IN THE FEDERAL CONSTITUTIONAL COURT OF PAKISTAN
(Appellate Jurisdiction)

Present
Justice Amin-ud-Din Khan, Chief Justice
Justice Syed Hasan Azhar Rizvi
Justice Arshad Hussain Shah

C.P.L.As. 2199-L & 2211-L of 2024 and 1567 to 1569 of 2025
(against the judgments dated 29.08.2024 & 05.03.2025, passed by the Lahore High Court, Lahore in WP No. 14891/23, 41703/24, 5687/25, 1133/25 & 5691/25, respectively)

and

C.M.A. No. 2390/2025 IN C.P.L.A. No. 1567/2025
(Stay application)

Employees Old-age Benefits Institution, Lahore and others (in all cases) .....*Petitioner(s)*

Versus

Muhammad Rafique, etc. *(in CPLA 2199-L/24)*

Muhammad Yaqoob, etc. *(in CPLA 2211-L/24)*

Shahbaz Hussain and another *(in CPLA 1567/25)*

Muhammad Imran Butt and another *(in CPLA 1568/25)*

Rasheed Anwar and another *(in CPLA 1569/25)*

.....*Respondent(s)*

For the Petitioner(s) : Mr. Hafeez Saeed Akhtar, ASC
Mr. Muhammad Umar Riaz, ASC
Mr. Abdul Ahad Memon, Dir. (Law)
Mr. Sukhan Ilyas, Dy Dir. (Law)

For the Respondent(s) : Mr. Hassan Lateef Chaudhry, AHC
(with special permission of the Court)
along with Shahbaz Hussain, Resp. No.3

Date of Hearing : 09.12.2025

O R D E R

Syed Hasan Azhar Rizvi, J.- The Employees Old-Age Benefits Institution ('**the petitioner**'), through the above five separate petitions filed under Article 185(3) of the Constitution of the Islamic Republic of Pakistan, 1973 ('**the Constitution**'), has impugned the legality of the following five judgments ('**impugned judgments**') of the Lahore High Court, Lahore ('**High Court'**):

1. Judgment dated 29.08.2024 in W.P. No.14891/23;
2. Judgment dated 29.08.2024 in W.P. No.41703/24;
3. Judgment dated 05.03.2025 in W.P. No.5687/25;
4. Judgment dated 05.03.2025 in W.P. No.1133/25; and
5. Judgment dated 05.03.2025 in W.P. No.5691/25.

Whereby the High Court had allowed all the writ petitions and directed the petitioner to pay the old age pension to the private

respondents. As all the above petitions involve a common question of law relating to the interpretation of clause 1(b) of Section 22 of the Employees' Old-Age Benefits Act, 1976 ('**the Act**'), they are discussed and decided jointly.

2. Before delving into the complex particulars of the matter in hand, it is appropriate to first set out a summary of the essential facts and events that form the foundation of these legal proceedings. It is noted that the stance of the petitioner is broadly similar in all the petitions. For the sake of clarity, the petitioner's position in all the petitions is summarized separately and concisely as follows:

Civil Petition No. 2199-L of 2024

3. In this petition, the stance of the petitioner is that the respondent (Muhammad Rafique) completed a total of 14.75 years of insurable employment, having worked at M/s Pakistan Vinyl Industries from 01.04.2004 to 30.06.2018 and at M/s ATS Synthetic (Pvt.) Limited from 01.07.2018 to 31.12.2018. Upon attaining the age of superannuation, the respondent applied for the grant of old-age pension; however, the same was declined on the ground that he had not completed the mandatory period of 15 years of insurable employment under the Act. The respondent thereafter approached the Adjudicating Authority under Section 33 of the Act, but his claim was dismissed vide order dated 19.09.2022. This order was subsequently amended vide order dated 20.10.2022 due to a clerical error. A review petition filed under section 34 of the Act also met the same fate and was dismissed vide order dated 17.01.2023. Aggrieved thereof, the respondent challenged the aforesaid orders before the Lahore High Court through Writ Petition No. 14891 of 2023. The same was allowed vide the impugned judgment dated 29.08.2024, whereby the petitioner was directed to grant old-age pension to the respondent. Hence, this petition.

