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# CASE LAW UPDATES

Pakistan Superior Courts — Verified Judgment Digest

*Thursday, 18 June 2026*

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FCC: 1 judgment | SC: 5 judgments | LHC: 4 judgments | IHC/SHC: no new entries

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# Federal Constitutional Court of Pakistan

1 judgment

## COMPROMISE DECREES, INHERITANCE RIGHTS OF FEMALE HEIRS & DUTIES OF NOTARY PUBLIC

### Mst. Bibi Amina and others v. Shamsullah and others

PETITION ALLOWED AND CONVERTED INTO APPEAL WHICH IS ACCEPTED; IMPUGNED JUDGMENT SET ASIDE; SUIT REVIVED

C.P.L.A. No.143-Q/2025 · Bench: Chief Justice Amin-ud-Din Khan; Justice Ali Baqar Najafi · Decided: 04.06.2026 · Uploaded: 17-06-2026

#### FACTS

The petitioners, daughters and legal heirs of late Abdul Rehman and Mst. Bibi Sabza, instituted a suit against their brothers for declaration and separate possession of their Shari shares in the estate. During the pendency of the suit, a purported compromise was arrived at and the Trial Court passed a judgment and decree dated 15.06.2021 under Order XXIII Rule 3 CPC. Clause No. 2 of the compromise — written in Urdu — used the vague and undefined expression 'Ghair Mutadawia' (property not in dispute) to bring within the settlement all undisclosed and unspecified properties left by the parents. Page Nos. 1 and 2 of the three-page compromise bore no signatures, thumb-impressions or attesting marks of any of the parties, counsel, witnesses or identifiers; only page 3 was signed. A Notary Public mechanically attested all three pages. The petitioners later filed an application under Section 12(2) CPC alleging fraud, misrepresentation, concealment of material facts, lack of free or informed consent, and want of jurisdiction. The Trial Court allowed the application on 08.11.2022; the Revisional Court affirmed on 20.08.2024 (after a remand by the High Court on 29.05.2024). The High Court, however, by judgment dated 25.06.2025, allowed the respondents' constitutional petition, reversed the concurrent findings and restored the compromise decree. The petition originally came to the Supreme Court under Article 183 and was transmitted to the Federal Constitutional Court following the Constitution (Twenty-seventh Amendment) Act, 2025.

#### LEGAL ISSUE

Whether a compromise decree under Order XXIII Rule 3 CPC, founded on a clause employing an indeterminate expression ('Ghair Mutadawia') to relinquish inheritance rights in undisclosed and unidentified properties of female heirs — and embodied in a document of which two pages bear no signatures of the parties — is void for uncertainty under Section 29 of the Contract Act, 1872 and amenable to challenge under Section 12(2) CPC on grounds of fraud, misrepresentation and want of jurisdiction; and what duty rests upon Notaries Public, courts and revenue authorities when scrutinising instruments affecting female inheritance.

#### HOLDING

The FCC held that the expression 'Ghair Mutadawia' in Clause No. 2 suffers from patent and incurable uncertainty as it neither identifies the properties relinquished by location, boundaries, survey numbers, title documents or revenue particulars, nor falls within the lis. By Section 29 of the Contract Act, 1872 agreements the meaning of which is uncertain or incapable of being made certain are void ab initio; a compromise decree cannot enjoy a higher sanctity than the agreement on which it rests. The Court derives jurisdiction under Order XXIII Rule 3 CPC only in relation to the subject-matter of the suit; it cannot extinguish rights in undisclosed properties. The absence of signatures on pages 1 and 2 of the three-page deed, combined with mechanical notarial attestation without ensuring page-wise execution, undermines the integrity and authenticity of the instrument and warrants strict scrutiny under Section 8 of the Notaries Ordinance, 1961. Where a transaction concerns a parida nasheen, illiterate, rustic or otherwise vulnerable woman, the burden lies heavily upon the beneficiary to establish through cogent, convincing and unimpeachable evidence that the transaction was the product of free, conscious and informed consent. The cumulative effect of the vague clause, the conduct of the respondents in remaining silent during execution proceedings, and their procurement of Mutation No. 217 dated 01.07.2022 eight months after the executing court recorded full satisfaction of the decree, raises a strong inference of fraudulent concealment attracting Article 114 of the Qanun-e-Shahadat Order, 1984. The petition was allowed and converted into an appeal which was accepted;

the impugned High Court judgment dated 25.06.2025 was set aside, the suit was revived, and parties were left at liberty to file an amended plaint incorporating all properties of both propositi. The Court issued a thirteen-point country-wide direction in paragraph 52 binding all courts, revenue authorities and other forums adjudicating, recognising or enforcing inheritance rights of female heirs.

#### LEGAL SIGNIFICANCE

This is the first comprehensive treatment by the newly constituted Federal Constitutional Court of the law governing compromise decrees, inheritance rights of female heirs, the doctrine applicable to parda nasheen women, and the institutional responsibilities of Notaries Public. The judgment weaves together Quranic injunctions (Surah An-Nisa 4:7 and 4:11), Article 227 of the Constitution, Articles 4, 9, 23, 24 and 25, ratified international instruments (UDHR, CEDAW (1996), ICCPR (2010), ICESCR (2008), Beijing Platform 1995, SDG 5(a), Cairo Declaration 1990, SAARC Social Charter 2004), comparative constitutional law (India, South Africa, Bangladesh, Turkey), and English jurisprudence (*Radmacher v. Granatino* [2010] UKSC 42; *Stack v. Dowden* [2007] UKHL 17; *Marckx v. Belgium* (1979) 2 EHRR 330), and codifies in paragraph 52 a thirteen-point checklist of mandatory safeguards. It will operate as a precedent of general application binding all courts, revenue authorities and notarial officers in any matter affecting inheritance rights of women. It also reaffirms that fraud is rarely susceptible of direct proof and is ordinarily inferred from surrounding circumstances and conduct.

#### LEGAL PROPOSITIONS (VERBATIM)

— *By virtue of Section 29 of the Contract Act, 1872 agreements the meaning of which is uncertain or incapable of being made certain are void ab initio.*

— *A compromise decree, notwithstanding its consensual character, cannot derive a higher sanctity than the agreement upon which it rests.*

— *no female legal heir can be deprived of her inheritance merely on the basis of a relinquishment deed, compromise, gift, maintenance allowance, payment of money, customary understanding, or any similar arrangement unless the transaction satisfies the strict legal requirements governing the relinquishment of inherited rights and is proved to have been executed voluntarily, consciously, and with full understanding of its implications.*

— *where a transaction concerns a parda nasheen, illiterate, rustic, or otherwise vulnerable woman, the burden lies heavily upon the beneficiary thereof to establish, through cogent, convincing, and unimpeachable evidence, that the transaction was the product of her free, conscious, and informed consent.*

#### LEGAL PRINCIPLES EXPOUNDED

**Certainty of subject matter is an indispensable precondition for the creation, recognition and enforcement of rights in immovable property; agreements lacking such certainty are void under Section 29 of the Contract Act, 1872 and cannot found a valid compromise decree.**

*Source:* Such uncertainty strikes at the very root of consensus ad idem and substantially undermines the sanctity and enforceability of the purported arrangement... *By virtue of Section 29 of the Contract Act, 1872 agreements the meaning of which is uncertain or incapable of being made certain are void ab initio.*

*Authority:* Section 29, Contract Act, 1872; Order XXIII Rule 3, CPC; *Barkat Ram v. Anant Ram* (AIR 1915 Lahore 328)

**Inheritance rights of female heirs are divinely ordained under Surah An-Nisa (4:7 and 4:11), constitutionally protected (Articles 4, 9, 23, 24, 25) and recognised under Article 227 of the Constitution as flowing from the Holy Quran as the supreme source of law in Pakistan.**

*Source:* These divine injunctions leave no manner of doubt that the entitlement of female heirs to succeed to the estate of a deceased Muslim is neither discretionary nor dependent upon the will of other heirs. It is an obligatory right vested by Divine command.

