JUDGMENT SHEET

ISLAMABAD HIGH COURT, ISLAMABAD

JUDICIAL DEPARTMENT

1. C.M.A. No. 425 of 2024

Sui Northern Gas Pipelines Limited

Versus

Muhammad Imran

2. C.M.A. No. 426 of 2024

Sui Northern Gas Pipelines Limited

Versus

Sadaqat Ali

3. C.M.A. No. 427 of 2024

Sui Northern Gas Pipelines Limited

Versus

Muhammad Shoaib

Appellant by:	M/s. Ahmed Ejaz Yousaf, Touqeer Ahmad and Mr. Sadam Sarwar Khan Advocates.
Respondents by:	Respondents in C.M.A. Nos. 425/2024 and 426/2024 proceeded against ex-parte.
	Mr. Muhammad Usman, Advocate for the respondent in C.M.A. No. 427/2024.
Assisted by:	Muhammad Fahad, Research Intern.
Date of Hearing:	**01.10.2026**

INAAM AMEEN MINHAS, J:- This judgment shall decide the afore-titled appeals, as these appeals involve a common question of law and similar facts.

2. Through the afore-titled appeals, Sui Northern Gas Pipelines Limited **("SNGPL")** has assailed three judgments, each dated 05.06.2023 **("Impugned Judgments")**, passed by the learned Judge, Gas Utility Court

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(East), Islamabad **("Gas Utility Court")**, whereby the suits of SNGPL for recovery of gas charges were dismissed as barred by limitation under the Limitation Act, 1908 **("Act, 1908")**. The appeals have been preferred under section 13 of the Gas (Theft Control and Recovery) Act, 2016 **("Act, 2016")** read with section 96 and Order XLI of the Code of Civil Procedure, 1908 **("CPC")**.

3. Brief facts in the afore-titled appeals are that SNGPL, being a Gas Utility Company within the meaning of section 2(1)(h) of the Act, 2016, commissioned gas supply to the premises of the respondents on 29.07.2009 in C.M.A. No. 425/2024, on 29.03.2010 in C.M.A. No. 426/2024 and on 28.09.2008 in C.M.A. No. 427/2024. The respondents defaulted in payment of the monthly bills, whereupon the supply of gas was disconnected on 30.05.2013 in all the three cases. SNGPL thereafter issued final recovery notices and, the dues remaining unpaid, instituted suits for recovery under section 6 of the Act, 2016. The particulars, as borne out from the pleadings and the Impugned Judgments, are that in C.M.A. No. 425/2024, SNGPL instituted Civil Suit No. 02/2023 on 23.12.2022 against Muhammad Imran for recovery of Rs. 1,66,88,203/-, the dues having last been discharged for the billing month of December 2013, a final recovery notice having been issued on 21.10.2019 and Rs. 2,000/- having been paid on 17.09.2019. In C.M.A. No. 426/2024, Civil Suit No. 90/2023 was instituted on 20.10.2020 against Sadaqat Ali for recovery of Rs. 2,71,95,740/-, the dues having last been discharged for the billing month of April 2013, a final recovery notice having been issued on 01.10.2020 and Rs. 500/- having been paid on 19.10.2020. In C.M.A. No. 427/2024, Civil Suit No. 77/2023 was instituted on 20.10.2020 against Muhammad Shoaib for recovery of Rs. 1,90,86,100/-, the dues having last been discharged for the billing month of June 2012, a final recovery notice having been issued on 01.10.2020 and Rs. 500/- having been paid on 19.10.2020.

4. The Gas Utility Court framed and decided the question of limitation as a preliminary point of law. The Gas Utility Court answered the question against SNGPL, and stated that the supply of gas, being a sale of goods within the meaning of the Sale of Goods Act, 1930, is governed by article 53 of the

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First Schedule to the Act, 1908, the bills being payable within fifteen days of its issuance; that time began to run from the expiry of that period of credit and ran out in or about January 2017, May 2016 and July 2015, respectively; and that neither the final recovery notices, which were not acknowledgments in writing by the respondents within the meaning of section 19 of the Act, 1908, nor the stray payments, which were made after the period had already expired, could furnish a fresh period under section 20 of the Act 1908.

