

IN THE HIGH COURT OF SINDH AT KARACHI

PRESENT:

Mr. Justice Arshad Hussain Khan
Mr. Justice Amjad Ali Sahito

High Court Appeal No.30 of 2024

Appellants : M/s. Pakistan Hockey Federation & other
through Mr. Muhammad Safdar Khan,
Advocate

Respondent : Mirza Imtiaz Baig S/o Mirza Iqbal Baig
present in person.

Date of Hearing : 19.05.2026

Date of Judgment: 25.05.2026

J U D G M E N T

Amjad Ali Sahito, J. The instant High Court Appeal has been instituted by the Pakistan Hockey Federation (hereinafter referred to as "PHF") under Section 3 of the Law Reforms Ordinance, 1972, impugning the Judgment dated 14.11.2023 and the Decree dated 22.11.2023 passed in Suit No.570 of 2009, whereby the learned Single Judge of this court, while disposing of the suit of the respondent/plaintiff, partly allowed the claim to the extent of holding the present appellants/defendants jointly and severally liable to pay damages amounting to Rs.50 million to the respondent together with markup at the rate of 8% mark-up from the date of the decision till realization, whereas the remaining substantive reliefs claimed in the suit were expressly declined. Being aggrieved and dissatisfied with the said judgment and decree, the appellants have preferred the present appeal seeking setting aside thereof.

2. Briefly stated, the facts germane for adjudication of the instant appeal are that the respondent/plaintiff instituted the underlying suit alleging therein that he was initially appointed as an Accounts Assistant with the Appellant No.1/Pakistan Hockey Federation in the year 1989 and was subsequently promoted to

the post of Accountant. The respondent averred that despite rendering satisfactory service throughout his tenure, his employment was terminated vide letter dated 10.02.2009 without issuance of any show-cause notice and without affording him an opportunity of personal hearing. The respondent further asserted that, as a consequence of the alleged unlawful termination, he suffered financial loss, damage to reputation, and mental agony, and consequently sought relief in the nature of reinstatement, recovery of alleged future earnings, and damages through the following prayers:-

- a. *To declare that the impugned termination letter issued by the Defendant No. 2 is without any nexuses and the same should be withdrawn out rightly and to reinstate the Plaintiff along with all back benefit from February 10, 2009 till the time he is reinstated.*
- b. *That both the defendants are jointly and severally liable to pay a sum of Rs.24,684,337/- to the Plaintiff as the said amount could have earned by him if he could have worked for any domestic and international company.*
- c. *That both the Defendants are jointly liable to pay a sum of Rs.10 Million to the Plaintiff for the loss of reputation.*
- d. *That both the Defendants are jointly liable to pay a sun of Rs.34684337/- Million as the Plaintiff cannot show his experience for last 20 years in the filed of accountancy*
- e. *Any other better relief this Hon'ble Court may deem fit and proper in terms of the facts of this case.*
- f. *cost of suit.*

3. The appellants/defendants contested the suit by filing written statement wherein it was specifically pleaded that the respondent had been involved in misappropriation and embezzlement of the funds of appellant No.1 and, upon discovery of such misconduct, his services were terminated after due process of law. It was further pleaded that the respondent had already received his full and final settlement, including one year's advance salary by way of compensation, and had also obtained waiver/write-off of the amount outstanding against him; therefore, no claim whatsoever survived against the appellants.

4. Learned counsel for the appellants contended that the impugned judgment is contrary to the law as well as the facts available on record. It was submitted that the relationship between the parties was admittedly that of master and servant and, in such circumstances, no decree for damages could legally have been passed in the peculiar facts and circumstances of the case. Learned counsel further argued that the respondent never independently challenged the order of termination before any competent forum and, once the order of dismissal/termination remained intact and unassail, no consequential claim for damages was maintainable in law.

