

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

C.P. No. D-2833 of 2026

[Sohail Shahzad Shahid v National Bank of Pakistan & others]

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

Date of hearing and Order: 21.05.2026

Mr. M. Jibran Nasir advocate for the petitioner
Mr. Faisal Mehmood Ghani advocate for the respondents

ORDER

Adnan-ul-Karim Memon, J. – Petitioner Sohail Shahzad Shahid in C.P. No.D-2818 of 2026 has filed this Constitution Petition under Article 199 of the Constitution of the Islamic Republic of Pakistan 1973, seeking the following relief:-

- i) Declare that the inaction, delay, and failure of the Respondent No.2 in deciding the petitioner’s case for renewal of contract, despite formal recommendation, excellent performance record and absence of any adverse material, is discriminatory, illegal, arbitrary, malafide, without lawful authority and of no legal effect and in violation of Article 4,10A, 25 of the Constitution of Islamic Republic of Pakistan;
- ii) Declare that inaction and non-decision with regard to the proposal of contract renewal of the petitioner is in violation of section 16 of the National Bank of Pakistan Ordinance 1949 and Clause 55 of the National Bank of Pakistan Bye-laws, 2015 and that failure to act in accordance therewith renders the conduct without lawful authority and liable to be struck down;
- iii) Declare that any decision with regard to the renewal of the Contract of the petitioner has to be strictly based on performance, and powers in this regard have to be exercised by the Respondent No.2 with strict adherence to Clause 55 of the National Bank of Pakistan Bye-Laws 2015 and established policies of Respondent No.1 and not any personal private preference;
- iv) Declare that any decision for non-renewal of the petitioner’s Contract by the Respondent No.2, if not in the form of a reasoned and speaking order, is arbitrary, without lawful authority, and hence liable to be set aside;
- v) Direct the Respondent No.2, to forthwith decide and finalize the case of the petitioner for renewal of contract strictly in accordance with law, Board-approved policies, and performance evaluation criteria, before 22.05.2026 or within a time frame to be fixed by this Hon’ble Court;
- vi) Grant interim relief by directing the Respondents to maintain status quo in respect of the petitioner’s employment, and not to allow the contract to lapse or to fill the petitioner’s position with any other person, till final decision of the instant petition or till the final determination by the Respondent No.2 whichever is later in time;

- vii) **Restrain permanently and during the pendency of this petition the Respondents, their officers, agents, and representatives from taking any adverse or retaliatory action against the petitioner, including but not limited to termination, harassment, or blacklisting on account of filing the instant petition;**
- viii) **Any other relief(s) which this Hon'ble Court may deem fit and proper.**

2. The case of the petitioner, as set out in the pleadings, is that he is a seasoned banking professional who joined Respondent No.1, i.e., National Bank of Pakistan, as Executive Vice President on a contractual basis for a term of three years vide contract dated 16.02.2022 after relocating from Islamabad to Karachi. According to the petitioner, throughout his tenure, he discharged his duties with diligence, integrity, and professionalism and consistently earned positive performance evaluations, including “Good” and subsequently “Very Good” ratings in his annual performance appraisals for the years 2022, 2023, and 2024. Owing to his competence and performance, he was also entrusted with an additional charge as Acting Group Head, Digital Banking Group. It is further pleaded that his immediate supervisory authorities recommended renewal of his contract for a further period of three years and issued a “No Involvement Certificate,” confirming that no inquiry, misconduct, or disciplinary proceedings were pending against him. The petitioner contends that despite his satisfactory performance, recommendations of the competent supervisory authorities, and fulfillment of all criteria prescribed under the applicable HR and Recruitment Policies, the respondents have deliberately withheld a decision regarding renewal of his contract without assigning any reason. He alleges that similarly placed contractual officers have routinely been granted extensions for standard terms of three years, whereas he has been singled out and subjected to discriminatory and arbitrary treatment in violation of established policy, past practice, prudent banking principles, and the National Bank of Pakistan Bye-laws, 2015. The petitioner further asserts that the inaction and silence of Respondent No.2 are mala fide, contrary to the statutory framework governing the Bank, and likely to adversely affect his professional reputation and future career prospects, thereby constraining him to invoke the constitutional jurisdiction of this Court.

3. Learned counsel for the petitioner submitted that the petitioner, despite having an unblemished service record and consistently securing “Good” and “Very Good” performance ratings during his tenure with Respondent No.1, has been arbitrarily denied consideration for renewal of his contract. He argued that the petitioner’s case was duly recommended by the competent supervisory authority for extension of contract for a further period of three years and was accompanied by a “No Involvement Certificate,” confirming that no disciplinary proceedings, inquiry, or allegation of misconduct was pending against him. However, Respondent No.2, without assigning any reason, deliberately withheld a decision on the renewal proposal and allowed the petitioner’s contract to lapse,