*Authority:* Holy Quran, Surah An-Nisa 4:7 and 4:11; Articles 4, 9, 23, 24, 25 and 227 of the Constitution; Muslim Personal Law (Shariat) Application Act, 1937; West Pakistan Muslim Personal Law (Shariat) Application Act, 1962; Muslim Family Laws Ordinance, 1961; Punjab Enforcement of Women's Property Rights Act 2021

**Where the transaction concerns a parda nasheen, illiterate, rustic or otherwise vulnerable woman, the burden lies heavily upon the beneficiary to establish that the transaction was the product of her free, conscious and informed consent, with the benefit of independent and disinterested**

**advice.**

**Source:** *It must be affirmatively proved that she fully understood the nature of the document, its legal effect, the rights being relinquished thereunder, and the consequences likely to flow therefrom. Furthermore, it must be shown that she had the benefit of independent and disinterested advice.*

**Authority:** *Ghulam Muhammad v. Zohran Bibi (2021 SCMR 19); Phul Peer Shah v. Hafeez Fatima (2016 SCMR 1225); Mulla, Principles of Mohammedan Law, 22nd edn, pp.635-636*

**A Notary Public under the Notaries Ordinance, 1961 is a statutory functionary discharging a quasi-public duty whose attestation must verify due execution of every constituent page of a multi-page instrument; mechanical authentication of unsigned pages defeats the object of the Ordinance and warrants regulatory introspection.**

**Source:** *the Notary Public must satisfy himself that the document presented before him has been duly executed by the persons purporting to be its executants and that the instrument sought to be authenticated is complete, free from patent irregularities and bears all indicia of due execution... A Notary Public is not expected to function as a mere rubber stamp.*

**Authority:** *Sections 8(1)(a) and 8(2), Notaries Ordinance, 1961*

**Fraud, being rarely susceptible of direct proof, may be inferred from the cumulative effect of surrounding circumstances; conduct such as procurement of mutations behind the back of the executing court after a recorded order of full satisfaction attracts Article 114 of the Qanun-e-Shahadat Order, 1984.**

**Source:** *Their conspicuous silence at that stage and their subsequent procurement of Mutation No.217 dated 01.07.2022, behind the back of the Court and nearly eight months after the closure of execution proceedings, constitute circumstances too eloquent to be ignored. Their conduct attracts the principle embodied in Article 114 of the Qanun-e-Shahadat Order, 1984.*

**Authority:** *Article 114, Qanun-e-Shahadat Order, 1984; Section 12(2), CPC*

**OPERATIVE ORDER**

*Consequently, the petition is allowed and converted into an appeal, which is hereby accepted. The impugned judgment dated 25.06.2025 is declared to be not sustainable in law and is accordingly set aside. The suit shall stand revived, and the parties shall be at liberty to file an amended plaint, if so advised, incorporating therein all other properties belonging to both the propositi, so that the entire controversy between the parties may be finally and comprehensively adjudicated upon in accordance with law. Before parting with this judgment, accordingly, all courts, revenue authorities, and other forums entrusted with the adjudication, recognition, or enforcement of inheritance rights, particularly those concerning female legal heirs, shall exercise heightened vigilance and judicial scrutiny in such matters and are directed to ensure compliance with the indispensable safeguards set out in paragraph 52.*

■ [View Full Judgment](#)

**Supreme Court of Pakistan**

5 judgments

**KHULA, AUTONOMY OF DIVORCED WOMAN & WEAPONISATION OF LEGAL PROCESS****Sultan v. Mst. Roshi Zeb etc.****PETITION DISMISSED WITH COSTS OF RS.500,000**

*C.P.L.A. No.303-P/2018 · Bench: Chief Justice Yahya Afridi; Justice Muhammad Shafi Siddiqui; Justice Miangul Hassan Aurangzeb · Decided: 04.06.2026 · Uploaded: 16-06-2026*

**FACTS**

The Family Court-I, Peshawar dissolved the marriage between the petitioner-husband and respondent-wife on the basis of khula vide decree dated 13.09.2014, in lieu of dower. Pre-trial reconciliation efforts had failed, the wife stating that owing to the petitioner's unendurable conduct she harboured extreme hatred and was unwilling to reside with him under any circumstances. The record disclosed that the petitioner had beaten and forcibly ousted her from the matrimonial home and retained their minor daughter to separate mother from child. After observing the prescribed period of iddat, the respondent contracted a second marriage with one Shams-ur-Rehman. The petitioner thereafter filed an application under Section 22-A CrPC before the Justice of Peace seeking registration of a criminal case, alleging the respondent was still his lawful wife and had entered a second nikah during subsistence of the first; he also impugned the validity of the second marriage by alleging that her sister was also in nikah with the same man. The SHO reported that an identical private complaint had already been dismissed by the Ilaqa Magistrate vide order dated 10.02.2016, which had held that the respondent was no longer in his wedlock when she contracted the second marriage. The Justice of Peace dismissed his Section 22-A application. The petitioner's writ petitions before the High Court (W.P. No. 1135-P/2017 and W.P. No. 3034/2017) were dismissed by the impugned judgment dated 08.02.2018. He approached the Supreme Court.

**LEGAL ISSUE**

Whether a Muslim woman who has lawfully obtained khula and observed the prescribed period of iddat is entitled to contract a subsequent marriage of her own choosing without the approval of her former husband; and whether the persistent invocation of criminal and judicial process to delegitimise such a lawful exit and stigmatise the woman amounts to abuse of process attracting exemplary judicial response.

**HOLDING**

The Supreme Court held that the right of a woman to seek khula stands within the legal framework as a right of exit corresponding to the husband's right of talaq, both reflecting the principle that marriage is not intended to become an insufferable or inescapable bond. The requirement of reconciliation is not a perpetual or open-ended entitlement of the husband; it is a pre-trial procedural measure that operates only until the court is satisfied that the marriage cannot be sustained. Once such a finding is recorded, the possibility of reconciliation ceases. A woman who has lawfully obtained khula and observed iddat is fully entitled, in law and as a valid realisation of her inherent personal autonomy, to contract a subsequent marriage of her own choosing; that right is neither contingent upon the approval of her former husband nor subject to his continuing moral or legal supervision. The petitioner's criminal proceedings and applications, founded on the premise that the respondent's khula was ineffective or her subsequent marriage unlawful, were declared frivolous, vexatious and abusive in nature, constituting clear misuse of legal process. The persistence of identical allegations after their dismissal by a competent criminal court exposed the vexatious character of the litigation. The petition was dismissed with costs of Rs. 500,000 payable to the respondent.

**LEGAL SIGNIFICANCE**

The judgment represents a forthright restatement by the Chief Justice of Pakistan of the doctrinal foundations of khula as a substantive female right of exit from marriage, decoupled from any continuing supervisory or moral authority of the former husband. By characterising baseless post-khula criminal proceedings as a vehicle for reputational and social harm — a 'weaponisation' of the judicial process — and by issuing a country-wide direction to courts to remain vigilant against such misuse, the Supreme Court extends the conceptual scope of 'abuse against women' to include vexatious litigation, false criminal allegations and

character attacks during judicial processes. The quantified costs of Rs. 500,000 set a deterrent precedent against gendered harassment through the courts, and the judgment supplies a clear adjudicative template for trial courts and Justices of Peace confronted with post-dissolution complaints aimed at remarriage.

#### LEGAL PROPOSITIONS (VERBATIM)

- *A woman who has lawfully obtained khula and has observed the prescribed period of iddat is fully entitled, in law, and as a valid realisation of her inherent personal autonomy, to contract a subsequent marriage of her own choosing.*
- *That right is neither contingent upon the approval of her former husband nor subject to his continuing moral or legal supervision.*
- *Any attempt to criminalise or delegitimise the exercise of that right through false or baseless litigation amounts to an abuse of the process of court.*
- *The criminal proceedings and applications initiated by the petitioner on the premise that the respondent's khula was ineffective or that her subsequent marriage was unlawful are declared to be frivolous, vexatious, and abusive in nature.*
- *Litigation that is initiated or sustained with the object of gendered harassment, humiliation, or reputational harm must also be viewed as abuse against women.*

#### LEGAL PRINCIPLES EXPOUNDED

**Khula is a complete and valid mode of dissolution of marriage corresponding in its own sphere to the husband's right of talaq, both reflecting the principle that marriage is not intended to become an insufferable or inescapable bond.**

*Source:* khula operates as a complete and valid mode of dissolution of marriage, carrying full legal effect. In this sense, it stands within the legal framework as a right of exit available to the wife, corresponding in its own sphere to the right of talaq available to the husband.

*Authority:* Islamic jurisprudence; statutory framework governing Muslim family law

**The requirement of reconciliation under family law is a pre-trial procedural measure that operates only until the court is satisfied that the marriage cannot be sustained; once the wife's settled aversion is recorded, the possibility of reconciliation ceases.**

*Source:* The requirement of reconciliation is not a perpetual or open-ended entitlement in favour of the husband; it is a pre-trial procedural measure that operates only until the court is satisfied that the marriage cannot be sustained.

*Authority:*

**The invocation of criminal law to perpetuate allegations against a former spouse for exercising the lawful right of khula constitutes clear misuse of legal process.**

*Source:* the invocation of criminal law to advance or perpetuate such an allegation, notwithstanding the subsisting decree of khula, constitutes a clear misuse of legal process.