5. It was further contended that the learned Single Judge committed patent illegality in awarding an exorbitant amount of Rs.50 million despite the respondent having failed to produce any cogent, convincing or independent evidence with regard to the alleged actual financial loss, mental torture or reputational harm. Learned counsel submitted that even according to the respondent's own case, no medical evidence whatsoever was brought on record to establish any mental shock, nervous breakdown or psychological trauma allegedly suffered by him. It was argued that the learned Single Judge travelled beyond the pleadings and evidence while awarding speculative and unsubstantiated damages.

6. Learned counsel for the appellants further contended that although the respondent had sought declaration against the termination letter, reinstatement in service and damages, yet neither was the termination order set aside nor was any declaratory relief granted by the learned Single Judge in the operative part of the impugned judgment. According to the learned counsel, once the termination letter dated 10.02.2009 remained intact and attained finality, no consequential relief in the nature of damages could legally have been awarded.

7. Learned counsel further submitted that the respondent himself, in a mercy petition addressed to the President of the Pakistan Hockey Federation, had admitted that owing to the

illness of both his parents and his disturbed mental condition, certain discrepancies amounting to Rs.308,000/- had occurred in his accounts, and that out of the said amount he had already deposited a sum of Rs.183,000/- while undertaking to clear the remaining amount in installments. It was further submitted that despite such admission, the appellants acted with considerable leniency by paying one year's advance salary to the respondent at the time of termination and also waiving the outstanding amount. Learned counsel lastly argued that no independent evidence whatsoever was produced by the respondent in support of the allegations pertaining to mental torture, nervous shock or reputational damage and, therefore, the impugned judgment and decree are liable to be set aside. In support of his contentions, he has relied upon the cases (1) Jameel Qadir and another vs. Government of Balochistan, Local Government, Rural Development and Agrovilles Department Quetta (2023 SCMR 1919), (2) Judgment passed in HCA No.202 of 2020 in the case of Imran Sanaullah vs. Rafique Ahmed Qandahari and others and (3) Order passed in First Appeal No.01 of 2024 in the case of Saturgun v. Engineer Kumar & another).

8. Conversely, the respondent, appearing in person, supported the impugned judgment and contended that his services had been terminated unlawfully and in violation of due process of law. He submitted that the appeal preferred by the appellants is hopelessly barred by limitation and that no sufficient cause has been shown for condonation of the delay; therefore, on this sole ground alone, the instant appeal is liable to be dismissed.

9. The respondent further submitted that no departmental inquiry was conducted against him, nor was he afforded any opportunity of hearing prior to the issuance of the termination order. According to the respondent, such unlawful conduct on the part of the appellants caused him severe financial hardship and social humiliation within society. He further contended that he remained unemployed for a considerable period and consequently suffered mental distress and agony. However,

during the course of arguments, the respondent himself conceded that he had remained mentally disturbed and upset owing to his domestic and personal circumstances and not exclusively on account of the alleged acts of the appellants. Lastly, he prayed for dismissal of the instant appeal both on merits as well as on the ground of limitation. When confronted with a specific query as to whether he had approached any competent forum challenging his termination prior to instituting the suit, the respondent answered in the negative. In support of his contentions, reliance was placed upon the following case law:-

- (1) Judgment passed in Suit No.1066 of 2010 (Muhammad Khalil vs. Pakistan Telecommunication Limited & Another)*
- (2) Judgment passed in Suit No.1154 of 2006 (Mr. Tayyab Iqbal vs. Muhammad Irfan Iqbal)*
- (3) Judgment passed in Civil Suit No.1231 of 2006 (Muhammad Ibrahim Hajano vs. Pakistan State Oil Company Limited)*
- (4) Judgment passed in Suit No.1166 of 2007 (Mansoor ul Haque Solangi vs. Federation of Pakistan & another)*
- (5) Judgment passed in Suit No.162 of 2009 (Mrs. Rehana Jadoon vs. Arab Khan)*
- (6) Judgment passed in HCA No.129 of 2020 (Sikander Ali & others vs. Waris Ali & others)*
- (7) Judgment passed in HCA No.223 of 2008*
- (8) Judgment passed in HCA No.46 of 2017 (Trustees of Port of Karachi and another vs. Maqbool Ahmed Solangi)*

10. We have heard learned counsel for the appellants and the respondent appearing in person and have also perused the material available on record with their able assistance.

