The World Health Organization-recommended rate of delivery by Caesarean section (C-Section) is 10–15% of all live births, but in Punjab, the largest province of Pakistan, this rate was 23% in 2014. The perception is that an inadequate public health sector forces women toward the private sector where C-Section is routinely conducted without valid medical reasons, posing risks to women’s health and incurring catastrophic out-of-pocket expenditures. This study identified the correlates of C-section delivery and whether they differed by the urban/rural residence of women and place of delivery (public vs. private). Using multivariate logistic regression analyses of data from the Multiple Indicators Cluster Survey (MICS) collected from June–October, 2014 for all women who gave birth in the prior two years (N = 10,558), we found that rich women were statistically no different from poor women in their odds of delivery by C-section in the generally more expensive private health facilities (adjusted odds ratio [aOR] 1.23; 95% confidence interval [CI] 0.88–1.71); rich women were more likely to deliver by C-section in the less expensive public health facilities (aOR 2.03; 95% CI 1.13–3.63). This paradox may reflect the inefficiency of the health system and suggests limited affordable alternatives for poor women in the public sector.