which conduct, according to learned counsel, is mala fide, discriminatory, and violative of Articles 4, 10A, and 25 of the Constitution. It was further contended that Respondent No.1, being a statutory body, and Respondent No.2, being a statutory office holder under the National Bank of Pakistan Ordinance, 1949, are bound to act in accordance with the statutory framework, including Clause 55 of the National Bank of Pakistan Bye-laws, 2015, which obligates the President to exercise powers in line with Board-approved policies, sound banking principles, and prudent banking practices. Learned counsel submitted that similarly placed contractual officers have consistently been granted renewals for standard periods of three years, whereas the petitioner alone has been singled out without any lawful justification, thereby amounting to hostile discrimination and unequal treatment. Learned counsel further argued that the petitioner had developed a legitimate expectation of renewal on account of his past performance, repeated assurances extended by senior management, established institutional practice, and the formal recommendation made in his favour. He submitted that the respondents' silence and failure to pass any reasoned or speaking order amounts to a disguised and arbitrary termination intended to avoid judicial scrutiny. It was also contended that the respondents cannot take shelter behind the doctrine of master and servant, as the matter is governed by statutory bye-laws and policy framework having the force of law, thus rendering the impugned conduct amenable to constitutional jurisdiction. In support of his submissions, learned counsel relied upon various judgments of the Hon'ble Supreme Court relating to legitimate expectation, judicial review of actions of statutory bodies, observance of natural justice, and prohibition against arbitrary and discriminatory exercise of authority. He prayed to allow this petition.

4. Learned counsel for the respondent Bank opposed the petition and raised preliminary objections regarding its maintainability. He submitted that the National Bank of Pakistan (Staff) Service Rules, 1973, being statutory in nature, had already been repealed with the approval of the Federal Government and replaced by the National Bank of Pakistan Staff Service Rules, 2021, which are non-statutory in character. It was argued that under the National Bank of Pakistan Bye-laws, 2015, particularly Bye-law 51, the Board of Directors is fully empowered to determine personnel policies, including appointments, contractual engagements, renewals, and service conditions of employees. Learned counsel contended that the petitioner, being a contractual employee, was governed exclusively by the terms and conditions of his contract and not by statutory service rules; no constitutional petition was maintainable for the enforcement of purely contractual rights. It was further submitted that the petitioner had voluntarily entered into a contractual arrangement with the Bank and expressly agreed under Clause 1.2 of the contract that upon expiry of the contractual term, he would stand relieved unless the Bank, at its own discretion, chose to renew the

contract. Learned counsel argued that renewal of the contract was neither automatic nor a vested right and that no assurance had ever been extended to the petitioner regarding extension of his tenure. According to learned counsel, non-renewal of a contract does not amount to termination of service, nor is the Bank under any legal obligation to assign reasons for non-renewal. Learned counsel further contended that the principles of legitimate expectation, natural justice, and discrimination had been wrongly invoked by the petitioner, as no statutory right of the petitioner had been infringed. It was argued that the petitioner failed to demonstrate any violation of law, statutory rules, or constitutional provisions to invoke the constitutional jurisdiction of this Court under Article 199 of the Constitution. Reliance was placed upon various judgments of the Supreme Court to contend that contractual employees cannot seek enforcement of contractual rights through constitutional petitions and that matters involving disputed questions of fact, including allegations of mala fide and discrimination, are not amenable to writ jurisdiction. It was also submitted that entrustment of additional responsibilities to the petitioner was temporary and based solely upon administrative exigencies, while the issuance of a “No Involvement Certificate” was merely a routine internal matter having no bearing upon renewal of contract. Learned counsel denied that the petitioner had been discriminated against and asserted that several contractual employees of the Bank had similarly not been granted renewals upon expiry of their contractual terms. He further argued that the petitioner had relied upon outdated and repealed policies and had no enforceable right either to continuation in service or participation in succession planning. On these grounds, learned counsel prayed for dismissal of the petition, being misconceived and devoid of merit. In support of his contentions, he relied upon the case of Waqas Aslam vs Lahore Electric and others **2023 SCMR 549**, He prayed to dismiss the petition.

5. We have heard learned counsel for the parties, examined the material available on record, and considered the case law cited at the bar.

6. The foremost objection raised by the learned counsel for the respondent Bank pertains to the maintainability of the instant petition on the ground that the petitioner is merely a contractual employee governed by non-statutory service rules and, therefore, no constitutional petition under Article 199 of the Constitution is maintainable for the enforcement of contractual rights. The objection, though attractive at first glance, is not sufficient in the peculiar facts and circumstances of the present case.

7. It is an admitted position that Respondent No.1, i.e., National Bank of Pakistan, is a statutory body corporate established under the National Bank of Pakistan Ordinance, 1949, while Respondent No.2 occupies a statutory office under Section 16 thereof. It is also pointed out that the affairs of the Bank are

regulated by the National Bank of Pakistan Bye-laws, 2015, framed under Section 32 of the Ordinance. Although the respondent Bank has taken the position that the National Bank of Pakistan Staff Service Rules, 2021 are non-statutory in character and that the petitioner is governed by the terms of his contract, however, the Supreme Court in the case of *Muhammad Naeem v. Federation of Pakistan* **2023 SCMR 301** ruled that while the National Bank of Pakistan (NBP) is a statutory body subject to the High Court's jurisdiction, its employees are not federal government employees. The NBP remains a distinct legal entity separate from the federal government. Yet even in matters relating to contractual employees, actions of a statutory body and its office bearers cannot be permitted to escape judicial review where allegations of arbitrariness, mala fide, discrimination, unfair treatment, or violation of the governing statutory framework are raised.

