

**ORDER SHEET**  
**IN THE HIGH COURT OF SINDH AT KARACHI**

Constitutional Petition No. D-805 of 2016  
( *Sarfaraz Ahmed v National Bank of Pakistan & others* )

Date	Order with signature of Judge(s)
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Before:  
Mr. Justice Muhammad Karim Khan Agha  
Mr. Justice Adnan-ul-Karim Memon

**Date of hearing and order 21.4.2025**

Mr. Muhammad Fahad advocate for the petitioner.  
Mr. Malik Khushal Khan advocate for respondent No.1  
Mr. Ali Safdar Depar, AAG.

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**ORDER**

**Adnan-ul-Karim Memon, J:** In 2010, the Petitioner, holding an MBA (Finance), joined NBP as an OG-II/MTO with a clean record. His appointment letter outlined a promotion path to OG-I after three years and then to AVP, contingent on passing IBP exams, which he claims to have completed. As part of his employment, his father provided a PKR 4 Lac personal guarantee, linked to a five-year service commitment. He later received approval for ex-Pakistan leave for studies in China, but exceeded the allowed duration, though this was subsequently regularized. Citing a lack of career advancement, the Petitioner resigned in April 2015 after five years of service. Following his resignation, NBP requested payment for liabilities, including a surety bond, training costs, and notice period salary. The Petitioner contends that the specifics of these liabilities were not furnished. Ultimately, in January 2016, NBP sent a termination letter, effective from his resignation date, without accepting his resignation. Consequently, the Petitioner is seeking judicial intervention to suspend the termination, compel the acceptance of his resignation, and declare the termination unlawful, affirming his willingness to settle legitimate dues.

2. The Respondent acknowledges the Petitioner's 2010 appointment as an MTO, highlighting a mandatory five-year service condition tied to a PKR 4 Lac payment and training cost recovery, secured by a personal guarantee. While confirming the stated promotion criteria, the Respondent clarifies that promotions were also contingent upon satisfactory performance and the absence of any misconduct. Furthermore, the Respondent provides details regarding the Petitioner's approved and subsequent unauthorized leave for studies in China.

3. The learned counsel for the respondent bank argues that the Petitioner's termination, effective April 27, 2015 (the resignation date),

was a direct consequence of his failure to fulfill the five-year service obligation stipulated in the appointment letter. The counsel emphasizes that after accounting for the period of extraordinary leave, the Petitioner's actual service amounted to only 3 years, 10 months, and 14 days. Consequently, the Petitioner was informed of his liability to pay the stipulated amounts, which he allegedly failed to do, thus necessitating the termination. Additionally, the respondent's counsel raises preliminary legal objections, asserting that the case presents disputed facts requiring evidence, that the Petitioner bypassed available departmental appeals, and that the petition is not sustainable due to the Petitioner's alleged lack of clean hands.

4. We have heard the learned counsel for the parties and reviewed the record with their assistance.

5. To summarize, the Petitioner contends that he completed his five-year service commitment, met the promotion requirements, but was unfairly denied advancement, and thus his resignation should have been accepted, with him being willing to settle any legitimate financial obligations. Conversely, the Respondent maintains that the Petitioner fell short of the mandatory five-year service period due to unapproved leave, which activated the financial liability clause and validated the termination of his employment.

6. The respondent bank should have initially addressed the Petitioner's resignation from service matter, especially considering his services commenced on March 20, 2010. Clause 6.2 of the appointment letter stipulated that the Petitioner was obligated to serve the Bank for five years under a written undertaking. Premature departure would incur a liability of PKR 400,000/- plus training expenses, secured by a PKR 400,000/- Personal Surety Bond with an acceptable guarantor.

7. The respondent bank informed the Petitioner that his unauthorized absence from September 8, 2014, to February 12, 2015 (totaling 258 days), was regularized as Extraordinary Leave (EOL) without pay. This was communicated via letter No. PAW/MTO/UA/2015/4287, dated March 17, 2015, and it was specified that this leave would not accrue towards his service length, salary increments, promotions, or retirement benefits. This EOL followed his previously sanctioned 365 days of Ex-Pakistan leave (115 days with pay and 250 days without pay). Subsequently, to the Petitioner's surprise and disappointment, the respondent bank communicated that after reviewing all pertinent aspects, the competent authority had decided to terminate his employment as OG-II, effective

April 27, 2015, citing Bank policy. Moreover, the relevant department was directed to promptly file a recovery suit against the Petitioner and his guarantor to reclaim the Surety Bond amount, training expenses, an equivalent of three months' salary as notice pay, and any other outstanding direct or indirect financial obligations to protect the Bank's interests.

8. The core issue is whether the Petitioner fulfilled the mandatory five-year service requirement with the respondent bank from his appointment date of March 20, 2010, until his termination letter dated January 19, 2016. Although clause 6.2 of the appointment letter stipulated a five-year service period, which appeared to have been completed by March 2015, this is rendered complex by the regularization of the Petitioner's unauthorized absence from September 8, 2014, to February 12, 2015 (258 days), as unpaid Extraordinary Leave. Furthermore, the Petitioner submitted his resignation on April 27, 2015, to which the respondent bank replied on May 8, 2015, requesting the settlement of liabilities. Given that the five-year term was completed during this period, it seems this clause should not have been invoked. Instead, the Petitioner's resignation could have been accepted. The respondent bank's inaction in this regard, persistently demanding liability clearance under clause 6.2, demonstrates a lack of consideration, ultimately forcing the Petitioner to file the present petition on February 10, 2016. Consequently, this petition is allowed, and the respondent bank is hereby directed to address the Petitioner's resignation and issue a decision within two months from the date of this order and if need to pursue any outstanding liabilities before the court of competent jurisdiction. The contested orders are accordingly overturned.

9. A copy of this order shall be sent to President National Bank of Pakistan for compliance.

JUDGE

Head of Constitutional Benches