5. As regards section 20 of the Act, 2016, on which SNGPL had placed reliance, the Gas Utility Court read it as an organic whole along with sections 1(3), 4, 11, 12, 14 to 19 and 26 and, applying the rule of *ejusdem generis*, concluded that the expression "no time bar shall apply" protects only the proceedings by way of complaint against a convicted offender, and the amounts that become recoverable from him on conviction, and not a civil suit. The order of the Hon'ble Peshawar High Court in ***Sui Northern Gas Pipe Lines vs. Ghulam Hazrat, (F.A.O. No. 108-P/2019, decided on 13.03.2020)***, cited by SNGPL, was not followed on the observation that it had read section 20 in isolation and did not satisfy the test of a binding precedent under Articles 189 and 201 of the Constitution of the Islamic Republic of Pakistan, 1973. The suits were accordingly dismissed under section 3 of the Act, 1908, as not maintainable as framed and hopelessly barred, there being no existing cause of action on the date the plaints were presented.

6. The learned counsel for SNGPL contended that the Impugned Judgments are the result of a misreading of section 20 of the Act, 2016, which in express terms provides that no time bar shall apply to the ordering of recovery of arrears of dues of any kind or to the initiation of proceedings in that regard; that the Act, 2016 is a special law having overriding effect by virtue of section 31, and the Act, 1908 cannot be pressed against a Gas Utility Company in a claim for recovery of its dues; and that criminal proceedings by way of an FIR and a private complaint had also been initiated by SNGPL against the respondents. It was, therefore, prayed that the appeals be allowed, the Impugned Judgments be set aside and the suits be remanded for decision on merits.

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7. The respondents in C.M.A. Nos. 425 and 426 of 2024 did not appear and were proceeded against ex parte. The learned counsel for the respondent in C.M.A. No. 427 of 2024 contended that the Gas Utility Court has correctly decided the point of limitation; that the Act, 2016 does not prescribe any period of limitation for the institution of a suit for recovery and, where a statute is silent on the point, the Act, 1908 applies and the relevant article of its First Schedule governs; that the suit, instituted years after the expiry of the period so prescribed, was hopelessly time barred; that section 20 of the Act, 2016, when read with the other provisions thereof, does not extend to a civil suit; and that the Impugned Judgment, being well-reasoned and in accordance with law, calls for no interference, and lastly prayed that the appeal be dismissed.

8. I have heard the learned counsel for the parties and gone through the record.

9. The crux of the matter lies in section 20 of the Act, 2016, the stance of the respondents being that the suits were rightly decided under the Act, 1908, whereas SNGPL asserts that no time bar applies to them. The Impugned Judgments, which finally dispose of the suits, are appealable under section 13(1) of the Act, 2016, and the appeals, presented within thirty days after excluding the time spent in obtaining the certified copies, are within time. The quantum of the claims, the correctness of the bills and the defence of the respondents on merits are not in issue in these appeals, and nothing herein shall be construed as opinion on them. The controversy is, therefore, narrowed down to the following question for determination by this Court:-

> ***"Whether, in view of section 20 of the Act, 2016, a suit instituted by a Gas Utility Company for recovery of arrears of gas charges is subject to the period of limitation prescribed by the Act, 1908?"***

10. To address the question, it is expedient to first look at the object and scheme of the Act, 2016. Its preamble articulates the purpose which the Legislature intended to achieve, that is, to prosecute cases of gas theft and other offences relating to gas and to provide for a procedure for the expeditious recovery of amounts due, value of gas, fines, penalties and other