11. From perusal of the record, it appears that upon the divergent pleadings of the parties, the learned trial Court adopted the following issues, as proposed by the plaintiff/present respondent, for determination by the Court:

- 1. Whether the suit is barred as alleged?*
- 2. Whether the plaintiff rendered unsatisfactory services in the whole of his tenure as alleged?*
- 3. Whether the defendant No.2 is the competent authority to terminate the service of the plaintiff without issuance of final show cause notice?*

4. Whether the defendant No.2 has followed/ provisions at clause 20.2.1 of the Constitution of the Hockey Federation? If not, what is its effect?

5. Whether the defendant No.2 is empowered to terminate services of the plaintiff? If not what is its effect?

6. Whether the plaintiff is not entitled to the relief as prayed

7. What should the decree be?"

12. Subsequent to the framing of issues, the parties led their respective evidence and, after hearing learned counsel for the parties, the learned Single Judge vide the impugned judgment partly decreed the suit. A careful perusal of the impugned judgment reveals that despite the fact that Issue No.2, relating to the satisfactory performance of duties by the respondent, was decided adversely against him, and notwithstanding the categorical finding that the respondent had failed to produce any evidence to substantiate the alleged damages suffered by him, the learned Single Judge, on equitable considerations, nevertheless proceeded to award general damages to the tune of Rs.50 million on the assumption that the respondent's aggregate claim amounted to Rs.380 million, whereas the record reflects that the total claim was, in fact, approximately Rs.60 million, including the claim of Rs.10 million towards damages.

13. The principal controversy involved in the present appeal essentially revolves around a narrow yet fundamental question of law, namely, whether in the peculiar facts and circumstances of the case the respondent could legally have been awarded damages to the tune of Rs.50 million in the absence of the termination letter dated 10.02.2009 having been set aside or declared unlawful, particularly when the said order of termination admittedly remained intact and had attained finality.

14. It further calls for determination whether, once the foundational order of termination had not been successfully assailed in accordance with law, any consequential relief in the nature of damages on account of alleged loss of future earnings,

reputational harm and mental agony could nonetheless be sustained in the absence of cogent, reliable and independent evidence substantiating such alleged losses.

15. Admittedly, the respondent in the suit had sought declaratory relief against the termination letter dated 10.02.2009 along with reinstatement in service and damages. However, a plain reading of the impugned judgment demonstrates that neither was the termination letter set aside nor was any declaratory relief regarding reinstatement granted by the learned Single Judge. Consequently, the inescapable conclusion is that the order of termination remained intact and attained finality. Once the termination order continued to hold the field, no consequential claim for damages purportedly arising therefrom could legally have been awarded in the peculiar facts and circumstances of the case.

16. It is also an admitted position on record that the respondent/plaintiff was appointed as an Accounts Assistant in the Pakistan Hockey Federation in the year 1989. However, with the passage of time, the respondent/plaintiff repeatedly failed to properly discharge his official duties and responsibilities. In this regard, vide letter dated 22.05.2002 (Exh.5/1), the Director Administration informed the respondent that he had failed to maintain the accounts of the PHF Camp Office, Karachi, on a daily basis, which constituted a serious violation of the prescribed accounting procedures and rules. It was further observed therein that despite repeated warnings and counseling, the respondent failed to maintain the accounts in the required manner. The management also intimated its intention to initiate criminal proceedings against him and called upon the respondent to explain as to why disciplinary action should not be taken against him for violating the rules and procedures and for disobeying the orders of the competent authority.

