

**JUDGMENT SHEET**  
**IN THE ISLAMABAD HIGH COURT, ISLAMABAD**  
**JUDICIAL DEPARTMENT**

W.P. No.2662 of 2018

Abdullah

**Versus**

Managing Director/CEO, Oil & Gas Development Company Limited

**Date of Hearing:** 10.03.2020 and 28.09.2020  
**Petitioner by:** Mr. Muhammad Fazil Siddiqui, Advocate.  
**Respondent by:** Syed Riaz Hussain, Advocate.

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**MIANGUL HASSAN AURANGZEB, J:-** The relief sought by the petitioner in the instant petition is reproduced herein below:

*“i. this Petition may please be accepted and Respondent be direct to grant the Petitioner full amount of premature annual increment on his retirement and two advance increments on retirement w.e.f. 04-04-2018 raising the pay of the Petitioner for the purpose of pension and commutation with all consequential benefits and arrears, and*  
*ii. the benefit under Section 15(1A) of OGDCL Pension and Gratuity Regulations 1985 @ 2% increase in pay for each completed year (upto five years) after 30 years of qualifying service may also be granted to the Petitioner and included in pension and commutation with all arrear payments.”*

2. Learned counsel for the petitioner submitted that the petitioner retired from service on 04.04.2018 on attaining the age of superannuation; that the petitioner had served in Oil and Gas Development Company Limited (“O.G.D.C.L.”) for 40 years and 08 months before his retirement; that the petitioner was in Non-Management Group (NMG-16) when he retired from service; that prior to the petitioner’s retirement, O.G.D.C.L. issued office memorandum dated 12.03.2018 in which the benefit of two advance increments to the petitioner were not granted upon his retirement; that the petitioner was also not granted an increment of 2% for every year of service (upto five years) beyond thirty years; that as a result of not granting the said increments to the petitioner, his pension is not as much as he had expected it to be; that the petitioner’s departmental appeal against the denial of the said service benefits was turned down on 18.05.2018; and that the petitioner’s basic pay could not have been capped at Rs.116,000/- through the Office Memorandum (“O.M.”) dated 12.03.2018.

Learned counsel for the petitioner prayed for the writ petition to be allowed in terms of the relief sought therein.

3. On the other hand, learned counsel for O.G.D.C.L. submitted that the payment of two advance increments to the employees of O.G.D.C.L. at the time of their retirement was on the basis of the 20<sup>th</sup> Memorandum of Settlement executed between the Management of O.G.D.C.L. and All Pakistan O.G.D.C.L. Mazdoor Ittehad Union (Registered) CBA; that the said settlement was valid between 07.02.2009 and 06.02.2011; that since the petitioner retired on 04.04.2018, the benefit under the said settlement could not be granted to him; that on 05.08.2015, a similar settlement was executed which had a validity of two years with effect from 07.02.2015; that the said settlement also expired prior to the petitioner's retirement; that the learned Member, N.I.R.C. vide order dated 26.04.2018 held that benefit under the expired settlement could not be granted to the workmen employed in O.G.D.C.L.; that the subsequent Memoranda of Settlement contained no provision whereby two advance increments could be granted to the employees at the time of their retirement; that vide circular dated 15.06.2016, the maximum basic pay of employees in NMG-16 was fixed at Rs.116,000/-; that on account of the said circular, the petitioner could only be granted pension on the basis of his maximum pay being Rs.116,000/-; that the O.G.D.C.L.'s Board of Directors, in the 145<sup>th</sup> meeting held on 17.01.2013, decided that the maximum scale of gross pension shall continue to be equal to 70% of the pensionable salary upon completion of thirty years or more service at the time of retirement or death of an employee during service; and that the petitioner had the alternative remedy of approaching the N.I.R.C. for the redressal of his grievances. Learned counsel for the O.G.D.C.L. prayed for the writ petition to be dismissed.

4. I have heard the contentions of the learned counsel for the contesting parties and have perused the record with their able assistance.

5. The petitioner's grievance with O.M. dated 12.03.2018 issued by O.G.D.C.L. is that it does not include two advance

increments which the petitioner claims were payable to him on his retirement. The petitioner wants his pension to be calculated such that the two advance increments should be included in his basic pay at the time of his retirement. The petitioner is also aggrieved by the capping of his maximum pay at Rs.116,000/-.

6. When the petitioner retired on 04.04.2018, he was serving as a Book Binder (NMG-16) in O.G.D.C.L. The O.M. dated 12.03.2018 clearly shows that the petitioner was appointed in O.G.D.C.L. on 14.04.1977 and has rendered service for a period of 40 years, 08 months and 07 days.

7. Regulation 265 of the O.G.D.C. Service Regulations, 1994 (which were applicable to the petitioner) provides that the Federal Government, may from time to time issue to the Board of Directors of the Corporation, such directives and instructions, as may be considered necessary for carrying out the purposes of the Oil and Gas Development Corporation Ordinance, 1961 and the Board of Directors shall comply with and carry out such directions and instructions.

