

ORDER SHEET  
**HIGH COURT OF SINDH CIRCUIT COURT,  
HYDERABAD**

**1<sup>st</sup> Appeal No.D-11 of 2026**

**DATE**

**ORDER WITH SIGNATURE OF JUDGE**

21.04.2026

M/s Aghis-u-Salam Tahirzada and Hassnain Mirjat,  
advocates for appellant

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The appellant Rawal Ali Memon a former employee of respondent Bank has preferred this appeal against the impugned judgment dated 19.01.2026 passed by Banking Court No.II Hyderabad exercising banking jurisdiction under the Financial Institutions (Recovery of Finances) Ordinance, 2001 (**FIO, 2001**) in Banking Suit No.264 of 2026. Counsel for the appellant relies on an acknowledgment receipt dated 14.11.2022, wherein respondent Bank had stated that nothing is outstanding against the appellant. Counsel contends that this confirms that there was no liability outstanding against the appellant/defendant. Counsel further argues that without prejudice to the said contention the rate of mark-up applied by the respondent Bank to the outstanding amount was contrary to the sanction advice of the Bank relating to the said finance.

Heard learned counsel. It is apparent that acknowledgment receipt available on page-139 is in relation to terminal benefits and not finance. The said acknowledgement, countersigned by the officers of H.R Department, pertains to matters arising in relation to the H.R Department dues payable by the Bank to the appellant – customer. The same does not mention any liability of the appellant in relation to the loan advanced to him. Even otherwise the burden was on the appellant in terms of Section 10(4) of FIO, 2001 to identify and specifically deny the Bank's dues as claimed in the plaint filed against him in the Banking Suit. Counsel is unable to identify anywhere in the leave to defend application filed by the appellant/defendant such defence was set up and/or the appellant/customer has disclosed statement of accounts between the Bank and the customer in terms of Section 10(4) of FIO, 2001. In fact, the defence taken by the appellant/defendant is in contraire to the provisions of Section 10(4) of FIO, 2001. The appellant/defendant failed to deny the assertions of Bank that nothing was outstanding in terms of the finance advance against him. Instead he avoided the Bank's claim entirely and relied on the acknowledgment receipt concerning terminable benefits. Secondly, turning to the issue concerning quantum of mark-up on the finance, once again no proof of repayment was shown in terms of Section 10(4) of the Ordinance in the leave to defend application. Thus, the leave to defend was refused by the Banking Court and the matter culminated in the impugned judgement and decree.

Given the above, we do not find any illegality in the impugned judgment and decree dated 19.01.2026. Same are in accordance with law and do not require any interference by this Court. The first appeal is hereby dismissed in limine alongwith listed applications. We are appreciative of Mr. Hassnain Mirjat advocate, who has made submissions with confidence in support of arguments raised by his senior.

JUDGE

JUDGE

Sajjad Ali