

ORDER SHEET

THE HIGH COURT OF SINDH AT KARACHI

J.C.M No.19 of 2018

DATE ORDER WITH SIGNATURE OF JUDGE

For hearing of main petition.

13.12.2018.

**Ms. Alizeh Bashir and Saleem-uz-Zaman Advocates for the
Petitioner/Official Liquidator.
Mr. Saad Abbasi, Advocate for SECP.**

Muhammad Junaid Ghaffar, J. This is a petition under Section 372(5) of the Companies Act, 2017. The Company in question i.e. *M/s. R.J. Reynolds (Private) Limited*, was under voluntarily winding up vide Resolution published in Gazette of Pakistan on 07.11.2001, whereby the petitioner before this Court was appointed as Liquidator. The voluntarily winding up could not be completed within the specified time and thereafter, J.M. No.4 of 2006 was filed in this matter, which was disposed of vide order dated 14.03.2006, granting extension in time for completion of the winding up. Insofar as, the Company in question is concerned, it had filed a claim of refund against Customs Department and at the relevant time when the above order was passed, the matter was pending before the Customs, Sales Tax and Excise Appellate Tribunal in Appeal No.02 of 2006. While granting extension, Tribunal was directed to hear and decide the matter within ninety (90) days, however, the proceedings could not be completed within time and finally, the

matter went up to the Hon'ble Supreme Court of Pakistan, wherein vide order dated 19.06.2017 in C.Ps. No.320-K and 321-K of 2015, filed by the Collector of Customs, an order was passed dismissing the said petitions.

2. Learned Counsel appearing on behalf of petitioner submits that now the matter is being pursued with the department for issuance of Cheques, however, the period for voluntarily winding up stands expired; hence, this petition. Comments were sought from Securities & Exchange Commission of Pakistan and no objection has been filed, whereas, it is informed that the Company in question is registered as Private Limited Company in their records. Section 372(5) of the Companies Act, 2017, provides that winding up proceedings are to be completed by the Liquidator within a period of one (1) year from the day of commencing of the winding up; however, it further provides that the Court may, on the application of the Liquidator, grant further extension, which should not exceed the period of one hundred eighty (180) days in all, and shall only be allowed only for the reason that any proceedings before or against the Company are pending in Court and Court shall have the power to require expeditious disposal of such proceedings as it could do so in winding up by the Court in terms of Section 337 *ibid*.

3. In the circumstances, it appears that delay, if any, in completion of the winding up proceedings was beyond the control of the petitioner/Liquidator, therefore, this petition merits consideration, whereas, no objections have been filed and it is only to the extent of seeking extension. Accordingly, this petition is allowed to the extent of para 20(a) and the time for completion of the winding up proceedings is extended for a

period of one hundred twenty (120) days from today, whereas, in the meantime, Official Liquidator shall approach the department for compliance and implementation of the orders passed by the High Court of Sindh in C.P. No.D-296 of 2011 and Special Custom Reference No.128/2010 [re. M/s. R.J. Reynolds (Pvt.) Ltd. v. Collector of Customs, Appraisement] dated 25.02.2015 as well as Hon'ble Supreme Court of Pakistan in C.Ps. No.320-K & 321-K of 2015 [re. Collector of Custom v. M/s. R.J. Reynolds Pvt. Ltd. & Others] dated 19.06.2017.

J U D G E

Faizan/P.A.