

Nasira Begum Case: Deeming Clause Automatically Regularized Contract Employees

The Supreme Court held that Section 11's amended deeming clause changed qualifying PICO employees' status by operation of law; administrative delay could not defeat it.

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The ruling in one sentence

In *Dean, Pakistan Institute of Community of Ophthalmology (PICO), Peshawar v. Nasira Begum and others*, the Supreme Court of Pakistan held that an express statutory deeming clause automatically changed the status of qualifying contractual employees to regular employees by operation of law. Once the statutory conditions were met, the department's paperwork recorded the legal consequence; it did not create it, postpone it or give the department a discretion to refuse it.

The Court dismissed Civil Petition No. 578-P of 2024 and declined leave to appeal. It found no perversity, infirmity or legal flaw in the Khyber Pakhtunkhwa Medical Teaching Institutions Appellate Tribunal's direction to treat the two respondents as regular employees of PICO, Hayatabad Medical Complex.

Why the judgment matters

This is an important 2026 Supreme Court judgment on statutory deeming clauses, legal fiction, automatic regularization, beneficial legislation and administrative delay.

Its central lesson is precise: where the legislature itself says that a person shall be deemed to have been appointed on a regular basis, the department cannot continue treating that person as contractual merely because it has not issued a formal regularization order. A statutory command is not converted into an administrative option.

But the decision must not be overstated. It does not create a general constitutional right for every contract employee in Pakistan to be regularized. The result depended on the specific words and conditions of Section 11(1) of the governing 2002 Ordinance as substituted by the 2006 Amendment Act.

Case at a glance

Case	Dean, Pakistan Institute of Community of Ophthalmology (PICO), Peshawar v. Nasira Begum and others
Case number	Civil Petition No. 578-P of 2024
Court	Supreme Court of Pakistan, Appellate Jurisdiction
Bench	Justice Muhammad Ali Mazhar and Justice Musarrat Hilali
Judgment author	Justice Muhammad Ali Mazhar
Hearing and decision date	13 May 2026
Judgment under challenge	Khyber Pakhtunkhwa Medical Teaching Institutions Appellate Tribunal judgment dated 8 December 2022 in M.T.I. Appeal No. 215 of 2021
Status	Approved for reporting; the supplied judgment does not assign a reported citation
Result	Delay condoned; petition considered on merits and dismissed; leave to appeal declined

How the dispute arose

Nasira Begum and the second employee were appointed on 26 December 2001 and continued working at Hayatabad Medical Complex without a break.

On 3 June 2010, the Khyber Pakhtunkhwa Health Department issued a notification applying the North-West Frontier Province Medical and Health Institutions and Regulation of Health-Care Services Ordinance, 2002 to PICO with immediate effect. PICO thereby came under the administrative and management control of Hayatabad Medical Complex.

The employees relied on the 2006 amendment to Section 11 of the 2002 Ordinance. They argued that the amended proviso itself deemed a qualifying person appointed on contract to be appointed on a regular basis. Because their service was continuous and the statutory regime applied to PICO, their status changed by force of law.

The Appellate Tribunal accepted that position and directed PICO and HMC to treat them as regular employees. The Dean of PICO challenged the Tribunal's judgment before the Supreme Court.

Section 11 before the amendment

The original proviso to Section 11(1) stated that employees appointed by the institution would be appointed on a contract basis and would not be considered civil servants or government servants.

That original text made contractual status the statutory rule. If the case had ended there, the respondents could not have converted the contract into regular employment merely because they had served for a long period. Length of service by itself is not a substitute for a legal source of regularization.

The decisive event was the legislature's 2006 amendment.

What the 2006 amendment changed

Section 5 of the North-West Frontier Province Medical and Health Institutions and Regulation of Health-Care Services (Amendment) Act, 2006 substituted the original proviso to Section 11(1).

The new proviso covered a person who had been selected for appointment in the prescribed manner but appointed on contract. It directed that such a person, from the commencement of the statutory regime or from the date of continuous appointment, whichever was later, would be deemed to have been appointed on a regular basis in the institution concerned.

The proviso went further. It treated the employee as a regular employee of the institution for all purposes except pension and gratuity. In place of pension and gratuity, the employee was entitled to the contributory provident fund scheme in the prescribed manner.

The statutory formula therefore did three different things:

- 1 It identified the employees who could qualify.
- 1 It fixed the legal event and date from which regular status followed.
- 1 It expressly limited the financial consequences concerning pension and gratuity.

Every part of that formula matters. Counsel should rely on the benefit and accept the limitation contained in the same provision.

Why the word deemed was decisive

The Supreme Court treated the word deemed as a legislative command creating a legal fiction. A legal fiction requires the law to treat a defined state of affairs as true even if ordinary facts or earlier legal status would point elsewhere.

