

**JUDGMENT SHEET**  
**IN THE HIGH COURT OF SINDH, KARACHI**

Present:  
**Mr. Justice Muhammad Iqbal Kalhoro.**  
**Mr. Justice Muhammad Osman Ali Hadi .**

**HCA No.155 of 2022**

Muhammad Ayaz Khan ..... Petitioner

Vs.

Feroz 1888 Mills Ltd. .... Respondent.

Date of hearing: **18.04.2025.**

Date of decision: **18 .04.2025**

Appellant in person.  
Mr. Faisal Mehmood Ghani, advocate for respondent.

**JUDGMENT**  
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**MUHAMMAD IQBAL KALHORO J:** Appellant filed a suit before learned Single Judge for compensation and damages against respondent stating that he was electrician serving satisfactorily but was terminated from service by respondent/ defendant on 09.07.2007. He impugned his termination u/s 15 of Payment of Wages Act, 1936 (Act 1936) before the Commissioner Workmen Compensation and Authority (Authority) for payment of dues and benefits. His application was allowed and respondent/defendant was directed to deposit the amount with one time penalty within 30 days for payment to him.

2. The defendant however, impugned the said order in a constitution petition before this court but it was dismissed. The defendant then went to the Supreme Court but the leave was refused vide order dated 11.11.2010. Appellant has further disclosed in the plaint that defendant made every effort to irritate him and frustrate implementation of judicial orders. The defendant finally filed an application u/s 12(2) CPC before Authority and succeeded in setting aside original order on the ground that it was obtained through misrepresentation and concealment of facts. The plaintiff went on to challenge the same order before this court in a petition and succeeded in setting aside the order u/s 12(2) CPC in favour of defendant. The defendant then went to the Supreme Court against order of this court but failed. The appellant then demanded compensation for dragging him in a long litigation but in vain. Hence the suit with following prayers:-

To declare that the plaintiff is entitled for taking the claim of compensation and damages as follows:-

- i). Compensation nine time above amount Rs. 39,96,603/-
- ii). 18% delaying charges for 7.6 years Rs. 16,84,716/-
- iii). Market devaluation of currency charges Rs. 1,84,411/-
- iv). 103 days courts proceedings dates charges Rs. 1,54,500/-
- v). Mental torture/ damages Rs. 1,50,00,000/-

Total compensation/ damages charges Rs. 2,10,20,230/-

vii). To direct the defendant to make the payments of total compensation damages charges to the plaintiff with cost of the suit within thirty days after passing the judgment and decree through depositing the pay order in the office of the Nazir of this Hon'ble Court.

viii). Any other relief/reliefs which this Hon'ble Court may deem fit and proper in favour of the plaintiff under the circumstances of the case.

3. The defendant company filed a written statement, raised objections over maintainability of the suit by taking recourse to limitation and provisions of Act, 1936. The defendant further claimed that the suit was hit by principle of acquiescence as the appellant after seeking first order dated 31.10.2009 giving him compensation by the Authority did not challenge the same.

4. On the pleadings of the parties following issues were framed:-

- 1. Whether the suit is maintainable under the law?
- 2. Whether the suit is maintainable after the plaintiff was paid his dues in full and final settlement with penalty as ordered through the Authority under the Payment of Wages Act?
- 3. Whether the plaintiff suffered mental torture since 19.07.2007?
- 4. Whether the defendant failed to comply with the order dated 31.10.2009 of the Authority under the Payment of Wages Act?
- 5. Whether the plaintiff is entitled for the claim of markup and 18% interest of 7.6 years delay payment charges and costs of the suit?
- 6. Whether the plaintiff is entitled for any damages and compensation if so, to what extent?
- 7. What should the decree be?"

5. Plaintiff examined himself in support of his claim and produced various documents from the letter of termination to all the orders passed in the proceedings between the parties by various courts etc.

6. Learned Single Judge after hearing the parties dismissed the suit vide impugned judgment dated 18.03.2022 and Decree drawn on 26.03.2022, hence this appeal.

7. We have heard appellant in person and learned counsel for respondent. Appellant has argued that his suit has been wrongly dismissed and he is entitled to all the reliefs sought by him in the suit. Learned counsel for respondent has however, supported the impugned judgment and has relied upon PLD 2013 Lahore 269, 2022 SCMR 1868, 2003 SCMR 1560, 2012 SCMR 136, 2002 SCMR 1903, 2003 SCMR 604.