*Authority:* Code of Criminal Procedure, 1898

**Frivolous proceedings, false criminal allegations and character attacks during judicial processes operate to create stigma and compel compliance through intimidation; given existing vulnerabilities faced by women, such practices have a chilling effect on access to legal and institutional protection and must be viewed as abuse against women.**

*Source:* Frivolous proceedings, false criminal allegations, and unwarranted character attacks during judicial processes operate in a manner that seeks to exert pressure, create stigma, and compel compliance through intimidation. Given the existing vulnerabilities faced by women in society, such practices not only undermine their social standing and professional opportunities, but also have a direct chilling effect on their access to legal and institutional protection.

*Authority:*

#### OPERATIVE ORDER

*Accordingly, this petition is dismissed with costs quantified at Rs. 500,000 (five hundred thousand), payable by the petitioner to the respondent within thirty days, failing which the same shall be recoverable through execution proceedings before the Family Court concerned.*

■ [View Full Judgment](#)

**SECTION 3, SINDH REGULARIZATION ACT 2013 — DEEMING CLAUSE & DATE OF SENIORITY****Nizamuddin Abbasi etc. v. Province of Sindh through Chief Secretary etc.****PETITIONS CONVERTED INTO APPEALS AND ALLOWED; SST JUDGMENT SET ASIDE; MATTER REMANDED**

*C.P.L.A. Nos. 584-K, 585-K, 586-K & 597-K of 2025 · Bench: Justice Muhammad Ali Mazhar; Justice Musarrat Hilali · Decided: 11.02.2026 · Uploaded: 17-06-2026*

**FACTS**

The petitioners were appointed on contract basis as Assistant Directors (BPS-17) by the Director General Agriculture Engineering & Water Management Sindh in February 2006 in a foreign-funded project (NPIW). Their services were regularised on 09.08.2016 in light of the Sindh (Regularization of Ad-hoc and Contract Employees) Act, 2013 ('2013 Act'). Pursuant to Sindh High Court orders dated 21.12.2017, notification dated 16.01.2018 deemed regularisation effective from 25.03.2013, the date of promulgation of the 2013 Act. The petitioners were thereafter promoted to Deputy Director (BPS-18) vide notification dated 24.06.2019. However, when the final seniority list of Deputy Directors (BPS-18) of 'On Farm Water Management' was issued on 28.05.2021, the date of regular appointment in BPS-17 was unlawfully shown as 16.01.2018 instead of 25.03.2013, allegedly following another Sindh High Court order dated 17.12.2018 in CP No. D-6611/2018. Their departmental appeals remaining undecided, the petitioners approached the Sindh Service Tribunal under Section 4 of the Sindh Service Tribunal Act, 1973. The SST dismissed their appeals on 27.01.2025 holding that under Rule 10(1) & (2) of the Sindh Civil Servants (Probation, Confirmation & Seniority) Rules, 1975, no appointment made on ad-hoc basis shall be regularised retrospectively, relying on *Vice-Chancellor Agriculture University Peshawar v. Muhammad Shafiq* (2024 SCMR 527).

**LEGAL ISSUE**

Whether the date of regularisation, and consequently of seniority, of employees regularised under Section 3 of the Sindh (Regularization of Ad-hoc and Contract Employees) Act, 2013 is to be reckoned from the date of promulgation of the 2013 Act (25.03.2013) by force of the non obstante and deeming clauses contained therein, notwithstanding Rule 10(1) & (2) of the Sindh Civil Servants (Probation, Confirmation & Seniority) Rules, 1975 and Section 8(4) of the Sindh Civil Servants Act, 1973.

**HOLDING**

The Supreme Court held that Section 3 of the 2013 Act, employing both a non obstante clause and a deeming clause, requires that an employee on ad-hoc and contract basis performing duties immediately before the commencement of the Act 'shall be deemed to have been validly appointed on regular basis' — and the date of regularisation is consequently deemed to exist from the date of promulgation, namely 25.03.2013. While seniority is normally reckoned from the date of the regularisation order, each case turns on its own peculiarities. Rule 10(1) & (2) of the 1975 Rules and Section 8(4) of the 1973 Act cannot be read in preclusion but must be harmonised with the exactitudes of Section 3 of the 2013 Act. The SST erred in ignoring the effect of the non obstante and deeming clauses. The 2013 Act remains in field as good law and has neither been declared ultra vires nor read down. As to inter se seniority disputes among employees regularised before or after the 2013 Act, the SST as the first fact-finding forum may decide such controversies, but the date of regularisation under Section 3 is settled by the law itself and does not require further indulgence. The civil petitions were converted into appeals, allowed, the SST judgment set aside, and the matter remanded for fresh decision within three months on the limited point of reference.

**LEGAL SIGNIFICANCE**

The judgment resolves a long-running controversy over the effective date of regularisation under the Sindh 2013 Act and the consequential seniority entitlement of Ex-NPIW and similarly placed contract employees, by extracting the inevitable corollary of the legislature's twin use of a non obstante and a deeming clause. It restates a comprehensive jurisprudence of statutory interpretation — deeming clauses, legal fictions, reading down, reading in, and the canons of literal, golden and mischief rules — and curtails the reach of *Vice-Chancellor Agriculture University Peshawar v. Muhammad Shafiq* (2024 SCMR 527) by distinguishing

cases where regularisation derives prospectively from an executive order from cases where the legislature itself supplies the regularisation through a statutory legal fiction operating from the date of commencement. The judgment will be heavily relied upon in pending and future service appeals before the SST and superior courts in Sindh, and provides authoritative guidance on harmonising older civil-service seniority rules with later sui generis regularisation statutes.

#### LEGAL PROPOSITIONS (VERBATIM)

— *Now for all intents and purposes, there should be no further confusion with regard to the date of regularization of services in terms of Section 3 of the 2013 Act which is the parent act for dealing the regularization of ad-hoc and contract employees in the Province of Sindh and if the date of regularization is made effective from the date of promulgation of Act in terms of non obstante and deeming clause, neither it violates Rule 10(1) and (2) of the Sindh Civil Servants (Probation, Confirmation & Seniority) Rules, 1975 nor the rigidities of Section 8 of the Sindh Civil Servants Act, 1973.*

— *Where the statute says that you must imagine the state of affairs, it does not say that having done so you must cause or permit your imagination to boggle when it comes to the inevitable corollaries of that state of affairs.*

— *The aforesaid rules in the exceptional circumstances cannot be read in preclusion but need to be harmonized within the exactitudes of Section 3 of the 2013 Act.*

#### LEGAL PRINCIPLES EXPOUNDED

**Where a statute employs both a non obstante clause and a deeming clause to confer regular status from a specified date, the court must give effect to the legal fiction by assuming all facts and consequences which are incidental or inevitable corollaries for giving effect to that fiction.**

*Source:* when the legislature creates a legal fiction, the court has to ascertain for what purpose the fiction is created and after ascertaining this, to assume all those facts and consequences which are incidental or inevitable corollaries for giving effect to the fiction.

*Authority:* Central Bureau of Investigation, Bank Securities and Fraud Cell v. Ramesh Gelli (2016) 3 SCC 788; Lord Asquith in East End Dwelling Co Ltd v. Finsbury Borough Council

**A deeming clause places an artificial construction upon a word or phrase that would not otherwise prevail and cannot be extended beyond the language of the section by which it is created or by importing another fiction.**

*Source:* the purpose of importing a deeming clause is to place an artificial construction upon a word/phrase that would not otherwise prevail and sometimes it is to make the construction certain. It was further held that a deeming clause is a fiction, which cannot be extended beyond the language of the section by which it is created or by importing another fiction.

*Authority:* All Pakistan Newspapers Society v. Federation of Pakistan (PLD 2012 SC 1); Mubeen-us-Salam v. Federation of Pakistan (PLD 2006 SC 602); Mehreen Zaibun Nisa v. Land Commissioner Multan (PLD 1975 SC 397)

**Statutory provisions on seniority (Rule 10(1) & (2) of the 1975 Rules; Section 8(4) of the 1973 Act) must be harmonised with a later special regularisation statute incorporating a non obstante clause; they cannot be read in preclusion to defeat the legislative fiction.**

*Source:* the aforesaid rules in the exceptional circumstances cannot be read in preclusion but need to be harmonized within the exactitudes of Section 3 of the 2013 Act.

*Authority:* Section 3, Sindh (Regularization of Ad-hoc and Contract Employees) Act 2013; Rule 10(1) & (2) of the Sindh Civil Servants (Probation, Confirmation & Seniority) Rules 1975; Section 8(4) of the Sindh Civil Servants Act 1973

**The decision in Vice-Chancellor Agriculture University Peshawar v. Muhammad Shafiq (2024 SCMR 527), holding that regularization takes effect prospectively from the date when a regularization order is passed, applies to discretionary regularizations and is distinguishable where regularisation is conferred by a non obstante statutory deeming clause operative from the date of commencement.**

*Source:* the seniority is reckoned normally from the date of regularization order but each case has its own peculiarities and distinct set of circumstances. Here, if truth be told, the regularization is deemed to have been in existence from the date of promulgation of 2013 Act by virtue of non obstante and deeming clauses.