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outstanding amounts payable and sums due to Gas Utility Companies. A bird's eye view of the preamble makes it crystal clear that the Act, 2016 is a special law made for specific purposes, the spirit whereof is the expeditious recovery of amounts due against defaulters. In keeping with that object, section 4 vests the Gas Utility Court with exclusive jurisdiction in all matters covered by the Act, 2016, while section 5(1)(a) invests it, in its civil jurisdiction, with all the powers of a Civil Court under the CPC. Section 6(1), *Procedure for complaints and suits for default before Gas Utility Courts,* opens the door of the Gas Utility Court in three disjunctive situations: where a person is involved in an offence under the Act, 2016; where there are sums due or recoverable from any person; and where a consumer has a dispute regarding billing or metering against a Gas Utility Company. The second situation stands on its own footing and requires neither an offence nor a conviction. It is the one in which a Gas Utility Company brings a suit for recovery, the plaint whereof is governed by section 6(3), the defence whereto is regulated by the leave to defend under section 7, and the decree whereon is executed in terms of section 10. The expression *sums due*, as defined in section 2(1)(o), takes in arrears of gas charges, meter rental and late payment surcharges recoverable from a person who receives gas lawfully or unlawfully, while section 27 makes the charges for supply of gas, or any other sum outstanding against a consumer, recoverable as arrears of land revenue.

11. The Honourable Supreme Court, while dealing with this very scheme in ***Sui Northern Gas Pipelines Ltd. (SNGPL), Islamabad vs. Messrs S.K. Pvt. Limited and others, (2025 SCMR 570)***, in an appeal arising out of a judgment of this Court, held as under:-

> *"6. It is clear beyond any shadow of doubt that Section 6 of the 2016 Act provides both Gas Utility Companies and consumers with an equitable and expeditious remedy for filing a complaint or suit, as the case may be, for resolving disputes regarding billing or metering. A statute or its provisions must be construed effectively and operatively, as per the maxim "ut res magis valeat quam pereat"…."*

The Honourable Supreme Court further held in the same judgment that where a special law is enacted, it overrides the general law, and the provisions of the special law exclude the application of the general law *(para 8)*; that the most

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important rule is to remain faithful to the intent of the lawmaker and to adopt an interpretation which supports the attainment of the statute's objective, preferring, where two interpretations are plausible, the one that expands the remedy and represses the mischief; that interpretations which render the statute or its provisions ineffective without good reason are to be avoided; that if the words are clear and free from vagueness or uncertainty, then obviously, there shall be no need to turn to other mediums of interpretation; and that any departure from the literal rule which substitutes words in a well-defined statutory provision should be avoided *(Para 9)*.

12. Now, it is relevant to reproduce section 20 of the Act, 2016 hereunder:-

> *"**20. Penalties not to affect other liabilities**.— The penalties imposed under sections 14 to 19 shall be in addition to, and not in derogation of, any liability in respect of the payment of compensation which the offender may have incurred and no time bar shall apply in respect to either granting compensation or ordering recovery of arrears of dues of any kind or in respect to initiating proceedings in this regard."*

The provision, on its plain reading, has two parts joined by the conjunction "and", the first declares that the penalties under sections 14 to 19 are in addition to, and not in derogation of, any liability for compensation which the offender may have incurred. The second declares that no time bar shall apply in respect of three things that is, the granting of compensation, the ordering of recovery of arrears of dues of any kind, and the initiation of proceedings in this regard. The word offender appears only in the first part, and only in relation to compensation. In the second part, the limb dealing with arrears of dues of any kind, there is no reference to an offence, an offender or a conviction. The expression dues of any kind, read with the definition of sums due in section 2(1)(o), leaves no room for doubt that ordinary arrears of gas charges are comprehended within it, and the proceedings for their recovery, which the Act, 2016 provides for in section 6, are the very suits that were instituted in these cases. This also answers the submission that the Act, 2016 is silent on limitation: it is not, for section 20 speaks to the very subject, and speaks in express terms.

