

IN THE HIGH COURT OF SINDH AT KARACHI

Suit No. B-18 of 2018

[Standard chartered Bank (Pakistan) Ltd. v. Gujranwala Energy Ltd. & others]

Date of hearing : 27.08.2025
Date of decision : 30.10.2025
Plaintiff : Through Mr. Waqar Ahmed, Advocate
Defendants : *Nemo*

JUDGMENT

Muhammad Osman Ali Hadi, J: Plaintiff is a Banking Company incorporated under the laws of Pakistan. The Defendant Nos. 1 and 2 are Public Limited Company's, incorporated and conducting their business in Pakistan.

2. Defendant Nos. 3, 4 and 5 are Guarantors, and have executed Personal Guarantees to secure repayment of Finance to the Plaintiff, on behalf of the Defendant No.1¹.

3. The Plaintiff provided a Finance Facility vide a Performance Guarantee dated 27.02.2008² to Defendant No.1, for an amount up to Euro 3,000,000/- (Euros Three Million only).³

4. The said Guarantee was extended, and Addendums dated 15.03.2011⁴ and 06.03.2013⁵ were provided accordingly in such regard.

¹ The Defendant Nos.1 to 5 shall be referred to collectively as "the Defendants", unless stated otherwise.

² Available at pages 71 to 75 of the File.

³ Finance Facility I.

⁴ Available at page 77 of the File.

⁵ Available at page 81 of the File.

5. A Second Performance Guarantee for an amount of USD 1,000,000/- (United States Dollars One Million only)⁶ dated 31.07.2008 was also provided to the Defendants, which was subsequently extended in terms of Addendums dated 02.11.2011⁷, 18.10.2012⁸, 06.11.2012⁹, 06.05.2013¹⁰, 25.10.2013¹¹, 23.10.2014¹² and 22.10.2015¹³ respectively.¹⁴

6. As per Offer Letter dated 08.04.2010,¹⁵ the Defendants were liable to pay a Guarantee Commission @ 0.15% per quarter, which was to be recovered quarterly.

7. The liabilities of the Defendant No.1 were secured through various securities highlighted in Paragraph-5 of the Plaint. A Letter of Hypothecation dated 23.10.2007¹⁶, a Charge Registration Certificate dated 05.11.2007¹⁷, a Supplemental Letter of Hypothecation dated 15.07.2008¹⁸, a Second Supplemental Letter of Hypothecation dated 24.09.2010¹⁹, a Charge Registration Certificate of Defendant No.2 dated 27.09.2010²⁰, a Corporate Guarantee of Defendant No.2 dated 16.10.2009²¹ and Personal Guarantees of Defendant Nos.3 to 5 dated 29.07.2010²² are all available on record.

⁶ Available at pages 101 to 113 of the File.

⁷ Available at page 115 of the File.

⁸ Available at page 115 of the File.

⁹ Available at page 121 of the File.

¹⁰ Available at page 125 of the File.

¹¹ Available at page 127 of the File.

¹² Available at page 129 of the File.

¹³ Available at page 133 of the File.

¹⁴ Finance Facility II.

¹⁵ Available at page 47 of the File.

¹⁶ Available at pages 137 to 145 of the File.

¹⁷ Available at page 147 of the File.

¹⁸ Available at page 153 of the File.

¹⁹ Available at pages 167 to 171 of the File.

²⁰ Available at page 181 of the File.

²¹ Available at page 187 of the File.

²² Available at page 197 of the File.

8. The Defendants had utilized the said Finance Facility provided by the Plaintiff, but started to default in payment. Certain notices of demand for repayment were sent²³, but the same remained unanswered by the Defendants.

9. The duly certified Statement of Accounts²⁴ is available on record, and the outstanding amount is as follows:-

Finance Facility-I	
(Performance Guarantee Euros 3,000,000)	
Maximum Limit of the facility (Sanctioned on 26-03-2010)	Euro 3,000,000.00
(a) Total amount of Finance availed:	Euro 3,000,000.00
(b) Amount equivalent to Pak Rupees:	Rs. 356,940,000.00
(c) Total amount of Finance repaid:	Rs. 178,470,000.00
(d) Amount Payable:	Rs. 185,500,789.07
(i) Principal	Rs. 177,984,333.95
(ii) Un-paid Commission	Rs. 7,516,455.12
(e) Amount payable	Rs. 185,500,789.07

Finance Facility-II	
(Performance Guarantee US Dollars 1,000,000.00)	
Maximum Limit of the facility (Sanctioned on 26-03-2010)	USD 1,000,000.00
(a) Total amount of Finance availed:	USD 1,000,000.00
(b) Amount equivalent to Pak rupees:	Rs. 105,530,000.00
(c) Total amount of Finance repaid:	Rs. 53,250,666.00
(d) Amount Payable:	Rs. 61,438,844.00
Principal	Rs. 52,279,334.00
Un-Paid Commission	Rs. 9,159,519.99
(e) Amount Payable:	Rs. 61,438,844.00
Total amount payable	Rs. 246,939,633.07

²³ Available at pages 261 to 271 of the File.

²⁴ Available at pages 273 to 327 of the File.

10. The Plaintiff, having been left with no option due to the Defendants repeatedly failing to make repayments due under the Finance Facility(s), approached this Court through the instant Banking Suit, for recovery of payment of the amounts stated.

11. After institution of the instant Suit, notices were issued and the Defendants filed a Leave to Defend Application, which was dismissed in non-prosecution vide order dated 17.12.2024. Since such time, there has been no further serious intimation on behalf of the Defendants.

12. A perusal of the Order Sheet also illustrates that notices had been issued on the Defendants, who continually either failed to appear or sought to delay the matter without any just cause. For reasons unknown, they eventually remained absent from the proceedings altogether and (despite being granted several opportunities) appear to have voluntarily opted not to contest the instant matter.

13. The Plaintiff have put forth their submissions and have made compliance of various provisions of the Financial Institutions (Recovery of Finance) Ordinance 2001, whilst also fulfilling their obligation in filing a Statement of Accounts in accordance with the Bankers Books Evidence Act.

14. I have gone through the said documents with the assistance of the learned Counsel representing the Plaintiff, and have found that there appears to be a Finance Facility having been availed by the Defendants, against which the Plaintiff issued demands for repayment, which went un-responded. Furthermore, as the Plaintiff's claim appears to remain

uncontroverted by the Defendants, who have shown great negligence and a lethargic attitude throughout these proceedings. The Defendants have not seriously contested the matter, nor have they dispelled the claims of the Plaintiff. Therefore, in light of the foregoing I find that there remains no impediment in decreeing the instant Suit in the following terms:-

- (i) The Defendants are jointly and severally liable to pay the Plaintiff Rs. 246,939,633.07/- as the principal plus unpaid commission amounts;
- (ii) The Defendants are liable to pay the Plaintiff costs of Funds at the rate specified by the State Bank of Pakistan, from the date of default until realization.

15. Office is directed to draw-up the Decree accordingly, after which the Plaintiff can proceed with the execution proceedings in accordance with law.

Suit Decreed.

JUDGE