Here, the employees began as contractual employees. The amended law directed that qualifying employees be treated as regularly appointed. Once the stated conditions were satisfied, the legal character of their employment changed automatically.

The department could still be required to complete service-book entries, issue consequential orders and calculate benefits. Those steps implemented the change. They were not conditions that allowed the department to delay or veto the change.

The correct method for applying a deeming clause

The judgment follows a disciplined method of statutory interpretation.

First, identify the exact purpose for which the fiction was created. Second, assume the facts and consequences that are necessary or inevitable to give that purpose full effect. Third, do not stretch the fiction beyond the language and legislative object that created it.

The Supreme Court referred to *Dr. Abdul Nabi v. Executive Officer, Cantonment Board, Quetta*, reported as 2023 SCMR 1267, and *All Pakistan Newspapers Society v. Federation of Pakistan*, PLD 2012 SC 1. Those authorities explain both sides of the rule: courts must give a deeming provision real effect, but they must not invent consequences outside its statutory boundary.

This balance is important. A court commits one error if it treats deemed status as merely aspirational. It commits the opposite error if it uses the fiction to grant benefits that the legislature expressly excluded.

The conditions that an employee must prove

The judgment is strongest for an employee who can establish each link in the statutory chain:

- 1 The institution and employment were governed by the relevant Ordinance and amendment.
- 2 The employee was selected for appointment in the prescribed manner.
- 3 The employee was appointed on a contract basis.
- 4 The appointment remained continuous for the period relied upon.
- 5 The relevant commencement, application or notification date can be proved.
- 6 The relief claimed follows from the deeming provision and respects its express exceptions.

If any of those links is missing, the employee cannot simply cite Nasira Begum and demand regularization. The case enforces a statutory status; it does not replace proof of the statute's conditions.

Administrative delay cannot suspend an automatic legal consequence

The Court was direct about departmental responsibility. When the operation of law is triggered automatically, the department cannot artificially delay regularization through inaction or incomplete paperwork.

This distinction should shape both pleadings and relief. The employee's case is not that the court should create regular status as an act of sympathy. The case is that the law already created the status and the department must be directed to recognize and implement it.

That framing also affects the effective date. If the statute fixes the date, a later departmental order should not silently replace it. The operative date must be worked out from the statutory text, the notification applying the regime and the employee's continuous appointment record.

Beneficial and remedial legislation

The Supreme Court also classified the amended provision as beneficial and remedial. A beneficial provision grants a right, privilege or advantage. A remedial provision cures a defect, removes a mischief or enlarges an existing remedy.

Such legislation should be interpreted in a manner that advances its purpose instead of defeating it through a narrow administrative reading. The Court invoked the principle that a law should be made effective rather than destroyed and that interpretation should suppress the mischief and advance the remedy.

That does not authorize a court to ignore statutory conditions. Purposive interpretation operates within the enacted text. It prevents technical obstruction of an existing benefit; it does not manufacture a benefit that the legislature never enacted.

Equality and public administration

The Court connected implementation with Articles 3, 4 and 38 of the Constitution. Public functionaries must act according to law, avoid exploitation, ensure equal treatment and work toward equitable adjustment of rights between employers and employees.

The practical point is that a department should implement the same statutory benefit across the covered class. It should not force each qualifying employee to litigate separately because it has chosen to comply in some cases and resist in others without a lawful distinction.

For an equality argument, however, counsel should identify the comparator class accurately. The comparison must be between employees governed by the same statutory conditions, not between all contract employees regardless of institution, selection method, continuity or governing law.

The master-and-servant objection

The petitioner argued that the respondents were contractual employees in a master-and-servant relationship and should have approached the civil court.

That objection could not answer the decisive statutory point. The petitioner's counsel did not dispute that the amended law itself provided the facility of regularization. Once the statute changed the qualifying employee's status, the case could not be reduced to enforcement of a private contract alone.

The judgment should still be used carefully on forum. It does not contain a broad ruling that every contractual employment dispute falls within a service tribunal's jurisdiction. Counsel must examine the

employee's legal status, the governing institutional statute, the tribunal's enabling law and the precise relief claimed.

The pension and gratuity limitation

The regularization benefit was not unlimited. The amended proviso expressly excluded pension and gratuity and substituted the contributory provident fund scheme.

That exception is not incidental. It is part of the holding's legal boundary. An employee cannot rely on the deeming clause for regular status and then ignore the same clause's express financial restriction.

This also distinguishes Nasira Begum from decisions in which continuous contract service was counted toward pension under a different statutory or regulatory scheme. Similar facts do not erase differences in the governing text.

What the judgment does not hold

The judgment does not hold that long service alone regularizes an employee.

It does not declare every contract appointment in Pakistan to be regular.

It does not dispense with prescribed selection, continuity or proof that the institution was covered by the statutory regime.

It does not authorize courts to extend a legal fiction beyond the purpose and language of the deeming clause.