8. On 12.04.1987, the Pension Regulations were amended by allowing the benefit to the extent of 2% of gross pension for each extra year of service beyond thirty years of qualifying service subject to a maximum of 10% of gross pension. The extra pension was subsequently withdrawn, vide Finance Division's O.M. dated 04.09.2001 and was not allowed to any retiring employee of O.G.D.C.L. since 30.06.2002.

9. There is nothing on the record to show that 2% of gross pension for each year of service beyond thirty years had been allowed by O.G.D.C.L. to any of its employees retiring after 30.06.2002. There was no O.M. in the field when the petitioner retired under which the 2% of gross pension could be allowed for each extra year of service beyond thirty years.

10. Regulation 15(1A) of the Oil and Gas Development Corporation (Pension and Gratuity) Regulations, 1985 ("1985 Regulations") provides *inter alia* that an employee who retired or retires on/or after 01.07.1986 after serving beyond 30 years shall be allowed the benefit to the extent of two percent (2%) of his

gross pension for each extra year of service rendered by him beyond 30 years of qualifying service subject to a maximum of ten percent of his gross pension. The said Regulation also clarifies that the benefit of extra years of service will be admissible only on the completed years of service, and that the pension accrued as a result of the benefit of extra years of service will be the integral part of the gross pension on which commutation will be admissible. This Regulation was inserted on the basis that the Pension Regulations had been amended on 12.04.1987 providing for the benefit to the extent of 2% of gross pension for each extra year of service beyond thirty years. Since the said benefit had been withdrawn by the Finance Division vide O.M. dated 04.09.2001 and since by virtue of Regulation 265 of the OGDC Service Regulations, 1994, the Board of Directors of O.G.D.C.L. were bound to comply with and carry out the directions and instructions of the Federal Government, the petitioner has no legal basis to claim such extra pension. The Board of Directors of O.G.D.C.L., in its 146<sup>th</sup> meeting held on 17.01.2013, had decided that the maximum scale of gross pension shall continue to be equal to 70% of the pensionable salary upon completion of thirty years or more service at the time of retirement or death of an employee during service. On the basis of the said decision, O.G.D.C.L. issued circular dated 25.02.2013 conveying the said decision of the Board of Directors of O.G.D.C.L.

11. As regards the petitioner's grievance regarding his salary to be capped at Rs.116,000/- per month, the 20<sup>th</sup> Memorandum of Settlement executed between the Management of O.G.D.C.L. and All Pakistan O.G.D.C.L. Mazdoor Ittehad Union (Registered) CBA. The said settlement was valid between 07.02.2009 and 06.02.2011. Paragraph 8.35 of the said settlement provides that it had been agreed to allow two advance increments to the employees at the time of retirement. Since the petitioner retired on 04.04.2018, the benefit under the said settlement could not be granted to him. The petitioner has not placed on record any other settlement executed between O.G.D.C.L. and a Trade Union/CBA which was operative at the time of the petitioner's retirement

providing for a similar benefit as the settlement which had expired on 06.02.2011. Even otherwise, the benefit of a settlement executed between O.G.D.C.L. and a Trade Union/CBA could not be enforced by an employee of O.G.D.C.L. in the Constitutional jurisdiction of this Court. This is also true as regards those employees who were employed in O.G.D.C.L. prior to the promulgation of the Oil and Gas Development Corporation (Re-Organization) Ordinance, 2001 (“the 2001 Ordinance”). Since the said settlement was executed after the promulgation of the said Ordinance, its terms could not be enforced in writ jurisdiction. Learned counsel for the petitioner could not point out to any Rule or Regulation of O.G.D.C.L. under which two advance increments were payable to an employee upon his retirement.

12. The petitioner was entitled to the protection of the terms and conditions of his service by virtue of Section 5 of the 2001 Ordinance. Regulation 15(1A) of the Oil and Gas Development Corporation (Pension and Gratuity) Regulations, 1985 are prior in time to the 2001 Ordinance. However, the Oil and Gas Development Corporation Service Regulations, 1994 clearly bind the Board of Directors of O.G.D.C.L. to carry out the directions and instructions of the Federal Government. It was only after the Finance Division withdrew the benefit of 2% of the gross pension for each extra year of service beyond thirty years of service through O.M. dated 04.09.2001 that O.G.D.C.L. stopped giving the said benefit to its retiring employees after 30.06.2002.

13. In view of the above, I do not find any merit in this petition, which is accordingly dismissed with no order as to costs.

**(MIANGUL HASSAN AURANGZEB)  
JUDGE**

**ANNOUNCED IN AN OPEN COURT ON 08.10.2020.**

**(JUDGE)**