8. After hearing, this case was reserved for a judgment on 14.03.2025 but then was taken up on 19.03.2025 and fixed for re-hearing on 24.03.2025. On the said date in reply to certain questions, learned counsel for respondent sought time to obtain instructions from his client. On the next date viz. 28.03.2025 learned counsel for respondents filed a statement in tabular form with a breakup of the amount paid to the appellant and the profit/interest accumulated till the date viz. 01.07.2014 when eventually the amount decided by the Authority was paid to the appellant. He further stated that respondent company was ready to pay the differential amount to the appellant in addition to the amount already paid to him. Notwithstanding, we referred the statement to Nazir of this court to re-verify the figures, particularly by making a reference to the relevant interest rate maintained by State Bank of Pakistan. We also directed Nazir to submit a report regarding devaluation of currency between 29.09.209 when the order by the Authority was passed granting compensation to the appellant, and 12.01.2015 when finally a cheque of that compensation was issued to the appellant. In compliance, Nazir has filed a report, which is reproduced hereunder:-

2. In compliance of Order, the undersigned issued notices to the parties concerned and fixed the matter on 15.04.2025. On the date Mr. Faisal Mahmood Ghani Advocate with Mr. Anis focal person of Respondent appeared. The Advocate for respondent filed calculation sheet including devaluation of currency and copies of rates of “State Bank of Pakistan” Kibor [www.sbp.org.pk/ecodata/kibor](http://www.sbp.org.pk/ecodata/kibor) and [www.sbp.org.pk/ecodata/CRates/index.asp](http://www.sbp.org.pk/ecodata/CRates/index.asp). In view of such Kibor rates calculated the subject amount of Rs. 8,88,134/- as under:-

S#	Period	Amount	Rates	Monthly Rates	Profit	Total amount including profit
1	29.09.09 to 30.06.10	888,134.00	12.90%	9.68%	85,926.96	974,060.96
2	01.07.10 to 30.06.11	974,060.96	12.72%	0.00%	123,900.55	1,097,961.52
3	01.07.11 to 30.06.12	1,097,961.52	14.24%	0.00%	156,349.72	1,254,311.24
4	01.07.12 to 30.06.13	1,254,311.24	12.40%		155,534.59	1,409,845.83
5	01.07.13 to 30.06.14	1,409,845.83	9.41%		132,666.49	1,542,512.33
6	01.07.14 to 12.01.15	1,542,512.33	10.42%	7.82%	120,547.34	1,663,059.66
A	Received Amount					888,134.00
B	Balance					774,925.66

3. Whereas devaluation rates of the Pakistan Rupees (PKR) against the US Dollar (USD) from 29 September 2009 to 12 January 2015 has also been verified from the State Bank website which is as under;-

- Starting Rate (29.09.2009): 1 USD = 83.40 PKR
- Ending Rate (12.01.2015): 1 USD = 101.50 PKR

Summary Table:

Period	Start Rate (PKR/USD)	End Rate (PKR/USD)	Total Devaluation
29.09.2009 – 12.01.2015	83.40	101.50	Rupees 18.10 (21.70%)

▪ Average Annual Devaluation:

4.1% per year (21.7% over 5.25 years).

4. In view of above calculation the due profit amount comes to Rs. 774,925.66 upto 12.01.2015 and devaluation of currency comes to as “4.1% per year (21.7% over 5.25 years)”  
Report is respectfully submitted for kind perusal

9. The appellant in person has however, submitted that he is entitled to all the reliefs prayed by him in the suit and not merely the profits accrued meanwhile from the date of the order and date of the actual payment.

10. On the other hand, learned counsel for respondent company has argued that the company is ready to either pay differential amount viz. interest from 29.09.2009 to 12.01.2015 or the amount accumulated on account of devaluation of the currency. According to him, the interest rate and devaluation in currency are correlated, the more the currency devalues, the higher the interest rate offered. The appellant would either be entitled to the amount accumulated on account of devaluation of currency from 29.09.2009 to 12.01.2015, or to the interest rate applicable between the two dates. In order to substantiate his point of view, he has referred to thesis of European Central Bank downloaded by him from the internet.

11. We have read the evidence of the parties and accept that the appellant is entitled to the profit/interest from the date viz. 29.09.2009 when Authority passed the order in his favour, granting him compensation, to 12.01.2015 when finally a cheque of that amount was issued by the respondent. He is not entitled to any other relief. The period between the date of order and date of actual payment is not disputed. The litigation meanwhile resorted to by the company was not in terms of any statutory right bestowed on it by any law. Nonpayment of compensation despite order of the Authority cannot be condoned on any ground. However, as is evident from the impugned judgment, the appellant has

failed to bring up any evidence substantiating his other claims, which the burden to prove was upon him.

12. We, therefore, in the light of evidence of the parties and willingness of the respondent company, grant him profit as calculated by the Nazir. We set aside the Impugned Judgment and Decree and allow this appeal by holding that appellant is entitled to profits on the amount of compensation (Rs.888,134/-) granted by the Authority amounting to Rs.774925.66. This amount shall be deposited by the respondent company with Nazir of this court within a period of 15 days and Nazir is directed to disburse the amount immediately thereafter to the appellant on his due verification and identification as per law.

The appeal stands disposed of alongwith pending applications.

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