Civil Petition No. 2211-L of 2025

4. In this petition, the stance of the petitioner is that the respondent (Muhammad Yaqoob) completed a total period of 14.86 years of insurable employment. Upon attaining the age of superannuation, he approached the petitioner for the grant of old-

age pension; however, the same was declined on the ground that he had not completed the requisite period of 15 years of employment in an insured establishment. He, as such, approached the Adjudicating Authority under section 33 of the Act, but his petition was dismissed vide order dated 19.10.2015. He thereafter filed an appeal under section 35 of the Act, which was also dismissed vide order dated 16.05.2024. Aggrieved thereof, he challenged the aforesaid orders before the Lahore High Court through Writ Petition No. 41703 of 2024. The same was allowed vide the impugned judgment dated 29.08.2024, whereby the petitioner was directed to grant old-age pension to the respondent. Hence, this petition.

Civil Petition No. 1567 of 2025

5. In this petition, the stance of the petitioner is that the respondent (Shahbaz Hussain) completed a total period of 14 years and 11 months of insurable employment, having worked at M/s Unique Cycle Industry. Upon attaining the age of superannuation, the respondent applied for the grant of old-age pension; however, the same was declined on the ground that he had not completed the mandatory period of 15 years of insurable employment under the Act. Thereafter, the respondent filed a complaint under section 33 of the Act before the Adjudicating Authority, which was dismissed vide order dated 10.10.2024. Consequently, the respondent approached the High Court. As per the contents of the petition, the respondent alleged that the aforesaid order was in violation of a judgment of the Lahore High Court reported as PLJ 2024 Lahore (Note) 220, wherein it was held that, in terms of the proviso to the Schedule to the Act, any period of six months or more of insurable employment shall be treated as one full year, and that a period exceeding 14 years and six months would be deemed to constitute 15 years. The petition was allowed, vide the impugned judgment dated 05.03.2025 and the petitioner was directed to grant old-age pension to the respondent. Hence, the present petition.

Civil Petition No. 1568 of 2025

6. In this petition, the stance of the petitioner is that the respondent (Muhammad Imran Butt) completed a total period of 14

years and 8 months of insurable employment, having worked at M/s Transfo Power Unique Cycle Industry. Upon attaining the age of superannuation, the respondent applied for the grant of old-age pension; however, the same was declined on the ground that he had not completed the mandatory period of 15 years of insurable employment under the Act. Consequently, the respondent approached the High Court. As per the contents of the petition, the respondent alleged that the aforesaid order was in violation of a judgment of the Lahore High Court reported as PLJ 2024 Lahore (Note) 220, wherein it was held that, in terms of the proviso to the Schedule to the Act, any period of six months or more of insurable employment shall be treated as one full year, and that a period exceeding 14 years and six months would be deemed to constitute 15 years. The petition was allowed, vide the impugned judgment dated 05.03.2025 and the petitioner was directed to grant old-age pension to the respondent. Hence, the present petition.

Civil Petition No. 1569 of 2025

7. In this petition, the stance of the petitioner is that the respondent (Rasheed Anwar) completed a total period of 14 years and 6 months of insurable employment, having worked at M/s Big M Restaurant. Upon attaining the age of superannuation, the respondent applied for the grant of old-age pension; however, the same was declined on the ground that he had not completed the mandatory period of 15 years of insurable employment under the Act. Consequently, the respondent approached the High Court with the contention that the aforesaid order violated a judgment of the Lahore High Court reported as PLJ 2024 Lahore (Note) 220, wherein it was held that, in terms of the proviso to the Schedule to the Act, any period of six months or more of insurable employment shall be treated as one full year, and that a period exceeding 14 years and six months would be deemed to constitute 15 years. The petition was allowed, vide the impugned judgment dated 05.03.2025 and the petitioner was directed to grant old-age pension to the respondent. Hence, the present petition.

8. The learned counsel for the petitioner (Employees' Old-Age Benefits Institution) contends that the impugned judgments are unlawful and liable to be set aside, as the respondents do not qualify for monthly old-age pension under section 22(1) of the Act.