*Authority:* Vice-Chancellor Agriculture University Peshawar v. Muhammad Shafiq (2024 SCMR 527); Section 3, 2013 Act

**OPERATIVE ORDER**

*In the wake of the aforesaid discussion, these Civil Petitions are converted into appeals and allowed. As a consequence thereof, the impugned consolidated judgment passed by the SST is set aside. However, for determination of limited point of reference as intensified and expanded in paragraph 16 of this judgment, the matter is remanded to the SST to decide the service appeals after providing ample opportunity of hearing to the parties, preferably within a period of three months after receipt of the copy of this judgment.*

■ [View Full Judgment](#)

**SUIT FOR CONTRACT RECOVERY — BURDEN OF PROOF, LIMITATION & THREE-YEAR BAR UN****M/s Stallions (Private) Limited, Lahore v. Capital Development Authority, Islamabad****APPEAL DISMISSED**

*C.A. No.871/2018 · Bench: Justice Shahid Waheed; Justice Naeem Akhter Afghani; Justice Muhammad Shafi Siddiqui · Decided: 11.05.2026 · Uploaded: 16-06-2026*

**FACTS**

The appellant, M/s Stallions (Pvt) Ltd., a construction company, was working on a CDA contract for 'Construction of Additional Gate House at Main Link Road at the Prime Minister House' when, on 25.06.1996, it was directed during a visit by the Military Secretary to the Prime Minister to furnish designs, specifications and cost estimates for electrically operated steel sliding anti-riot gates and anti-terrorist bollards. The appellant submitted a proposal of Rs.19,56,324/- (revised to Rs.18,33,100/-) which was approved by CDA's letter dated 11.07.1996. The project was completed on 29.08.1996. After six months, CDA issued a letter of intent on 19.02.1997 for the execution of a formal agreement showing that the appellant's quotation had been accepted for a total cost of only Rs.10,73,048/-. The appellant raised the issue; CDA promised to consider the claim vide letter dated 03.03.1997 and paid Rs.9,07,722/- on 30.06.1997. A balance of Rs.9,25,378/- plus security deposit of Rs.45,386/- remained unpaid; the cumulative interest claimed was Rs.90,28,645/-. After protracted correspondence the appellant served a legal notice on 02.01.2013 and filed suit on 16.03.2013. The Trial Court decreed the suit ex parte on 26.10.2016 for Rs.970,764/- with profit. The Islamabad High Court allowed CDA's RFA on 22.02.2018, holding the suit time-barred and the evidence inadequate. The appellant came to the Supreme Court.

**LEGAL ISSUE**

Whether a suit filed in 2013 for recovery of contractual dues arising out of breach communicated in 1997 is barred by limitation under Articles 65 and 115 of the Limitation Act, 1908; and whether, where documentary evidence is not proved in accordance with law and the burden of proof under Article 117 of the Qanun-e-Shahadat is not discharged, an ex parte decree can be sustained merely because the defendant's evidence was un rebutted.

**HOLDING**

The Supreme Court held the suit irretrievably barred by time. Articles 65 and 115 of the Limitation Act, 1908 prescribe a period of three years for suits of the present character and limitation runs from the occurrence of breach or the point when the right to sue accrues; subsequent correspondence, representations or administrative exchanges, in the absence of a clear and legally cognizable acknowledgment of liability, do not postpone, suspend, or extend limitation. Once CDA declined the appellant's claim for additional payment in 1997, the right to sue stood crystallised. Even if the 2007 representation were considered, the suit filed in 2013 was ex facie barred. Section 3 of the Limitation Act, 1908 casts a mandatory duty upon the Court to dismiss any suit instituted after the prescribed period, even if limitation has not been set up as a defence. Separately, under Article 117 of the Qanun-e-Shahadat, 1984 the burden lay upon the appellant to establish, through cogent and legally admissible evidence, the execution, completion of work, correctness of the claimed amount and subsisting liability — the documents were not proved in accordance with law and the burden never shifted upon the respondent. The appeal was dismissed.

**LEGAL SIGNIFICANCE**

The judgment is a comprehensive restatement of Pakistan's contractual-limitation law and reaffirms that Section 3 of the Limitation Act, 1908 imposes an inherent duty on courts to give effect to the bar of time irrespective of whether it is pleaded — bridging the doctrinal continuity from Malbrow Builders through Sindh Irrigation and Drainage Authority and the recent Province of Sindh v. Abdul Tawab. It also clarifies that subsequent correspondence and administrative representations cannot revive a barred claim absent a clear acknowledgment within the meaning of the Limitation Act. On evidentiary practice, it confirms that ex parte proceedings do not relieve the plaintiff of the initial burden under Article 117 of the Qanun-e-Shahadat, 1984, and that un rebutted, unproved documents cannot be elevated to the status of legally proved evidence. The decision is of practical relevance to contractors litigating long-tail claims against statutory authorities and government departments.

**LEGAL PROPOSITIONS (VERBATIM)**

— *Once the appellant's claim for additional payment was declined by the respondent/CDA, the right to sue stood crystallised, and limitation began to run from that point onwards.*

— *Any subsequent correspondence, representations, or administrative exchanges, in the absence of a clear and legally cognizable acknowledgment of liability, do not postpone, suspend, or extend the limitation period prescribed under the law.*

— *Under section 3 of the Limitation Act, 1908 it is the inherent duty of the Court to delve into the question of limitation, regardless of whether it is raised or not, and that the law of limitation, being founded on public policy, is aimed at attaining finality to litigation.*

— *the burden to prove the existence of a fact always rests upon the person who asserts it, and until such burden is discharged, the other party is not required to be called upon to prove his case.*

**LEGAL PRINCIPLES EXPOUNDED**

**The law of limitation is founded on sound public policy intended to ensure certainty and finality in legal proceedings; once rights have accrued to the other party by efflux of time, they cannot be snatched away except on the basis of sufficient cause and lawful justification.**

**Source:** *the question of limitation, being not a mere technicality, cannot be taken lightly, and that rights accrued to the other party by efflux of time cannot be snatched away except on the basis of sufficient cause and lawful justification.*

**Authority:** *Government of Pakistan v. Malbrow Builders (2006 SCMR 1248); Sindh Irrigation and Drainage Authority v. Province of Sindh (2026 SCMR 190); Province of Sindh v. Abdul Tawab (PLD 2026 SC 113)*

**Section 3 of the Limitation Act, 1908 casts a mandatory and non-discretionary duty upon the Court to dismiss any suit instituted after the prescribed period, even if limitation has not been set up as a defence.**

**Source:** *section 3 of the Limitation Act, 1908, which casts a mandatory duty upon the Court to dismiss any suit instituted after the prescribed period, even if limitation has not been set up as a defence. The language of the provision is peremptory in nature and admits of no discretion.*

**Authority:** *Section 3, Limitation Act, 1908*

**Articles 65 and 115 of the Limitation Act, 1908 each prescribe a three-year period for suits of the present character and are anchored to the occurrence of breach or when the right to sue accrues, not when the claimant chooses to assert his claim.**

**Source:** *the period of limitation prescribed under both is identical, i.e., three years, and more importantly, the starting point of limitation in either case is anchored to the occurrence of breach or the point when the right to sue accrues.*

**Authority:** *Articles 65 and 115, Limitation Act, 1908*

**Under Article 117 of the Qanun-e-Shahadat, 1984, the burden of proving a fact rests upon the party who asserts the affirmative; ex parte proceedings do not relieve the plaintiff of this initial burden, and un rebutted unproved evidence does not become legally proved evidence.**

**Source:** *Until such burden is discharged, the opposite party is under no obligation to lead evidence in rebuttal... the mere fact that the evidence remained un rebutted or unchallenged could not, by itself, elevate it to the status of legally proved evidence.*

**Authority:** *Article 117, Qanun-e-Shahadat, 1984; Mst. Nazeeran v. Ali Bux (2024 SCMR 1271)*

**OPERATIVE ORDER**

*In view of the above and in the peculiar facts and circumstances of the present case, we are of the considered opinion that the impugned judgment of the learned High Court is unexceptional and in accordance with law and no interference is required therewith. Consequently, this appeal fails and is hereby dismissed.*

■ [View Full Judgment](#)

## BANKING — LEAVE TO DEFEND, EQUITABLE MORTGAGE BY DEPOSIT OF TITLE DEEDS, S.10(4)

### Mr. Shahid Hameed and others v. United Bank Limited, Lahore and others

**APPEAL DISMISSED**

*C.A. No.630-L/2013 · Bench: Justice Shahid Waheed; Justice Naeem Akhter Afghan; Justice Muhammad Shafi Siddiqui · Decided: 12.05.2026 · Uploaded: 16-06-2026*

#### FACTS

Recovery proceedings under the Financial Institutions (Recovery of Finances) Ordinance, 2001 commenced with the filing of a suit in 1998 by United Bank Limited before the Banking Court at Lahore against the appellants and respondents Nos. 2 and 3. Rachna Oils (Pvt) Ltd had availed finance facilities against mortgages, demand promissory notes, personal guarantees of its directors (including appellant No.1 Shahid Hameed), letters of hypothecation, stock reports and trust receipts. On service of summons, a joint application for leave to defend was filed on behalf of all directors but was dismissed; the suit was decreed in Suit No.74 of 1998 as prayed. The RFA under Section 22 of the Ordinance was dismissed by the Lahore High Court on 04.06.2010. Leave was granted by the Supreme Court on 20.03.2013. Before the Supreme Court, counsel pressed only the case of appellant No.1, raising the solitary ground that he had not signed the personal guarantees as he was not in Pakistan at the time, though conceding that the original title documents of the mortgaged property had been in the Bank's custody since long.

