognized for pensionary calculations once an employee is regularized.

13. The purpose of pension is to provide old-age security and an economic refuge as vested constitutional right; neither is it a bounty, charity, or act of grace by the employer nor alms or donation. The *raison d'être* of deploying employees on contracts is in fact meant to accommodate the job of temporary nature, time bound projects or due to some contingency/exigency but not for an unlimited period against a permanent post.

14. While allowing the service appeals by the learned Tribunal by means of a consolidated impugned judgment, directions were issued that the contractual service rendered by the appellants from 12.02.2010 to 10.09.2011 shall be counted as qualifying service for purposes of seniority, pension, and pay fixation with further directions that the date of initial appointment of the respondents/appellants shall be reflected as 12.02.2010 in all seniority lists and service records and all increments earned during the said period shall be restored and regularized accordingly. The retrospective date of regularization in service and counting past service of contractual service for pensionary benefits have different niceties and consequences. The domino effect of counting past service of an individual employee for the purposes of pensionary benefits is between an employer and employee and while granting seniority to the respondents, changing service record directly affects the all such employees who are otherwise seniors to the respondents but without providing any opportunity to such employees, the learned Tribunal also accorded them seniority.

15. What's more, this Court time and again already decided in various dictums that appointment of contractual employees is to take prospective effect and not from the date of initial appointment. However for the purposes of pensionary benefits as was also allowable in the aforesaid rules/regulation, the benefit of claiming past service for pensionary benefits was extended. The *raison d'être* is that if the contractual employment on the

stipulated period is over without any further extension, the matter does end and there shall be no question to count the past service but if the contractual services are continued without break and eventually regularized after certain period of time or length of service, then the benefit of past service is only accorded and acknowledged to meet up the exigency so that at the time of superannuation, the employee should not face the repercussions of deficiency in the length of service for qualifying pensionary benefits. Therefore, the impugned judgment to the extent of counting of contractual services for qualifying service of pension is maintained and does not require any interference but other reliefs granted to the respondents including the retrospective effect of regularization, seniority and past increments of regular service are not legally justified and it amounts to treating them as civil servants from the very date of their engagement which is against the provisions of civil servant laws.

16. In the wake of the above discussion, these Civil Petitions are converted into appeals and partially allowed. As a consequence, thereof, though the impugned judgment of the learned Tribunal is maintained to the extent of counting period of contractual services of the respondents in the qualifying service for pensionary benefits but the rest of the reliefs granted in the impugned judgment are set aside, hence the impinged judgment is modified accordingly.

Chief Justice

Judge

Judge

Lahore

09.04.2026

Khalid

Approved for reporting.