The mandatory qualifying period of fifteen (15) years, as prescribed under proviso (b) to section 22(1), has not been completed. It is argued that, in such circumstances, the respondents are entitled only to an old-age grant under section 22A of the Act. The Schedule to the Act does not override or relax the substantive statutory requirement of fifteen (15) years' insurable employment; rather, the rounding-off provision contained therein operates only at the stage of computation of pension, once eligibility is otherwise established. The petitioner institution, through Circular No. 1/2022 dated 17.02.2022, has also clarified that insurable employment of 14.5 years or more cannot be rounded off for the purpose of determining eligibility, and that old-age pension is payable strictly in accordance with section 22 of the Act to insured persons who have completed the minimum qualifying period of fifteen (15) years. It is further contended that although the Act is beneficial legislation, it cannot be interpreted so as to negate an express statutory mandate. Acceptance of the interpretation adopted by the High Court would lead to an anomalous situation whereby a person with more than 14.5 years of insurable employment would qualify for pension under section 22(1) through rounding off, while simultaneously being treated as eligible only for a grant under section 22A. Such an interpretation would create an internal inconsistency and render one of the provisions redundant, which is impermissible in law. In sum, the learned counsel states that the Schedule is confined solely to the computation of pension and cannot dilute or dispense with the mandatory minimum eligibility requirement stipulated under section 22(1) of the Act.

9. The learned counsel for the respondents submits that the impugned judgments are lawful, well-reasoned, and in consonance with the true spirit, object, and scheme of the Act, and therefore do not warrant interference. Section 22 of the Act, read along with the Schedule, constitutes an integrated mechanism for determining entitlement to old-age pension, and the provisions cannot be read in isolation or in a manner that frustrates the beneficial purpose of the legislation. The Schedule to the Act is not a mere computational tool divorced from eligibility; rather, it forms a substantive part of the statutory framework expressly designed to deal with fractional periods of insurable employment. The rounding-off provision contained therein reflects legislative intent

to avoid hardship and rigidity in the application of the qualifying period, particularly where an insured person has substantially completed the required length of service, and the shortfall is marginal. The expression 'fifteen years' appearing in proviso (b) to section 22(1) cannot be interpreted in a pedantic or mechanical manner to exclude the effect of the Schedule. When the statute itself provides a method for rounding off insurable employment, such provision must be given full effect, and the respondents, having completed more than 14.5 years of insurable employment, are rightly entitled to a pension after rounding off in accordance with the Schedule. Furthermore, an administrative circular cannot override, curtail, or whittle down statutory rights conferred by the Act and the Schedule. Any executive clarification inconsistent with the statute has no legal force and cannot be relied upon to defeat a vested right created by law. It is lastly contended that the interpretation advanced by the petitioner would render the rounding-off provision in the Schedule otiose and meaningless, which is impermissible under settled principles of statutory interpretation. The impugned judgments, having correctly applied a purposive and harmonious construction of the Act, call for no interference and are liable to be upheld.

10. We have heard the submissions of the learned Counsel for the parties and perused the material on record with their assistance. There is no denial of the fact that the respondents were employed in an establishment and/or industry as defined under sections 2(e) and 2(g), respectively, of the Act, and that they have attained the prescribed age of sixty years. The Act provides two distinct benefit regimes: a monthly old-age pension under section 22(1), payable at the rate specified in the Schedule to the Act, and an old-age grant payable in a lump sum at the rate prescribed under section 22A of the Act. Under these provisions, an insured person who has attained the age of sixty years, or fifty-five years in the case of a woman, is entitled to a monthly old-age pension if contributions in respect of him or her have been paid for a period of not less than fifteen (15) years; otherwise, such person is entitled only to an old-age grant. Admittedly, the private respondents failed to satisfy the mandatory condition stipulated under section 22(1)(b), namely, the payment of contributions for a period of 'not less than fifteen (15) years.' However, they have

completed more than 14.5 years of insurable employment. Consequently, a marginal shortfall of less than six months renders the private respondents ineligible for entitlement to a monthly old-age pension, despite having paid contributions for a substantial period

