CASE ANALYSIS

Supreme Court Upholds Punjab Irrigation Reinstatements in PEEDA Ruling

The Court held that the 2026 amendment could not save time-barred proceedings against retired staff. Employees dismissed over the same medical certificates kept their reinstatement, with unpaid leave through the tribunal’s decision.

By Shahbaz Shah · Case details · Download judgment PDF

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Two groups, one set of certificates

The Punjab Irrigation Department relied on the same medical certificates to penalise two groups of employees. The first had retired on medical grounds. Their children, who formed the second group, had relied on those certificates to secure jobs under the former Rule 17-A. After the department alleged the certificates were forged, it proceeded against the retirees under the pension rules and dismissed the appointees with orders to recover their pay. The Punjab Service Tribunal, Lahore, set aside the penalties in a consolidated judgment on 27 October 2025. (Paras 2–5.)

The Supreme Court largely upheld that result on 1 July 2026. Justice Muhammad Ali Mazhar, writing for a bench that also included Justice Shahid Bilal Hassan, addressed both the deadline for disciplinary action against the retirees and the absence of a proper inquiry before the appointees were dismissed.

The 2026 PEEDA amendment applies prospectively

Section 1(4)(iii) of the Punjab Employees Efficiency, Discipline and Accountability Act 2006, known as PEEDA, governs commencement. Proceedings against a covered retiree must begin during service or within one year after retirement. Under the original proviso to Section 21, the proceedings also had to finish within two years of retirement. The Court held that the completion deadline was mandatory under that version of the Act, following *Province of Punjab v. Javed Iqbal* (2021 SCMR 328). (Paras 6–8 and 15.)

Act XVII of 2026 amended the proviso to Section 21. It allows the competent authority to extend the period for a specified duration, with reasons recorded in writing. The Court held that this power operates prospectively. The original proviso governed the appeals, so the belated action remained time-barred. (Paras 6–8.)

The department relied on Rule 1.8(a) of the 1963 Pension Rules, which permits pension to be withheld or withdrawn in specified circumstances. The Court held that disciplinary action of this kind still had to follow PEEDA. Section 21 supplies the procedure and Section 20 gives the Act overriding effect where another law conflicts with it. (Paras 12 and 15–16.)

Why the Rule 17-A dismissals failed

The department had accepted the certificates and relied on them when it made the appointments. When it later alleged forgery, the record showed no effort to put that allegation to the issuing medical board members. The Court found that the department had dispensed with a regular inquiry without lawful justification. The appointees had also been denied an adequate chance to defend themselves. Their dismissals rested on the same allegations as the time-barred action against the retirees. (Paras 10 and 16–17.)

The Court also explained why *General Post Office, Islamabad v. Muhammad Jalal* (PLD 2024 SC 1276) did not undo the appointments. That judgment struck down special job quotas prospectively and preserved past and closed appointments made under rules then in force. (Para 9.)

Reinstatement stands with unpaid leave

The Court converted the petitions into appeals and partly allowed them. After counsel and the employees present agreed to the department’s proposal, the period from each appointee’s termination or dismissal through 27 October 2025 became extraordinary leave without pay. The rest of the tribunal judgment, including reinstatement, stood. (Paras 18–19.)

Coverage of the ruling on 23 November 2026. Associated Press of Pakistan report.

Frequently asked questions

Can Punjab extend an inquiry beyond two years after retirement?

Under the amended Section 21, the competent authority can grant a time-limited extension by recording reasons in writing. The Supreme Court held that the extension power applies prospectively. (Paras 6–8.)

What is the difference between the one-year and two-year limits?

The one-year limit concerns starting proceedings after retirement. The original two-year limit concerned completing them. Both run from the retirement date. (Paras 6–8.)

What does the judgment say about Rule 17-A appointments?

It protects the earlier appointments at issue from retrospective invalidation under *Muhammad Jalal*. The Court left that decision’s prospective invalidation of the quota rules in place. (Para 9.)

Did the reinstated employees get pay for the dismissal period?

The Court treated the period from their dismissal through 27 October 2025 as extraordinary leave without pay. (Paras 18–19.)