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13. The scheme of the Act, 2016 lends further support to this reading. Wherever the Legislature intended to prescribe a time limit, it has done so in express terms: the defendant is to file the application for leave to defend within twenty-one days of the date of first service (section 7(2)); an application for setting aside an ex parte decree is to be made within thirty days (section 8); an appeal lies to this Court within thirty days (section 13(1)); a suit in which leave to defend has been granted is to be disposed of within ninety days (section 9(1)); and so is an appeal after its admission (section 13(4)). Having thus furnished its own periods at every stage where it wished to, the Legislature, in the same enactment, declared in section 20 that no time bar shall apply to the ordering of recovery of arrears of dues of any kind or to the initiation of proceedings in that regard. The absence of a period for the institution of a suit for recovery is, therefore, not a lacuna to be filled from the general law but a deliberate choice to disregard the law of limitation for such suits, the whole scheme and procedure of the Act, 2016 having been provided in itself. To import article 181, or any other article, of the Act, 1908 into the Act, 2016 would run counter to that choice and render the words no time bar shall apply ineffective.

14. The Gas Utility Court arrived at the contrary conclusion by implanting upon section 20 a condition that its text does not contain, namely that the benefit of no time bar is available only against a convicted offender, and only in respect of what is recoverable from him on conviction under sections 11, 12 and 26. The word convicted occurs in sections 11 and 22 of the Act, 2016; it is conspicuously absent from section 20. The compensation limb, no doubt, relates to an offender, as the section itself says; but the limb relating to the recovery of arrears of dues of any kind is introduced by the disjunctive “or” and is not tied to the offender in any manner, and to read a prior conviction into it is not interpretation but legislation. Nor does the rule of *ejusdem generis* come to the aid of the Gas Utility Court, as there is no enumeration of specific items followed by general words here; granting compensation and ordering recovery of arrears of dues of any kind are alternatives, and the words of any kind leave no doubt about the extent of the latter. The principle that a statute is to be read as an organic whole serves to harmonise one provision with another and not to confine a clear provision: sections 6, 7, 10

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and 27 all speak of recovery of gas dues by suit without any mention of an offender, and the construction of the Gas Court would leave section 20 with very little to operate upon, since a complaint for an offence is not governed by the Act, 1908 and the additional amounts and compensation under sections 11 and 12 are ordered in the very judgment of conviction. A construction which renders a provision ineffective without good reason is to be avoided. The heading of section 20, on which some reliance was also placed, is only an aid and cannot control the enacting words, and arrears of gas dues are in any event a liability other than the penalties.

15. Even otherwise, the Act, 2016 is a special law, enacted with the object of securing the expeditious recovery of amounts due to Gas Utility Companies, and section 31 gives its provisions effect notwithstanding anything to the contrary contained in any other law for the time being in force whereas the Act, 1908 is a general law. Where the special law itself declares that no time bar shall apply to a given class of proceedings, the general law cannot be called in aid to impose the very bar which the special law has removed. Section 3 of the Act, 1908, which enjoins the dismissal of a suit instituted after the prescribed period, is, therefore, not attracted to a suit by a Gas Utility Company for recovery of its dues under the Act, 2016.

16. The view taken above finds support from the judgments of two other High Courts. In ***Sui Northern Gas Pipe Lines vs. Ghulam Hazrat, (F.A.O. No. 108-P/2019, decided on 13.03.2020)***, the suit of SNGPL for recovery of Rs. 42,440/- on account of a gas bill of September 2011, instituted on 04.09.2018, was rejected by the Gas Utility Court at Nowshera under Order VII Rule 11(d) CPC as hopelessly time barred. The Peshawar High Court, taking note of section 20 of the Act, 2016, found the order to be the result of misreading and non-reading, allowed the appeal, set the order aside and remanded the case for decision afresh after recording of evidence. In ***Muhammad Ashraf vs. Sui Northern Gas Pipelines Limited Company and another, (W.P. No. 46461/2025)***, the Lahore High Court, upon a consideration of the preamble and of sections 20 and 31 of the Act, 2016, held that the Act, 2016 is a special law made for specific purposes, the spirit whereof is the expeditious recovery of amounts due against defaulters; that

