

Order Sheet
IN THE HIGH COURT OF SINDH, KARACHI
Suit No.255/1999

[Umar Salim Latif vs. Muhammad Waseem Hashim]

Date	Order with signature of Judge
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FOR HEARING OF AWARD

13.12.2025

None is present

ARSHAD HUSSIN KHAN, J.- Through instant proceedings under Arbitration Act, 1940, the Arbitrator Justice ® Haziqul Khairi has forwarded the Award dated 26.01.1999 to be made Rule of the Court.

2. From perusal of the record, it appears that due to the differences and disputes between the parties the sole arbitrator was appointed pursuant to clause 14 of the Deed of Partnership entered into between the above named parties. Record shows that before the sole arbitrator the parties made appearance on 02.12.1995; plaintiff filed his claim, the defendant filed his written statement. Both the parties filed their affidavits of documents as well as consent issues. The Plaintiff has filed claims for recovery of Rs.15,00,0000/-, settlement of accounts and dissolution of partnership.

3. The case of the plaintiff is that he had entered into partnership of construction business with the defendant on 1.7.1992 by virtue of a deed of partnership executed between them. The said partnership was being run under the name & style of M/s. Metro which earlier to the formation of the firm was a proprietorship concern of the defendant. The share of the plaintiff was 60% in profits & losses. It is averred by the plaintiff that the defendant had been driven to bankruptcy and he was desperately looking for a partner who could inject finances so as to pay off the creditors and to complete the various projects undertaken by him. In terms of the Deed of Partnership the plaintiff was designated as “finance partner” and vide clause 5 thereof, he was specifically empowered to operate bank accounts and to sign and execute purchase order, negotiate loan and deal in all financial matters. Whereas the defendant vide clause (6) thereof shall sign & execute tender documents, contract documents and all sorts of correspondence including the responsibility of managing projects and deal with principals, clients, and consultants. It is alleged by the plaintiff that during conduct of the business, it transpired that in flagrant breach of

contract the defendant had been operating another bank account and managed to receive direct payments from the principals. The defendant refused / neglected to settle the accounts with the plaintiff. Hence, the plaintiff claims from the defendant a sum of Rs.1,50,00,000/-plus determination of 60% his share in assets and profits and also cost of arbitration. The defendant in his written statement has admitted the existence of the partnership between him and the plaintiff and also the execution & contents of the partnership deed. However, he has denied any investment made by the plaintiff. He has denied entering into an agreement dated 26.4.1995 with the plaintiff. He has denied concealment of accounts and grant of escalation amount by the Principles.

4. The case was proceeded before the learned arbitrator where the learned counsel for the plaintiff produced the evidence and argued the matter whereas the defendant chose not to adduce his evidence. Subsequently, learned sole arbitrator passed the Award on 26.01.1999; relevant para of the said Award is reproduced herein below :-

“From the perusal of record before me I am of the view that the plaintiff is entitled to an award in the sum of Rs.14,896,617.00 [Rupees Fourteen Million Eighty Lacs Ninety-Six Thousands Six Hundred and Seventeen Only] together with cost of the proceedings. I have not allowed interest on loss of profit at the rate of 23% per annum till the date of award as it was not agreed to be referred to me by the parties. Otherwise, an arbitrator is not empowered to award it”.

5. Upon receiving the Award, the office of this Court issued notices to the Defendant, as per the Additional Registrar's Diary dated 17.05.2022, but neither any one has shown appearance on behalf of the Defendant nor any objection to the Award has been filed.

6. In the instant matter, the dispute was referred to arbitration with consent of the parties and the consent issues were also framed. There has been no cavil to the proceedings having been conducted in accordance with the law. In my opinion, the Award is well reasoned and appears to be based upon due consideration of the evidence. Accordingly, the Award is hereby made Rule of the Court. The office is directed to draw up a decree in terms of the Award.

JUDGE