#### LEGAL ISSUE

Whether, in a suit under the Financial Institutions (Recovery of Finances) Ordinance, 2001, an application for leave to defend that fails to disclose specific allegations of forgery or impersonation, that does not deny the sanctioning or disbursement of finance facilities, and that omits to explain how the original title documents of the appellant's property came to remain with the Bank, satisfies the mandatory requirements of Section 10(4) of the Ordinance — and whether a solitary plea of unsigned personal guarantees can survive in the face of an admitted equitable mortgage by deposit of title deeds.

#### HOLDING

The Supreme Court held that the plea that appellant No.1 had not signed the guarantees remained unsubstantiated on record and that he had not been able to dislodge the presumption arising from the admitted custody of the title documents with the Bank, which constitutes an equitable mortgage. The arguments advanced at the stage of leave to defend were inconsistent with the joint application earlier filed by all directors — wherein no allegation of impersonation, forgery or misuse of signatures was made — and were also contrary to the subsequent position when reliance was placed on a co-guarantor's application seeking benefit under an SBP circular, amounting to an admission that the facilities were availed. The appellants could not be permitted to approbate and reprobate or to take inconsistent positions at different stages. Under Section 10(4) of the Ordinance, the borrower company and its directors were under a statutory obligation to specifically disclose all material facts and set out a plausible defence; the leave application was conspicuously silent on these mandatory pre-requisites. Only a substantial question of law or fact could entitle the defendants to leave; none was made out. The appeal was dismissed.

#### LEGAL SIGNIFICANCE

The judgment reinforces three settled but frequently disregarded principles in banking-recovery litigation: (i) admitted custody of original title deeds with a financial institution constitutes a prima facie equitable mortgage and shifts the burden onto the borrower/guarantor to explain how they came into the bank's possession; (ii) the mandatory disclosure obligations of Section 10(4) of the FIO 2001 cannot be circumvented by a bare and

self-serving allegation of unsigned guarantees raised for the first time when convenient; and (iii) the doctrine prohibiting approbation and reprobation operates with full vigour in banking litigation — directors who together file a joint application without alleging forgery cannot later individually press a forgery defence. The decision will materially aid banks resisting belated and inconsistent defences in recovery suits.

#### LEGAL PROPOSITIONS (VERBATIM)

— *Indeed, once a joint application is filed seeking leave to defend, any subsequent attempt to attribute execution of documents to a co-defendant amounts to a clear conflict of interest, which cannot be countenanced in law nor pressed into service through a common pleading.*

— *The appellants, therefore, cannot be permitted to approbate and reprobate simultaneously, nor can they be allowed to take inconsistent positions at different stages of the proceedings.*

— *Indeed, at the time of filing an application for leave to defend, only a substantial question of law or fact could entitle the defendants to contest the suit, which is conspicuously absent in the present case.*

— *non-fulfilment of the mandatory requirements of section 10(4) of the Ordinance entails legal consequences, as in the absence of such disclosure, leave to defend cannot be granted under the law.*

#### LEGAL PRINCIPLES EXPOUNDED

**Admitted custody of original title documents of the mortgaged property with the Bank constitutes a prima facie equitable mortgage by deposit of title deeds, displacing the borrower's solitary plea of unsigned personal guarantees.**

*Source:* the original title documents of the subject property are, and have since long remained, in the custody and possession of the Bank/respondent No.1, which prima facie constitutes an equitable mortgage by deposit of title deeds... In the presence of an equitable mortgage, the argument that the appellants had not signed the guarantees loses its significance.

*Authority:*

**A borrower-company along with its directors is under a statutory obligation under Section 10(4) of the Financial Institutions (Recovery of Finances) Ordinance, 2001 to specifically disclose all material facts and set out a plausible defence; mere bald assertions do not meet the threshold required for grant of leave to defend.**

*Source:* The borrower company, along with its directors, was under a statutory obligation in terms of section 10(4) of the Ordinance to specifically disclose all material facts and set out a plausible defence; however, the leave application is conspicuously silent with regard to these mandatory pre-requisites and does not meet the threshold required for the grant of leave to defend.

*Authority:* Section 10(4), Financial Institutions (Recovery of Finances) Ordinance, 2001

**A defendant who files a joint application for leave to defend without alleging forgery, impersonation or misuse of signatures cannot, at a subsequent stage, individually press such a defence; the rule against approbation and reprobate bars inconsistent positions taken at different stages of the same proceedings.**

*Source:* Such conduct clearly amounts to an admission that the finance facilities were availed by the company, of which the appellants were directors, and that the property stood mortgaged with the Bank/respondent No.1. The appellants, therefore, cannot be permitted to approbate and reprobate simultaneously.

*Authority:*

#### OPERATIVE ORDER

*Under the circumstances, we are of the considered view that the findings and conclusions drawn by the learned High Court are unexceptionable and in accordance with law and do not call for interference by this Court. Consequently, this appeal is dismissed.*

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## SALES TAX — SRO 677(I)/2000 DECLARED CURATIVE AND RETROSPECTIVE; INDUSTRIAL GE

**Commissioner Inland Revenue v. M/s Syntronics (Pvt) Ltd**

APPEAL PARTIALLY ALLOWED

C.A. No.1227/2014 · Bench: Justice Aqeel Ahmed Abbasi · Decided: 18.06.2026 · Uploaded: 18-06-2026

**FACTS**

The Department challenged the treatment of generators of 250 KVA and above, installed to generate energy for use in manufacture of taxable supplies, as 'stock in trade' (as held by the Peshawar High Court in Attock Cement) for the purposes of sales tax. The Customs, Excise and Sales Tax Appellate Tribunal had concluded that the amending SRO 677(I)/2000 dated 28.09.2000, which conferred a benefit upon importers of such industrial generators, was prospective in nature and could not be given retrospective effect. The respondent, M/s Syntronics (Pvt) Ltd, contested both characterisations.

**LEGAL ISSUE**

Whether plant and machinery, specifically generators of 250 KVA and above installed to generate energy for use in the manufacture of taxable supplies, can be construed as 'stock in trade'; and whether SRO 677(I)/2000 dated 28.09.2000, which differentiates between industrial generators and ordinary generators, is curative and clarificatory in nature and consequently retrospective in operation.

**HOLDING**

The Supreme Court held that the finding in Attock Cement that 'plant and machinery would be construed as stock in trade' is erroneous in law and facts. The reliance placed by the Peshawar High Court in Attock Cement on such treatment was misplaced and contrary to law. The Court further disagreed with the Tax Authorities and the Customs, Excise and Sales Tax Appellate Tribunal that the amending SRO 677(I)/2000 is prospective; rather, the SRO is declared to be curative and clarificatory in nature as it removes the anomaly distinguishing industrial generators (250 KVA and above installed to generate energy for use in manufacture of taxable supplies) from ordinary generators. The SRO would consequently be given retrospective effect and its benefit extended to imports made by the respondent. The civil appeal was partially allowed accordingly.

**LEGAL SIGNIFICANCE**

The judgment overrules the longstanding misclassification of industrial plant and machinery as 'stock in trade' that traced its lineage to the Peshawar High Court's decision in Attock Cement, and recognises that SRO 677(I)/2000 was enacted to remove a recognised anomaly between industrial and ordinary generators. By declaring the SRO curative and clarificatory — and therefore retrospective — the Court opens the door to refund or relief for taxpayers who imported qualifying industrial generators of 250 KVA and above before 28.09.2000 and were denied the benefit on the prospective-only construction. The reasoning has wider implications for the construction of clarificatory tax SROs and notifications throughout the federal indirect-tax regime.

**LEGAL PROPOSITIONS (VERBATIM)**

— the finding as recorded in the case of *Attock Cement supra* holding that 'plant and machinery would be construed as stock in trade' is erroneous in law and facts.

— the amending SRO 677 (I)/2000 dated 28.09.2000, which confers a benefit to importer of generators of 250 KVA and above installed to generate energy for use in manufacture of taxable supplies, is curative and clarificatory in nature as it removes the anomaly while differentiating between industrial generators and ordinary generators, therefore, the same would be given retrospective effect.