17. Instead of rebutting the allegations levelled against him, the respondent submitted a reply vide letter (Exh.5/2), wherein he stated that due to family-related problems and his disturbed

mental condition, he was unable to perform his duties with full concentration and requested that his case be considered sympathetically. The said request was accordingly considered by the competent authority.

18. Subsequently, another explanation (Exh.5/3) was sought from the respondent on the allegation that he had tampered with and altered an accounts entry relating to payment of an amount of Rs.52,096/-, and thereafter altered the total amount to Rs.45,796/- with unauthorized authentication at his own end. Although he was warned to remain careful and vigilant in future, the management still adopted a lenient approach.

19. Thereafter, vide letter dated 01.05.2002 (Exh.5/4), another explanation was sought from the respondent regarding the deposit of eight cheques amounting to Rs.626,000/- received from the tenants of Shops No.7 and 8 in the Bank of Tokyo-Mitsubishi Limited on account of the open space adjacent to the said shops. In response thereto (Exh.5/5), the respondent informed the Director Administration that the amount of Rs.626,000/- had been received in cash from M/s Arabian Pride against the cheques referred to in the said letter and was adjusted towards payment to M/s Ibrahim, Canteen Contractor & Supplier, against a bill amounting to Rs.743,000/-, which, according to him, had been arranged through his own resources and without any amount having been received from PHF.

20. The matter did not end there. Another explanation was sought from the respondent vide letter dated 30.05.2002 (Exh.5/6), requiring him to verify the contents of his earlier application and communicate the outcome of his observations at the earliest possible date. Subsequently, on 02.05.2003, another communication (Exh.5/7) was issued to the respondent for recovery of misappropriated PHF funds, whereby he was informed that, as mutually agreed, an amount of Rs.3,000/- would be deducted from his monthly salary towards settlement of the outstanding amount arising out of misappropriation of PHF funds.

21. Likewise, vide letter dated 12.05.2004 (Exh.5/8), the respondent was directed to properly maintain and update the registers relating to shops and godowns, with a further observation that full attention should be devoted towards the assigned task. Thereafter, vide letter dated 31.10.2008, addressed by the Secretary General PHF to the Director Administration HCP, it was communicated that an amount of Rs.30,338/- still remained outstanding against the respondent, namely Imtiaz Baig, with directions that the said balance amount be deducted from his monthly salary.

22. Ultimately, vide termination letter dated 10.02.2009 (Exh.5/10), the services of the respondent/plaintiff were terminated on the ground that he was not performing his duties with the requisite honesty, dignity and sincerity and that PHF was dissatisfied with his performance; consequently, his services were no longer required. Nevertheless, the President of PHF approved one year's advance salary by way of compensation and also waived the outstanding balance payable by the respondent towards PHF dues.

23. It is further borne out from the record that the respondent/plaintiff himself submitted a mercy petition dated 01.05.2008 (Exh.5/11) addressed to the President of the Pakistan Hockey Federation, requesting waiver of the outstanding amount of Rs.125,000/-. The said mercy petition was accepted and the remaining outstanding liability was accordingly waived. During his tenure, the respondent had also tendered his resignation (Exh.5/12), which forms part of the record.

24. Furthermore, after termination of his services, the respondent/plaintiff neither preferred any departmental appeal before the President PHF nor challenged the termination order before any competent forum. Rather, he opted to receive one year's advance salary/compensation, which facility was duly

availed by him, and a cheque in the sum of Rs.322,496/- was issued in his favour vide voucher (Exh.5/13).

25. It is also an admitted position that the respondent/plaintiff, through a mercy petition addressed to the President of the Pakistan Hockey Federation, acknowledged that owing to the illness of his parents and his disturbed mental condition, certain discrepancies involving an amount of Rs.308,000/- had occurred in his accounts, out of which he had already deposited a sum of Rs.183,000/-. It is further evident that the respondent/plaintiff did not file any appeal against the termination order before the President PHF.