11. The question that, therefore, arises for consideration before this Court is whether the requirement contained in section 22(1)(b) of the Act is altogether rigid and inflexible, or whether it is capable of an interpretation that would encompass cases of insured employees whose period of contribution falls short by a marginal duration, namely, less than six months. A literal and rigid application of section 22(1)(b) of the Act would outrightly render such persons disentitled to the grant of a monthly old-age pension. In our considered view, the legislature could not have intended such an unjust, harsh, and disproportionate consequence. A purely textual, mechanical, or pedantic interpretation of the said provision would defeat the very object and purpose of this social welfare and beneficial legislation. Another hypothetical situation further highlights the inherent inequity of a strict construction: what would be the consequence if an insured employee were to fall short of the qualifying period by only a single day? It would be manifestly unreasonable to deny pensionary benefits in such a case, notwithstanding substantial compliance with the statutory scheme. The Act was enacted to provide economic security, social protection, and dignity to employees in their old age, and not to deprive them of pensionary benefits on account of marginal, technical, or inadvertent deficiencies. Where an insured person has substantially fulfilled the statutory requirements and has paid contributions for almost the entire qualifying period, denial of a monthly old-age pension for a negligible shortfall would result in grave hardship, arbitrariness, and manifest injustice, thereby undermining the benevolent spirit of the legislation. It is a settled principle of law that social welfare and beneficial statutes must be construed liberally so as to advance the remedy and suppress the mischief sought to be remedied. The Courts are, therefore, under a constitutional and legal duty to adopt a purposive, pragmatic, and equitable interpretation which safeguards the rights and legitimate expectations of the individuals for whose benefit the statute has

been enacted. In appropriate cases, the interpretative role of the Court becomes essential to prevent irreparable loss, undue hardship, and injustice that may otherwise ensue from a rigid, literal, or technical application of the law.

12. We are of the considered view that the legislature was fully conscious of hardship cases of the present nature, where insured employees may fall short of the required qualifying period by a marginal and negligible duration of contribution, thereby being deprived of their lifetime-earned right to receive an old-age monthly pension. Such an overly rigid and literal application of the law would not only lead to manifest injustice but would also defeat the very object of social welfare legislation, which is intended to protect employees against destitution in old age. It is pertinent to note that the legislature, anticipating such anomalies, very rightly endeavoured to address them by appending a Schedule to the Act. Clause 1 of the said Schedule does not merely prescribe a formula for the calculation of monthly pension; rather, it also provides a pragmatic mechanism for accounting the fractional periods of insurable employment. This clearly reflects the legislative intent to avoid technical disqualifications on account of insignificant shortfalls and to ensure that substantive rights are not defeated by minor procedural deficiencies. The relevant portion of Clause 1 of the Schedule is reproduced hereunder for ease of reference:

> '***A period of six months or more of insurable employment shall be treated as one full year.*** *No account shall be taken of any period of insurable employment completed by the insured person after becoming entitled to old-age pension.'*
>
> **Emphasis supplied.**

By stating that '*a period of six months or more of employment shall be treated as one full year,*' the legislature mandates a deeming fiction whereby any qualifying period of insurable employment falling short of a complete year is nonetheless to be counted as a full year. This provision deliberately departs from strict arithmetical or day-to-day calculations and introduces a beneficial rule aimed at protecting insured employees from disqualification due to minor or fractional deficiencies. The use of mandatory language leaves no discretion to deny such a benefit where the qualifying conditions are otherwise satisfied. When read as a whole, the above-quoted passage reflects a clear

legislative policy to prioritize substance over form and entitlement over technical exactitude. It confirms that the qualifying service requirement is not to be applied in a rigid or punitive manner but is to be construed liberally so as to advance the remedial and social-welfare purpose of the statute. The quoted clause of the schedule thus serves as a safeguard against denial of pensionary benefits based on trivial shortfalls, while simultaneously maintaining certainty and discipline in pension calculations.

13. The above-provided method of accounting is not novel; rather, it is commonly known as the principle of '*rounding off*.' Historically, this principle was first judicially applied by the Supreme Court of Pakistan in the case of *Colony Sarhad Textile Mills Ltd., Rawalpindi v. Government of Pakistan and others* (**PLD 1976 SC 227**) for the purpose of calculation and levy of Central Excise Duty. Subsequently, it was applied by the Lahore High Court in *Abdus Salam Khan v. Salim-Ud-Din Ahmad Siddiqui and two others* (**PLD 1979 Lah. 85**) for the calculation of arrears of rent. Recently, this has been discussed and applied by the Supreme Court of Pakistan in the case of *Federation of Pakistan through Secretary, Finance Division and another v. Abdul Rasheed Memon* (**2025 SCMR 532**), in a service matter relating to the fixation of pay of a Federal Government employee. In the said case, the Supreme Court made the following important observations:

> *'9. What, in fact, is the point-to-point pay fixation formula? For all intents and purposes, it commands the fixation of pay in the revised pay scale, if any, at the stage in the relevant revised basic pay scale that corresponds to as many stages above the stage occupied by a civil servant/employee above the minimum of the modified/revised basic scale. The department's stance was that the point-to-point fixation formula was strictly adhered to in the case of the respondent, albeit with slight rounding off of figures as per international accounting practices. According to the accounting/mercantile system or practice, a number is simplified by keeping its value intact but rounding it to the nearest whole number.* ***This process, termed as "rounding off", may be applied to whole numerals or decimals at several places; to hundreds, tens or tenths, in order to maintain the value****.*
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> *10****. The arithmetic rounding off method is the most common rounding algorithm and is based on the "round to nearest" rule. It rounds a number to the nearest whole number, with numbers exactly halfway between two whole numbers rounded to the nearest even number.*** *The International Financial Reporting Standards (IFRS), developed by the International Accounting Standards Board (IASB), is a set of accounting*

> *standards which includes guidelines on rounding financial numbers in financial statements, such as the requirement of rounding amounts to the nearest whole number or the nearest multiple of 10…'*
>
> **Emphasis supplied.**

14. Similarly, the principle of '*rounding off*' has frequently been applied by the Superior Courts of India in a variety of cases. For instance, the Supreme Court of India, in the case of *State of U.P. and others v. Pawan Kumar Tiwari and others* (**AIR 2005 SC 658**), elaborately examined this principle and observed that the rule of '*rounding off*' is based on logic and common sense and, as such, it cannot be confined to any particular category of cases; the rule of '*rounding off*' provides that if the fraction is one-half or greater, its value shall be increased to one; if the fraction is less than one-half, it shall be ignored. The relevant portion of the above-referred-to judgment is reproduced hereunder for ease of reference:

> '***The rule of rounding off cannot be restricted to any particular kind of case. The rule of rounding off based on logic and common sense is: if part is one-half or more, its value shall be increased to one and if part is less than half then its value shall be ignored.*** *46.50 should have been rounded off to 47 and not to 46 as has been done. If 47 candidates would have been considered for selection in general category, the respondent was sure to find a place in the list of selected meritorious candidates and hence entitled to appointment.*'
>
> **Emphasis supplied.**

15. Besides, the learned counsel for the petitioner department laid repeated emphasis on the ground that the Schedule operates only after eligibility has been independently established under section 22(1) of the Act; therefore, it neither supports nor advances the case of the respondents. In our understanding, this stance of the petitioner is misconceived. Where the statute itself prescribes a method for dealing with fractional periods of service, such a method necessarily informs and influences the determination of eligibility. Any contrary interpretation would render the rounding-off provision redundant and ineffective, which is impermissible under the settled principles of statutory construction. It is important to clarify that the Schedule forms an integral part of the Act and falls squarely within the ambit of its provisions. The Schedule operates as an extension of the section that introduces or attracts it. A somewhat similar

observation has been made by the Lahore High Court as well as the High Court of Sindh in *Messrs MCB Bank Ltd. v. Commissioner Inland Revenue* (**2014 PTD 1874**) and *Mars, Incorporated through Authorized Signatory and others v. the Registrar of Trade Marks and others* (**2019 CLD 27**), respectively. It is further added that ordinarily, material is placed in a Schedule because it is too detailed, elaborate, or lengthy, which cannot be conveniently incorporated within the body of a section. Nevertheless, such placement does not diminish its legal force or binding effect, which remains coextensive with the substantive provisions of the Act.

16. It is a cardinal principle of interpretation that every provision of a statute must be given full meaning and effect, and none should be treated as surplusage or rendered nugatory. The maxim *ut res magis valeat quam pereat* squarely applies to the present case, which mandates that a construction be adopted that gives efficacy to the statute rather than having it fail. Section 22, therefore, cannot be read in isolation or in abstraction. The legislature has enacted the Schedule with a clear and definite purpose, namely, to account for fractional periods of insurable employment and to prevent the denial of pensionary benefits on account of marginal and technical shortfalls. The 'rounding-off' mechanism provided therein is, therefore, not a mere computational or arithmetical device; rather, it constitutes a substantive legislative tool intended to temper rigidity in the application of the qualifying period and to advance the benevolent and remedial object of the statute. Viewed in this context, the '*rounding-off*' provision contained in the Schedule must be read harmoniously with section 22 of the Act. Any interpretation that excludes its application at the stage of determining eligibility would not only defeat the express legislative scheme but would also result in manifest injustice, thereby frustrating the social-welfare objectives underlying the statute. Further, the argument that acceptance of this interpretation creates an inconsistency between sections 22 and 22A of the Act is equally without merit. Section 22A of the Act operates in a distinct and separate field and is intended to cover cases where the insured person falls substantially short of the qualifying period for a pension. It cannot be invoked to deny pension to an insured person who, by operation