**LEGAL PRINCIPLES EXPOUNDED**

**Plant and machinery, including industrial generators of 250 KVA and above installed to generate energy for use in manufacture of taxable supplies, cannot be construed as 'stock in trade' for sales tax purposes.**

**Source:** the finding as recorded in the case of *Attock Cement supra* holding that 'plant and machinery would be construed as stock in trade' is erroneous in law and facts.

*Authority: Attock Cement (Peshawar High Court) — overruled to this extent*

**A subordinate legislation enacted to remove an anomaly and clarify the proper application of a fiscal benefit is curative and clarificatory in nature, and operates retrospectively to extend the benefit to transactions entered into before its enactment.**

*Source: the amending SRO 677 (I)/2000 dated 28.09.2000, which confers a benefit to importer of generators of 250 KVA and above installed to generate energy for use in manufacture of taxable supplies, is curative and clarificatory in nature as it removes the anomaly while differentiating between industrial generators and ordinary generators, therefore, the same would be given retrospective effect.*

*Authority: SRO 677(I)/2000 dated 28.09.2000*

#### OPERATIVE ORDER

To conclude the instant matter, this Civil Appeal is partially allowed to the extent that the finding as recorded in the case of *Attock Cement supra* holding that 'plant and machinery would be construed as stock in trade' is erroneous in law and facts. Consequently, reliance placed by the Peshawar High Court in the *Attock Cement supra* while treating the generator, admittedly installed to generate energy for use in manufacture of taxable supplies as, stock in trade is therefore, misplaced and contrary to law. Moreover, we are not in agreement with the orders passed by the Tax Authorities and the Customs, Excise and Sales Tax Appellate Tribunal, whereby, they have concluded that the amending SRO 677 (I)/2000 is prospective in nature and can not be given retrospective effect, and hereby declare that the amending SRO 677 (I)/2000 dated 28.09.2000, which confers a benefit to importer of generators of 250 KVA and above installed to generate energy for use in manufacture of taxable supplies, is curative and clarificatory in nature as it removes the anomaly while differentiating between industrial generators and ordinary generators, therefore, the same would be given retrospective effect and its benefit would be extended to imports made by the respondent in the instant case.

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## Lahore High Court

4 judgments

### ORDER XXIII RULE 1 CPC — UNCONDITIONAL WITHDRAWAL OF INSURANCE CLAIM AFTER SE

#### IGI Insurance Limited v. Zaiba Amir & 6 others

APPEAL ALLOWED; IMPUGNED JUDGMENT SET ASIDE; CLAIM DEEMED WITHDRAWN UNDER ORDER XXIII RULE 1 CPC

*R.F.A. No.2876/2024 | 2026 LHC 3734 · Bench: Justice Ch. Sultan Mahmood; Justice Malik Muhammad Awais Khalid · Decided: 31.03.2026 · Uploaded: 18-06-2026*

#### FACTS

Amir Jameel obtained an insurance policy from IGI Insurance Limited on 31.07.2012 and died on 20.08.2013. His father, Muhammad Jameel, filed a claim petition before the Insurance Tribunal, Lahore, without impleading the widow and children. During pendency the original claimant died and his legal heirs were brought on record. On 31.08.2023 the parties entered into a written settlement under which the respondents accepted Rs. 750,000/- as full and final settlement of their claim, supported by affidavits and undertakings. The company paid the settled amount through Cheque No. 00450583 dated 11.09.2023, which was duly received and encashed by the respondents without protest. The respondents thereafter filed an unconditional application for withdrawal of the claim petition, which was not opposed by the company. The Tribunal nonetheless declined withdrawal vide order dated 13.10.2023, proceeded further, and ultimately allowed the claim on merits vide judgment dated 11.12.2023. The appellant filed a Regular First Appeal under Section 124 of the Insurance Ordinance, 2000; the respondents were proceeded against ex parte.

#### LEGAL ISSUE

Whether an Insurance Tribunal can refuse an unconditional application for withdrawal of a claim petition under Order XXIII Rule 1(1) CPC where the parties have concluded a voluntary settlement, executed it through affidavits, received the settlement amount and not sought permission to institute a fresh claim; and whether continuing to decide the matter on merits in those circumstances is coram non iudice.

**HOLDING**

The High Court held that a plaintiff, being dominus litis, has an absolute, unqualified and indefeasible right to withdraw a suit or abandon a claim at any stage of the proceedings provided the withdrawal is unconditional and not coupled with a request for permission to institute a fresh suit. The Court drew a clear distinction between absolute withdrawal under Order XXIII Rule 1(1) (which the court has no jurisdiction to refuse) and qualified withdrawal under Rule 1(2) (where discretion may be exercised). Although limitations apply in exceptional cases where withdrawal would prejudice accrued or vested rights of the opposite party or defeat the ends of justice, no such circumstance arose here — the appellant supported the withdrawal and no prejudice was caused. The settlement agreement dated 31.08.2023 was voluntarily executed, supported by affidavits, acted upon by payment of Rs. 750,000/- through a duly encashed cheque, and was therefore valid, lawful and binding; there was no allegation, much less proof, of fraud, coercion or undue influence under Section 16 of the Contract Act, 1872. Once the settlement was executed and the withdrawal application was filed, the lis stood extinguished and the Tribunal became functus officio insofar as adjudication on merits was concerned; the adjudication thereafter was coram non iudice. The appeal was allowed, the impugned judgment dated 11.12.2023 set aside, and the claim petition deemed withdrawn under Order XXIII Rule 1 CPC.

**LEGAL SIGNIFICANCE**

The judgment is a clear authority for the proposition that Insurance Tribunals (and by extension all civil tribunals exercising CPC procedure) lack jurisdiction to refuse an unconditional withdrawal under Order XXIII Rule 1(1) CPC where parties have settled, and that any decision on merits in such circumstances is coram non iudice. It also reinforces the binding effect of voluntary out-of-court settlements supported by affidavits and consummated by encashment of settlement cheques, and reads down Section 16 of the Contract Act, 1872 by reaffirming that undue influence requires affirmative proof rather than mere assertion. Practitioners advising insurers and tribunals on the consequences of post-settlement withdrawals will rely on this authority routinely.

**LEGAL PROPOSITIONS (VERBATIM)**

- *a plaintiff, being dominus litis, has an absolute, unqualified and indefeasible right to withdraw his suit or abandon his claim at any stage of the proceedings, provided such withdrawal is unconditional and not coupled with a request for permission to institute a fresh suit.*
- *In the case of absolute withdrawal, the plaintiff, being dominus litis, has an unqualified and unfettered right to abandon the suit or any part of the claim against all or any of the defendants at any stage of the proceedings, and the Court has no jurisdiction to refuse such withdrawal or compel continuation of the proceedings.*
- *Once the settlement was executed and the withdrawal application was filed, the lis stood extinguished and the learned Tribunal became functus officio insofar as adjudication on merits was concerned. At that stage, the learned Tribunal was left with no lawful option except to allow the withdrawal or, at the most, to dismiss the petition for non-prosecution.*
- *a settlement, once voluntarily executed and acted upon, constitutes a closed and concluded transaction, thereby extinguishing the lis between the parties.*

**LEGAL PRINCIPLES EXPOUNDED**

**Order XXIII Rule 1(1) CPC confers on the plaintiff an absolute right of withdrawal simpliciter which the court has no jurisdiction to refuse; Rule 1(2) (withdrawal with permission to institute a fresh suit) is the only branch attracting judicial discretion.**

**Source:** *A clear distinction exists between withdrawal simpliciter under Order XXIII Rule 1(1) C.P.C. and withdrawal with permission to institute a fresh suit under Rule 1(2). In the former case, the right is absolute and does not require permission of the Court, whereas in the latter case, the Court may exercise discretion.*

**Authority:** *Order XXIII Rule 1, CPC; Muhammad Yar v. Muhammad Amin (2013 SCMR 464); Mrs. Afroz Shah v. Sabir Qureshi (PLD 2010 SC 913)*

**Although the right of unconditional withdrawal is absolute, it may be regulated in exceptional circumstances where its exercise would prejudice accrued or vested rights of the opposite party or defeat the ends of justice; such limitations are attracted only where compelling circumstances**

**exist.**

**Source:** *although the right of withdrawal is absolute, it may be regulated in exceptional circumstances where its exercise would prejudice accrued or vested rights of the opposite party or defeat the ends of justice... However, such limitations are attracted only where compelling circumstances exist.*

**Authority:** *Sahibzada Sharyar Khan v. ADJ (2004 CLC 1860); Zaman Cement Co v. CBR (2002 SCMR 312); Asadullah Mangi v. PIA (2005 SCMR 445)*