26. Ordinarily, where a civil servant, worker or workman is aggrieved by any adverse action, such person, after exhausting the prescribed departmental remedies, may invoke the jurisdiction of the appropriate Service Tribunal, Labour Court or the National Industrial Relations Commission, as the case may be. However, where an employee serves in an organization not governed by statutory service rules, the appropriate remedy available for redressal of grievances ordinarily lies through institution of a civil suit.

27. It appears from the foregoing discussion that the principal claim of the respondent/plaintiff essentially pertained to damages allegedly arising out of the wrongful termination of his services. There can be no cavil with the proposition that a wrongful act may, in a given case, result in mental anguish or consequential damages; however, in law, such relief cannot be granted merely upon bald assertions of "mental loss" or "damages." A claimant is required not only to specifically plead each constituent fact forming the basis of the alleged loss or damage under distinct heads, but must also prove the same through cogent and legally admissible evidence in accordance with the requisite standard of proof.

28. A perusal of the impugned judgment reveals that the learned Single Judge declined to grant special damages to the

respondent/plaintiff, and significantly, the respondent did not challenge the said finding by filing any appeal or cross-objections. The learned Single Judge, however, observed as follows:

“I am of the view that though the plaintiff has not been able to prove his claim of special damages specifically, but is definitely found to be entitled to claim damages on account of agony, physical stress, loss of reputation as well as social persecution.”

29. In law, damages are broadly categorized into two classes, namely, “general damages” and “special damages.” General damages are such damages as naturally and directly flow from the wrongful act complained of and are presumed by law to arise from the injury itself. Conversely, special damages refer to actual and specific losses which, though not necessarily the immediate consequence of the wrongful act, arise due to particular facts, circumstances or conditions and, therefore, must be specifically pleaded and strictly proved. In this context, reliance is placed in the case reported as PLD 2012 SC 80 (Abdul Majeed Khan v. Tawseen Abdul Haleem and others) wherein the Hon’ble Supreme Court of Pakistan has held as follows:

“3. At this stage, it is to be noted that there are two types of damages namely; 'special damages' and 'general damages'. The term 'general damages' refers to the special character, condition or circumstances which accrue from the immediate, direct and approximate result of the wrong complained of. Similarly, the term 'special damages' is defined as the actual but not necessarily the result of injury complained of. It follows as a natural and approximate consequence in a particular case, by reason of special circumstances or condition. It is settled that in an action for personal injuries, the general damages are governed by the rule of thumb whereas the special damages are required to be specifically pleaded and proved. In the case of British Transport Commission v. Gourley [(1956) AC 185] it has been held that special damages have to be specially pleaded and proved. This consists of out-of-pocket expenses and loss of earnings incurred down to the date of trial, and is generally capable of substantially exact calculation. The general damages are those which the law implies even if not specially pleaded. This includes compensation for pain and suffering and the like, and, if the injuries suffered are such as to lead to continuing or permanent disability, compensation for loss of earning power in the future. The basic principle so far as loss of earnings and out-of-pocket expenses are concerned is that the injured person should be placed in the same financial position, so far as can be

done by an award of money, as he would have been had the accident not happened.”

30. It is a settled principle of law that in actions relating to personal injuries, general damages are ordinarily assessed on broad considerations and the rule of thumb, whereas special damages must be specifically pleaded and proved through reliable evidence. General damages may include compensation for pain and suffering, mental anguish and similar consequences and, where the injury results in continuing or permanent disability, may also encompass loss of future earning capacity. The governing principle regarding loss of earnings and out-of-pocket expenses is that the injured person should, so far as monetary compensation can achieve, be placed in the same financial position in which he would have been had the wrongful act not occurred.

31. In the instant case, the plaintiff in his pleading (plaint) had asserted as :

Para-15 . That the plaintiff was shocked to see the said letter which has caused tremendous loss to his reputation and finished the carrier from PHF.