8. The Supreme Court, through a consistent line of authorities, has held that, notwithstanding the doctrine of master and servant, constitutional jurisdiction remains available where the impugned action of a statutory corporation is shown to be arbitrary, discriminatory, mala fide, violative of natural justice, or contrary to the governing statutory framework and policy. Mere nomenclature of service rules as non-statutory does not completely oust the constitutional jurisdiction of this Court where the conduct complained of is alleged to be without lawful authority or tainted with unfairness. In the present case, the grievance of the petitioner is not merely simpliciter non-renewal of contract; rather, the challenge is directed against the alleged arbitrary withholding of decision by Respondent No.2 despite recommendation of renewal by the competent supervisory authority, the petitioner's undisputed performance record, and the assertion that similarly placed officers were granted extensions. Therefore, the preliminary objection regarding maintainability is repelled to the limited extent of examining whether the respondents' decision-making process conforms to fairness, transparency, and the governing legal framework.

9. So far as the merits of the controversy are concerned, we have noticed that the petitioner was appointed on a contractual basis for a fixed term and Clause 1.2 of the contract clearly stipulated that upon expiry of the contractual period, he would stand relieved unless the contract was renewed at the discretion of the Bank. However, it appears from the office memorandum dated 15.04.2025 issued by the Human Resource Management Group, HR Governance Division of Respondent No.1 that the petitioner's employment contract was renewed by the President of the National Bank of Pakistan for a further period commencing from 24.05.2025 till 23.05.2026 on the existing terms and conditions, while expressing confidence that the petitioner would continue to serve the Bank with enhanced zeal and commitment. Thus, no vested or indefeasible right of renewal accrued in favour of the petitioner merely on account of satisfactory performance. Equally, this Court cannot substitute itself for the competent authority in matters relating to

contractual renewal, suitability, or managerial discretion of the employer, particularly in banking institutions where such matters fall primarily within the administrative domain of the competent authority.

10. However, while the respondents possess discretion in matters of renewal of contractual employment, such discretion is not absolute or unfettered. The same is required to be exercised fairly, transparently, and in accordance with the statutory framework governing the Bank, including Clause 55 of the National Bank of Pakistan Bye-laws, 2015, which obligates the President and officers of the Bank to act in accordance with Board-approved policies, sound banking principles, and prudent banking practices. The material placed on record reflects that the petitioner admittedly earned favorable performance evaluations during his tenure, was entrusted with additional responsibilities, and his case for renewal was recommended by the concerned supervisory authority along with a “No Involvement Certificate.” At the same time, the respondents have not disputed that no final decision on the petitioner’s renewal had been communicated to him despite the recommendation having been processed.

11. The contention of the petitioner regarding discrimination and legitimate expectation raises disputed factual aspects that cannot conclusively be adjudicated in constitutional jurisdiction without recording evidence. Nonetheless, fairness in administrative decision-making demands that where the case of an employee is under active consideration and the employee has an otherwise unblemished record, the competent authority ought to take a clear and reasoned decision within a reasonable time rather than maintain complete silence. Administrative silence resulting in uncertainty, particularly in service matters affecting professional standing and prospects, does not advance the principles of transparency and good governance expected from a statutory institution.

12. The respondents are correct in contending that no automatic right of renewal exists in favour of the petitioner and that non-renewal of a contract by itself does not amount to removal from service. However, where the decision is to be adverse to the employee and is founded upon any material touching performance, conduct, suitability, or other adverse considerations, the minimum requirements of fairness and natural justice require that the concerned employee be informed and afforded an opportunity of hearing before such adverse decision is finalized. This obligation flows not merely from contractual terms but from the broader constitutional command that public functionaries and statutory bodies must act fairly, reasonably, and without discrimination.

13. In view of the above discussion, this petition needs to be disposed of with directions to Respondent No.2/President, National Bank of Pakistan, to consider and decide the petitioner’s case regarding renewal of contract strictly in accordance with law, the applicable policy framework, and the governing Bye-

laws, without discrimination and uninfluenced by any extraneous consideration, within a period of two weeks from the date of receipt of this order and preferably before expiry of the petitioner's existing contractual term. The decision so taken shall be communicated to the petitioner forthwith. In the event any adverse decision is contemplated against the petitioner based on any material relating to his conduct, suitability, or performance, the petitioner shall first be afforded a reasonable opportunity of hearing in accordance with the principles of natural justice. If the decision is not made within time, the petitioner may continue to serve the Bank till decision is made by the competent authority in accordance with the law.

14. The petition stands disposed of in the above terms along with pending application(s).

Let a copy of this order be communicated to the President, National Bank of Pakistan, for compliance within the stipulated time.

JUDGE

JUDGE