**Once a voluntary settlement is executed, supported by affidavits and acted upon through payment and encashment of the settlement cheque, the lis stands extinguished and the tribunal becomes functus officio in respect of adjudication on merits; any further adjudication is coram non judge.**

**Source:** *Once the settlement was executed and the withdrawal application was filed, the lis stood extinguished and the learned Tribunal became functus officio insofar as adjudication on merits was concerned... Any adjudication thereafter was coram non judge and without lawful authority.*

**Authority:**

**Section 16 of the Contract Act, 1872 requires affirmative proof of the essential ingredients of undue influence; a finding of undue influence based on conjectures and surmises, without legally admissible evidence of coercion, fraud or undue influence, is legally unsustainable.**

**Source:** *There is no allegation, much less proof, of fraud, coercion, or undue influence. The finding recorded by the learned Tribunal to the contrary is based on conjectures and surmises and is legally unsustainable. The essential ingredients of undue influence under Section 16 of the Contract Act, 1872 have not been established.*

**Authority:** *Section 16, Contract Act, 1872*

**OPERATIVE ORDER**

*Consequently, this appeal is allowed, the impugned judgment dated 11.12.2023 passed by the learned Insurance Tribunal, Lahore is set aside, and the claim petition shall be deemed to have been validly withdrawn in terms of Order XXIII Rule 1 C.P.C. The settlement agreement dated 31.08.2023 is declared lawful, binding, and fully operative. It is further held that the appellant has already satisfied its liability by paying the settled amount of Rs.750,000/- through Cheque No.00450583 dated 11.09.2023, which has been duly received by the respondents, therefore, no further claim survives between the parties. The parties shall remain bound by the terms of settlement. There shall be no order as to costs.*

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**CIVIL IMPRISONMENT IN EXECUTION — CUMULATIVE COMPUTATION OF DETENTION UNDERG****Sidra Ameen v. Judge Family Court, Chunian District Kasur & another****PETITION DISMISSED**

*Writ Petition No.10049/2026 | 2026 LHC 3721 · Bench: Justice Muhammad Sajid Mehmood Sethi · Decided: 09.06.2026 · Uploaded: 17-06-2026*

**FACTS**

The petitioner/decreed-holder filed a suit for recovery of maintenance allowance before the Family Court at Kasur on 03.09.2022 which was partially decreed under Section 17-A of the West Pakistan Family Courts Act, 1964 on 11.02.2023 for the minor children, and the remaining claims were decreed on 25.10.2024. A separate suit for recovery of dowry articles before the Family Court at Tehsil Chunian was decreed on 21.10.2024. In execution, the judgment-debtor was taken into custody on 15.02.2025 in the maintenance execution, then sent to civil imprisonment after a show-cause notice on 18.02.2025. The dowry-articles execution was filed on 07.03.2025 and all decrees were consolidated and transferred to the Family Court, Tehsil Chunian, by order of the District & Sessions Judge, Kasur on 07.05.2025. Upon the judgment-debtor's continued inability to pay, the Executing Court vide order dated 28.07.2025 sentenced him to civil imprisonment for one year, directing that the imprisonment run from 18.02.2025, i.e. retrospectively from his first arrest in the maintenance execution. The petitioner's review application dated 26.01.2026 was dismissed on 13.02.2026 on grounds of delay and limited scope of review in family matters.

**LEGAL ISSUE**

Whether an Executing Court is justified in taking into account the period of detention already undergone by the judgment-debtor in earlier execution proceedings (subsequently consolidated before one Court) when computing the duration of civil imprisonment ordered in a fresh execution; and whether the inapplicability of Section 382-B CrPC to civil proceedings precludes such cumulative computation.

#### HOLDING

The High Court held that civil imprisonment under the law of execution is not punitive in character; rather, it is a coercive process devised to secure compliance with a decree, the purpose being to compel satisfaction rather than to inflict punishment. The Executing Court is required to look at the substance of the custody already undergone and not merely at the form in which the subsequent order has been expressed. Where execution proceedings have been consolidated and the custody of the judgment-debtor remains referable to enforcement of the same decretal liabilities in favour of the same decree-holder, the Executing Court is competent to take into consideration the period already undergone while determining the duration of detention permissible under law. The law does not contemplate repeated and overlapping periods of civil detention so as to convert a coercive mechanism into a punitive exercise. The argument that Section 382-B CrPC does not directly govern civil imprisonment does not preclude the Executing Court from giving credit for the period already undergone — the answer flows from the nature and object of civil detention itself, not from the criminal provision. The view finds support from *Shafqat Ibrar v. Judge Family Court* (2014 MLD 1809). The review order dated 13.02.2026, though brief, did not occasion prejudice. The petition was dismissed.

#### LEGAL SIGNIFICANCE

The judgment is the latest authoritative restatement in the Lahore High Court of the coercive — rather than punitive — character of civil imprisonment in execution under Section 55 CPC and Order XXI Rules 37 and 40. By holding that detention undergone in earlier execution proceedings subsequently consolidated must be cumulatively reckoned, the Court closes the door to the indefinite re-arrest of judgment-debtors for the same underlying decretal liability and harmonises the position with the principles articulated in 2026 SCMR 521 and the US Supreme Court's coercive-contempt jurisprudence (*Feiock, Mine Workers, Shillitani*). It will be cited routinely in family-court executions where successive maintenance and dowry decrees have been merged.

#### LEGAL PROPOSITIONS (VERBATIM)

- *Civil imprisonment under the law of execution is not punitive in character; rather, it is a coercive process devised to secure compliance with a decree.*
- *while examining the legality of detention, the Court is required to look at the substance of the custody already undergone and not merely at the form in which the subsequent order has been expressed.*
- *The law does not contemplate repeated and overlapping periods of civil detention so as to convert a coercive mechanism into a punitive exercise.*
- *Where the judgment-debtor has continuously remained in custody for non-satisfaction of decrees which subsequently become the subject matter of consolidated execution proceedings, the Executing Court is not precluded from giving credit for the period already undergone.*

#### LEGAL PRINCIPLES EXPOUNDED

**Civil imprisonment under Section 55 CPC and Order XXI Rules 37 and 40 is coercive, not punitive, and is intended to compel satisfaction of the decree and obedience to court orders; the maximum period of one year is the ceiling, with the Executing Court retaining discretion to determine the actual period.**

**Source:** *Civil imprisonment under the law of execution is not punitive in character; rather, it is a coercive process devised to secure compliance with a decree. The purpose is not to inflict punishment upon the judgment-debtor but to compel satisfaction of the decree and to ensure obedience to the orders of the Court.*

**Authority:** *Section 55, CPC; Order XXI Rules 37 and 40, CPC; United Distributors (Pvt.) Ltd. v. Madina Traders (1999 CLC 1567); Government of Khyber Pakhtunkhwa v. Attiq Ullah Khan (2026 SCMR 521); Hicks v. Feiock (485 U.S. 624); US v. United Mine Workers (330 U.S. 258); Shillitani v. United States (384 U.S. 364)*

**Where successive execution proceedings against the same judgment-debtor are consolidated before one court, the period of detention already undergone must be construed cumulatively so as to prevent the coercive mechanism from being converted into a punitive exercise.**

**Source:** Once the proceedings stood consolidated and the custody of the judgment-debtor remained referable to the enforcement of the decretal liabilities in favour of the same decree-holder, the Executing Court was competent to take into consideration the period already undergone while determining the duration of detention permissible under law.

**Authority:** *Shafqat Ibrar v. Judge Family Court (2014 MLD 1809)*

**The inapplicability of Section 382-B CrPC to civil proceedings does not render unlawful the adjustment of detention already undergone in execution proceedings; the answer flows from the nature and object of civil detention and the regulatory powers of the executing court.**

**Source:** The answer to this question flows not from section 382-B, Cr.P.C. itself but from the nature and object of civil detention and the powers of the executing Court while regulating the period of such detention.

**Authority:** Section 382-B, Cr.P.C.

#### OPERATIVE ORDER

Consequently, this Constitutional Petition, being devoid of merit, is dismissed. No order as to costs.

#### ■ View Full Judgment

## SECTION 9(7), PUNJAB CRIMINAL PROSECUTION SERVICE ACT 2006 — CASE REVIEW REPORT

### Muhammad Arshad v. The State etc.

IMPUGNED ORDERS SET ASIDE; PETITIONER DIRECTED TO FILE FRESH APPLICATION BEFORE MAGISTRATE SEEKING REVIVAL OF CASE

*CrI. Misc. No.4258-M/2026 | 2026 LHC 3712 · Bench: Justice Muhammad Amjad Rafiq · Decided: 09.06.2026 (signed 15.06.2026) · Uploaded: 17-06-2026*

#### FACTS

In FIR No. 275 dated 27.09.2019, registered under Sections 337-A(i), 337-F(v) and 34 PPC at Police Station Kohna, District Khanewal, the prosecution submitted a Case Review Report under Section 9(7) of the Punjab Criminal Prosecution Service (Constitution, Functions and Powers) Act, 2006 ('the CPS Act'), opining that sufficient evidence was not available to prosecute the petitioner. Concurring with the prosecutor's opinion, the Magistrate 1st Class, Khanewal vide order dated 07.01.2020 declined to issue process against the petitioner and consigned the case to the records. The petitioner later sought a character certificate from the police but was informed that the FIR was still pending trial. He moved an application before the Magistrate seeking clarification of the order dated 07.01.2020 and acquittal under Section 249-A CrPC; it was dismissed on 22.11.2025. A revision petition before the Additional Sessions Judge, Khanewal met the same fate on 04.05.2026.