Para No. 18. That the plaintiff claims a sum of Rs. 10 Million for the loss of reputation due to the stigma put malafidely by issuing a highly defamatory wording used in the termination notice and that to without any basis etc against the plaintiff. Therefore, the Plaintiff prays this sum as damages from Defendants No.2 and PHF jointly and severally.

32. The plaintiff/respondent neither furnished any particulars nor produced any substantive material with regard to the alleged mental suffering, physical stress, loss of reputation or social persecution, except for claiming service-related benefits with reference to the unexpired tenure of his service. The plaintiff/respondent did not even attempt to place on record a single document in support of the alleged mental anguish or emotional distress. No medical evidence, independent witness or any other reliable and cogent material was produced by the

respondent to substantiate the assertions relating to mental torture, nervous shock or social humiliation.

33. We have further observed that the respondent neither produced any medical record nor examined any independent witness in support of his claim concerning alleged mental torture, nervous shock or social humiliation. Even otherwise, during the course of arguments before this Court, the respondent candidly admitted that he had remained mentally disturbed and upset owing to his own domestic and personal circumstances and not on account of any alleged trauma arising from the termination of his services. Such admission strikes at the very root of the respondent's claim for damages on account of mental agony and nervous shock. Reliance is also placed in the case of *Pakistan Television Corporation v. Noor Sanat Shah* (2023 SCMR 616), wherein Hon'ble Supreme Court of Pakistan has held as under:

“It is a settled principle of law that in respect of special damages it is the duty of an aggrieved person to prove each item of the loss, on the basis of evidence and as far as general damages are concerned, relating to mental torture, defamation etc. those are to be measured, following the 'Rule of Thumb', according to which, discretion rests with the Court to calculate such compensation keeping in view the attending circumstances of the case.”

34. So far as the question of limitation is concerned, it appears from the record that the impugned judgment was pronounced on 14.11.2023. On the very same day, the appellants applied for obtaining a certified copy thereof, which was subsequently prepared and issued on 23.12.2023. The said fact is duly borne out from the official endorsement/stamp appearing on the reverse side of the last page of the certified copy of the impugned judgment available on record. Thereafter, the instant appeal was instituted within twenty days from the date of issuance of the certified copy and, therefore, the same is manifestly within the prescribed period of limitation.

35. It appears that the respondent, not being well conversant with the legal position governing computation of limitation, proceeded on the erroneous assumption that the appeal was required to be filed within thirty days from the date of pronouncement of the judgment, without appreciating that the time requisite for obtaining the certified copy is legally excludable while computing the period of limitation. Consequently, the objection raised by the respondent, being misconceived and devoid of legal substance, is hereby repelled.

36. It is also pertinent to note that the respondent had admittedly received his full and final settlement from the appellants and, additionally, the appellants had waived the outstanding amount recoverable from him. The learned Single Judge, while awarding damages to the tune of Rs.50 million, appears to have proceeded more on equitable considerations rather than on settled principles of law and the evidence available on record. Equity, however, cannot override settled legal principles, particularly in circumstances where the claimant has failed to establish actual loss or damages through cogent, reliable and legally admissible evidence.

37. The case laws relied by the Respondent are distinguishable from the facts and circumstances of the present case, therefore, the same are not applicable in the instant case.

38. In view of the foregoing discussion and for the reasons recorded hereinabove, we are of the considered opinion that the impugned judgment and decree passed by the learned Single Judge cannot be sustained in the eyes of law and are liable to be set aside. Consequently, the instant appeal is allowed. The impugned judgment dated 14.11.2023 and decree dated 22.11.2023 passed by the learned Single Judge are hereby **set aside**, and the suit instituted by the respondent/plaintiff stands dismissed.

39. Before parting with this judgment, it is clarified that the observations recorded hereinabove are confined strictly to the

adjudication of the present proceedings and shall not prejudice the rights and contentions of the parties in any lis, if pending before any forum of competent jurisdiction, which shall independently decide the same on its own merits and in accordance with law.

JUDGE

JUDGE

KAMRAN/PS