of the Schedule, meets the qualifying threshold under section 22(1). A harmonious construction of the provisions dispels any perceived conflict and preserves the legislative scheme of the Act in its entirety.

17. The above legal position was, at one point, candidly acknowledged by the petitioner department itself through a Circular dated 03.09.2019, issued in the year 2019. In the said Circular, the petitioner department, while relying upon the decisions of the Appellate Authority dated 20.03.2019 and 10.05.2019 in the cases of Mr. Muhammad Shafi and Mr. Muhammad Anayat, respectively, as well as the decision of the Hon'ble President of Pakistan dated 07.03.2019 on a representation filed by the petitioner department against the decision of the *Wafaqi Mohtasib*, treated the Schedule as an integral part of the pension scheme under section 22(1) of the Act and concluded as follows for strict compliance:

> *'5 It's reiterated that in the Right of above cases decided by the President of Pakistan and Appellate Authority* ***the short-fall of length of insurable employment. by 6 months or less to fulfill requirement of 15 years Insurable employment for Old Age Pension, shall be treated as one full year thereby making a total of 15 years*** *of insurable employment to qualify for Old Age Pension.'*
>
> **Emphasis supplied.**

18. With regard to the aforesaid Circular, the learned counsel for the petitioner took the position that it has since been withdrawn by the petitioner department through a subsequent Circular dated 17.02.2022, purportedly on the basis of an order dated 22.10.2021 passed by the Appellate Authority in an appeal titled *Mr. Muhammad Yaseen v. Adjudicating Authority-III, Islamabad*; therefore, it could not be relied upon by the respondents. It is pertinent to state that the Circular of 2022, even if issued pursuant to a later decision of an adjudicating authority, cannot travel beyond the parent Act or the Schedule appended thereto. If the said Circular is construed as excluding the Schedule's rounding-off rule at the stage of determining entitlement, it cannot be given effect to, for the settled reason that an executive instruction cannot override, curtail, or dilute a

statutory command. The executive directions must yield to the statute, and any inconsistency must be resolved in favour of the legislative mandate. Quite apart from the above, it is a settled principle of administrative law that where a public authority, through a consistent course of conduct or an express representation, creates a legitimate expectation in favour of beneficiaries, such expectation cannot be defeated arbitrarily or capriciously. The doctrine of legitimate expectation, as consistently recognized by the Superior Courts of Pakistan, obliges public institutions to act fairly, consistently, and in a non-discriminatory manner, particularly where rights and benefits under a social welfare scheme are involved.

19. Similarly, the principle of promissory estoppel restrains a public authority from resiling from a position that has been consciously adopted and acted upon by affected persons, unless an overriding public interest so demands and such departure is sanctioned by law. No such overriding public interest has been established in the present case, nor has it been established that the statutory framework permits the withdrawal of pensionary benefits by means of a subsequent executive circular. We are mindful of the settled legal position that an authority which has the power to make an order ordinarily also possesses the power to rescind or modify it. However, this principle is subject to a well-recognized exception: where an order has taken legal effect and, in pursuance thereof, certain rights have accrued in favour of an individual, such an order cannot be withdrawn or rescinded to the detriment of those vested rights. A similar observation was made by the Supreme Court of Pakistan in the case of *Pakistan, through the Secretary, Ministry of Finance v. Muhammad Himayatullah Farukhi* (**PLD 1969 SC 407**). The relevant observation whereof is reproduced below for ease of reference:

> *'There can hardly be any dispute with the rule as laid down, in these cases that apart from the provisions of section 21 of the General Clauses Act, locus poenitentiae, i.e., the power of receding till a decisive step is taken, is available to the Government or the relevant authorities. In fact, the existence of such a power is necessary in the case of all authorities empowered to pass orders to retrace the wrong steps taken by them.* ***The authority that has the power to make an order has also the power to undo it. But this is subject to the exception that where the order has taken legal***