It does not grant pension or gratuity where the same proviso expressly substitutes a contributory provident fund.

It does not decide every question of seniority, pay fixation, promotion or third-party rights that may arise after regular status is recognized.

It does not establish universal service-tribunal jurisdiction over contractual employment disputes.

How to plead the case for an employee

An effective petition or service appeal should be built around the statutory chain rather than general claims of fairness.

- 1** Plead the exact original appointment, selection method, post and contract terms.
- 1** Quote the provision before and after amendment and identify the precise words creating deemed status.
- 1** Produce the notification or legal instrument that applied the statutory regime to the institution.
- 1** State the continuous service period and identify every extension, posting and salary record proving there was no break.
- 1** Calculate the statutory effective date using the formula in the deeming clause.
- 1** Separate automatic status from administrative implementation and explain which paperwork remains outstanding.
- 1** Accept and correctly apply any express exception concerning pension, gratuity or other benefits.
- 1** Identify similarly placed employees only where their legal and factual conditions are genuinely comparable.
- 1** Frame relief as recognition and implementation of a status already created by law.

How a department should answer the claim

A lawful departmental response should address the statutory conditions one by one. A bare assertion that the appointment was contractual is inadequate where the amendment specifically deals with contract appointments.

The department may still contest whether the prescribed selection process was followed, whether service was continuous, whether the institution was covered on the relevant date, whether the claimant falls within the defined class or whether a claimed consequence exceeds the fiction.

Those are legally relevant questions. Administrative convenience, absence of a formal regularization letter or an unexplained delay in processing the case is not a substitute for them.

Documents counsel should collect

- 1 Original appointment and contract order
- 1 Advertisement, selection record and proof of appointment in the prescribed manner
- 1 Every extension, renewal, posting and transfer order
- 1 Attendance, pay and service records proving continuity
- 1 The notification applying the statutory regime to the institution
- 1 The original Section 11 and the 2006 substituted proviso
- 1 Service book and provident-fund record
- 1 Departmental representations and rejection or non-action record
- 1 Orders issued to genuinely comparable employees
- 1 A date chart showing appointment, amendment, application notification, continuity and the department's response

Authorities used by the Supreme Court

The judgment drew on a line of authority explaining legal fiction and purposive implementation.

- 1 Dr. Abdul Nabi v. Executive Officer, Cantonment Board, Quetta, 2023 SCMR 1267, on the effect and limits of a deeming provision
- 1 All Pakistan Newspapers Society v. Federation of Pakistan, PLD 2012 SC 1, referring to Mubeen-us-Salam v. Federation of Pakistan, PLD 2006 SC 602
- 1 East End Dwellings Co. Ltd. v. Finsbury Borough Council, [1952] AC 109, on carrying a statutory fiction to its necessary consequences
- 1 Central Bureau of Investigation, Bank Securities and Fraud Cell v. Ramesh Gelli, (2016) 3 SCC 788, on ascertaining the fiction's purpose and assuming its inevitable corollaries
- 1 Province of Punjab through Chief Secretary, Lahore v. Qasim Mehmood, 2024 SCP 412 and 2025 SCMR 14, on lawful, equal and good-faith public administration

These authorities support a two-part submission: give the fiction full effect for its enacted purpose, and stop where the enacted limitation begins.

Critical legal analysis

The judgment's strongest feature is its separation of legal entitlement from administrative implementation. If a statute uses mandatory deeming language, allowing paperwork to control the result would reverse the hierarchy of law. The department would effectively acquire a veto over the legislature.

The judgment also correctly preserves the limits of legal fiction. The same provision that created regular status excluded pension and gratuity. Recognizing the status while respecting the exclusion avoids both under-enforcement and judicial enlargement of the statute.

The broader statement favouring implementation across the board is normatively strong, but future cases will still be fact-sensitive. Disputes may arise over prescribed selection, breaks in service, the date on which the regime applied to a particular institution and whether a claimed benefit is a necessary consequence of regular status or an excluded additional right.

The judgment therefore supplies a method rather than a slogan. Start with the precise statute. Identify its purpose. Prove every trigger. Carry the fiction to its necessary consequences. Then stop at its express boundary.

Conclusion

Nasira Begum is a clear Supreme Court authority that an express statutory deeming clause can automatically convert qualifying contractual employment into regular employment by operation of law. A department cannot defeat that consequence through delay, silence or failure to issue paperwork.

The decision is equally clear in its limits. It is not a general regularization charter for all contract employees. Its protection belongs to the class defined by the amended Section 11, and its consequences remain subject to the proviso's conditions and exclusions.

For lawyers, the best use of the case is exact and document-based: identify the statutory trigger, prove prescribed selection and continuity, establish the applicable date, distinguish legal status from administrative action and claim only those consequences that the legislature actually attached to the fiction.

Judgment record

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