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defaults made by consumers would not become unrecoverable with the afflux of time, for which very purpose section 20 has been inserted, so that limitation does not come in the way of Gas Utility Companies in recovery of any outstanding amounts payable by the consumers; and that the bar of limitation does not apply for recovery of arrears of dues of any kind, so that even the framing of an issue on limitation would go against the intention of the framers of the statute. The contention that article 181 of the Act, 1908 applies where the Act, 2016 provides no limitation was repelled on the ground that special laws have overriding effect over general laws when both are in conflict, and it was further observed that no one can get the benefit of his own wrong and a Gas Utility Court cannot be restrained from proceedings in a suit for recovery against a defaulter, as the object of the Act, 2016 is to recover the defaulted arrears. This Court is in respectful agreement with both.

17. The contrary view is that of a learned Single Judge of the Sindh High Court in ***Sui Southern Gas Company Limited through Sub-Attorney vs. Irshad Ali Bhutto and another, (PLD 2024 Sindh 205)***, wherein, as the Act, 2016 does not provide any specific period of limitation for a suit for recovery, article 181 of the Act, 1908 was applied and the suit of the Gas Utility Company was held to be barred. With the utmost respect, that premise is not borne out by section 20 of the Act, 2016, which finds no mention in the judgment; and though the judgment describes the Act, 2016 as a special law, it does not examine what follows from that character or the effect of section 31. A decision which does not notice the provision directly bearing on the question cannot be treated as an authority on that question, and this Court is, therefore, unable to follow it, as has also been done by the Lahore High Court in the judgment referred to above.

18. In view of the above, as section 20 of the Act, 2016 excludes any time bar on a suit by a Gas Utility Company for recovery of arrears of dues of any kind, the suits of SNGPL could not be thrown out under section 3 of the Act, 1908. The contention that the Act, 1908 fills a supposed silence of the Act, 2016 is, therefore, misconceived. The questions as to which article of the First Schedule applies, when time began to run, and whether the recovery notices or the stray payments furnished a fresh period under sections 19 and 20 of the

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Act, 1908 do not arise, and the findings recorded thereon cannot sustain the dismissal of the suits. The questions as to the existence of a cause of action and the effect of the FIR and the private complaint earlier lodged by SNGPL against the respondents shall be addressed by the Gas Utility Court, being the forum below, in the course of the proceedings.

19. Before parting with the judgment, it is observed that the three suits have been disposed of at the stage of a preliminary point of law, without any evidence having been recorded, and that the amounts claimed are substantial. The Act, 2016 envisages the expeditious disposal of suits; section 9 prescribes a period of ninety days for the disposal of a suit in which leave to defend has been granted and, save in extraordinary circumstances and for reasons to be recorded, bars adjournments of more than seven days. The Gas Utility Court is expected to decide the suits keeping those timelines in view.

20. For the foregoing reasons, C.M.A. Nos. 425, 426 and 427 of 2024 are hereby **allowed**. The Impugned Judgments dated 05.06.2023, and the decrees dated 27.11.2023 drawn in pursuance thereof, passed by the learned Judge, Gas Utility Court (East), Islamabad in Civil Suit No. 02/2023, Civil Suit No. 90/2023 and Civil Suit No.77/2023, respectively, are ***set aside***. The suits stand restored to their original numbers and are remanded to the Gas Utility Court to be decided afresh on merits in accordance with law.

(INAAM AMEEN MINHAS)
JUDGE

Announced in open Court on 15.10.2026.

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APPROVED FOR REPORTING

Basit Ali (F)

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