> ***effect, and in pursuance thereof certain rights have been created in favour of any individual, such a order cannot be withdrawn or rescinded to the detriment of those rights.***'
>
> **Emphasis supplied.**

20. It is also significant that no order has been placed before this Court to show that the decisions relied upon in the first Circular of 2019, including those of the Appellate Authority and the Hon'ble President of Pakistan, were ever set aside, suspended, or otherwise displaced by a competent judicial forum. In the absence of any such development, those decisions must be deemed to have attained finality. In these circumstances, the petitioner institution cannot be permitted to contend that it could undo a concluded and settled legal position, which has crystallized rights in favour of insured persons, merely by issuing a subsequent executive circular, the Circular dated 17.02.2022. To permit such a course would undermine legal certainty, offend the principles of fairness and good governance, and defeat the very object of the social welfare legislation in question. Further, the High Court, in para 12 of the main impugned judgment in W.P. No. 14891 of 2023, has rightly observed that the Circular of 2022 was neither relied upon in the impugned orders (the order challenged before the High Court) nor pressed into service by the present petitioner (respondent before the High Court) before the forums below, including the Appellate Authority. Secondly, the said Circular cannot be given retrospective effect for the determination of the rights of the respondents to eligibility for an old-age pension, as such rights had already accrued to them before the issuance of the said Circular. Thirdly, the Circular, being in the nature of an administrative direction, cannot offend or clarify the provisions of the Schedule, which forms an integral part of the Act and which, on a plain reading of the text, is unambiguous. To sum up, the Circular of 2019, which directs the application of the Schedule while processing pension claims under section 22(1) of the Act, is consistent with the Act and reflects the correct statutory position. Consequently, the cases of the present respondents stand fully protected under the said Circular.

21. However, we are unable to subscribe to the view expressed by the High Court in paragraph 8 of the main impugned

judgment that strict adherence to the text of proviso (b) to section 22(1) of the Act, which prescribes fifteen years of service as a compulsory condition for old-age pension, would destroy or render redundant the rule of '*rounding off*' contained in the Schedule. In our considered view, the condition stipulated in proviso (b) to section 22(1) of the Act is mandatory in nature and is to be adhered to *stricto sensu*. It would indeed be incorrect to hold that an insured employee could be declared entitled to a pension under section 22(1) of the Act while having not completed fifteen years of employment in an insured establishment. That said, the apparent rigidity of the proviso does not operate in isolation from the statutory scheme as a whole. The Schedule, which forms an integral part of the Act, also does not dispense with or dilute such mandatory requirement of fifteen years' service; rather, it only provides the legislatively sanctioned method for determining when that requirement is deemed to have been fulfilled in cases involving fractional periods of service. The Schedule, therefore, does not negate the proviso but complements and operationalizes it. In the present case, it is correct that the respondents did not, in arithmetical terms, completed fifteen full calendar years of employment, as defined under section 2(q) of the Act. However, upon the application of the principle of '*rounding off*' expressly provided in the Schedule, their period of insurable employment is deemed to have been completed up to fifteen years, as required under proviso (b) to section 22(1) of the Act. This deeming fiction is not judicially invented but is expressly provided by the legislature itself through the Schedule. Consequently, once the Schedule is applied in its proper perspective, the respondents cannot be said to have fallen short of the mandatory requirement. On the contrary, they must be treated as having satisfied all the conditions prescribed under section 22(1) of the Act. The respondents, having thus fulfilled the mandatory requirements of section 22(1) of the Act through the statutorily recognized mechanism of '*rounding off*', were rightly found entitled to the grant of a monthly old-age pension by the High Court.

22. For the foregoing reasons, it is concluded that the High Court correctly understood the controversy at hand and made a well-founded decision based on the relevant law on the issue. In its thorough analysis of the applicable law and the available facts, the

High Court arrived at a sound and reasoned conclusion that is both legally correct and just. Hence, no illegality, perversity, or misreading or non-reading of evidence has been found in the impugned judgments. Accordingly, leave is refused and the petitions are dismissed. All CMAs are accordingly disposed of.

Chief Justice

Judge

Judge

Islamabad
09.12.2025

Approved for reporting
Ghulam Raza / M. Younus Shaikh