#### LEGAL ISSUE

Whether, upon submission of a Case Review Report under Section 9(7) of the CPS Act recommending that the case is not fit for trial, and the Magistrate's concurrence, the Magistrate is empowered to discharge the accused while ordering stay of criminal proceedings under Section 249 CrPC or to acquit him under Section 249-A CrPC; whether the impugned orders of consignment without formal discharge or acquittal can be sustained; and what guidance can be drawn from the Khyber Pakhtunkhwa Prosecution Service Act, 2005 to remedy the lacuna in the Punjab statute.

#### HOLDING

The High Court held that prosecutorial scrutiny under the CPS Act is a stringent gatekeeping mechanism designed to filter out weak or frivolous cases; only cases meeting the requisite standards should proceed to trial. Where the Magistrate concurs with a prosecutor's Case Review Report under Section 9(7) opining that the case is not worthy of trial, the Magistrate may either discharge the accused while ordering stay of criminal proceedings under Section 249 CrPC (either independently or with prior sanction of the Sessions Judge) or acquit him under Section 249-A CrPC, or proceed under Section 344 CrPC. A case consigned to the records remains capable of being reopened on application of the prosecutor, the aggrieved person or the accused. Upon reopening, jurisdiction under Section 249-A CrPC (Magistrate) or Section 265-K CrPC (Sessions Court) may be exercised on the accused's application. The Court noted the comprehensive mechanisms under the

KP Prosecution Act 2005 (stopping or dropping proceedings, revising prosecutorial opinions, misconduct consequences under Section 118 of the KP Police Act 2017, Regional Director revision under Section 7(e)) and urged the central legislature, or alternatively the Punjab Assembly, to incorporate similar measures into the federal Code and the Punjab CPS Act, 2006. The impugned orders were set aside and the petitioner directed to file a fresh application before the Magistrate seeking revival of the case.

#### LEGAL SIGNIFICANCE

The judgment supplies the most detailed exposition to date of the prosecutor's gatekeeping role under the Punjab CPS Act, 2006 and clarifies the procedural sequel where a Case Review Report under Section 9(7) is concurred with by the Magistrate but the order of consignment leaves the accused in legal limbo. By tracing the statutory architecture (Sections 9(4), 9(5), 9(7), 12(2), 13(9)(b), 17 and the COCP) and by reading down 'due consideration' to entail recorded reasons for concurrence or disagreement, the Court ensures procedural safeguards for both accused and complainants. The opinion's comparative invocation of the KP Prosecution Act 2005 — particularly Sections 4, 5(f), 7(a), and 7(e) — provides legislative drafting guidance to Punjab. Lawyers practising before Magistracy and Sessions Courts in Punjab will use this judgment when seeking discharge or acquittal of accused persons whose cases have been recommended unfit for trial by the prosecution.

#### LEGAL PROPOSITIONS (VERBATIM)

- *The prosecutorial intervention in routing a case to the Court for trial is not intended as a mere formality to endorse every matter registered, investigated, and recommended by the police. Rather, it serves as a stringent gatekeeping mechanism designed to filter out weak or frivolous cases.*
- *where the Magistrate or the Court concurs with the opinion of the prosecutor that a case is not worthy of trial, the Magistrate may exercise powers under Section 249 Cr.P.C. to release the accused by discharging him, either independently or with the prior sanction of the Sessions Judge.*
- *The phrase 'due consideration' necessarily entails the recording of reasons for concurrence or disagreement.*
- *Once a case has been consigned to the records under the aforesaid provisions, it remains capable of being reopened upon an application filed by the prosecutor, the aggrieved person, or the accused.*

#### LEGAL PRINCIPLES EXPOUNDED

**Prosecutorial scrutiny under the CPS Act is a stringent gatekeeping mechanism — the prosecutor must, under Section 9(5)(a), examine police reports and, if found defective, return them within three days for rectification; if fit, file them under Section 9(5)(b) before the competent Court.**

**Source:** Section 9(5)(a) empowers the prosecutor to examine such reports or requests and, if found defective, return them within three days to the officer in charge of the police station or the investigating officer for rectification of identified defects... if the report is found fit for submission, the prosecutor shall file it before the Court of competent jurisdiction under Section 9(5)(b).

**Authority:** Sections 9(4), 9(5)(a)-(b), 9(7), Punjab Criminal Prosecution Service Act, 2006

**Where the Magistrate concurs with a Case Review Report under Section 9(7), he is empowered either to discharge the accused under Section 249 Cr.P.C. (independently or with the Sessions Judge's sanction) or acquit him under Section 249-A Cr.P.C., as warranted by the circumstances.**

**Source:** where the Magistrate or the Court concurs with the opinion of the prosecutor that a case is not worthy of trial, the Magistrate may exercise powers under Section 249 Cr.P.C. to release the accused by discharging him, either independently or with the prior sanction of the Sessions Judge.

**Authority:** Sections 249 and 249-A Cr.P.C.; Chief Ehtesab Commissioner v. Aftab Ahmad Khan Sherpao (PLD 2005 SC 408); Muhammad Usman Ghani v. The State (PLD 2023 Lahore 291)

**A case consigned to the records remains capable of being reopened on application of the prosecutor, the aggrieved person or the accused; upon reopening, both the Magistrate and the Sessions Court may exercise jurisdiction under Section 249-A Cr.P.C. or Section 265-K Cr.P.C. to acquit the accused.**

**Source:** Once a case has been consigned to the records under the aforesaid provisions, it remains capable of being reopened upon an application filed by the prosecutor, the aggrieved person, or the accused... Upon reopening of the case, both the Magistrate and the Court are empowered, on the application of the accused, to exercise jurisdiction under Section 249A Cr.P.C. or Section 265K Cr.P.C.

*Authority: Mst. Shireen Taja v. The State (2002 P Cr. L J 159)*

**The Khyber Pakhtunkhwa Prosecution Service Act 2005 — particularly its provisions for stopping or dropping proceedings (Section 4), misconduct consequences (Section 5(f)), warrants for search and seizure (Section 7(a)), and revision of prosecutorial opinions by the Regional Director (Section 7(e)) — supplies a more responsive model that the federal legislature or the Punjab Assembly should incorporate.**

**Source:** *the central legislature ought to recognize its responsibility to enact similar provisions, in even more effective form, within the Code, or alternatively, the Provincial Assembly of Punjab should incorporate such measures into the Punjab Criminal Prosecution Service (Constitution, Functions and Powers) Act, 2006.*

**Authority:** *Sections 4, 5(f), 7(a) and 7(e), Khyber Pakhtunkhwa Prosecution Service Act, 2005; Section 118, KP Police Act, 2017*

#### OPERATIVE ORDER

*In light of the submissions advanced by learned counsel for the petitioner and the explanation furnished by the learned Deputy Prosecutor General, the impugned orders are hereby set aside. The petitioner shall file a fresh application before the learned Magistrate seeking revival of the case. Upon such filing, the learned Magistrate shall revive the proceedings and, after affording an opportunity of hearing to the prosecution, pass an appropriate order, whether to commence the trial, discharge the accused, or acquit him, as warranted by law.*

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## COMPANIES ACT, 2017 — WINDING-UP PETITION DOES NOT IPSO FACTO VOID POST-PETITION

### Exterran Services (U.K.) Limited v. Jamshoro Joint Venture Limited etc.

**C.M. NO.15/2025 DISMISSED; MAIN CASE FIXED FOR HEARING ON 21.09.2026**

*Civil Original No.3907/2024 | 2026 LHC 3691 · Bench: Justice Abid Aziz Sheikh · Decided: 11.06.2026 · Uploaded: 17-06-2026*

#### FACTS

The applicant/petitioner Exterran Services (U.K.) Limited filed an application under Order XXXIX Rules 1 and 2 CPC read with Section 391 of the Companies Act, 2017, seeking interim injunctive relief restraining the respondents (Jamshoro Joint Venture Limited 'JJVL' and SECP) from dealing with JJVL's shares or assets and to order status quo ante pending final disposal of its winding-up petition (Civil Original No.3907/2024 filed on 18.01.2024, notice issued on 19.01.2024). The applicant contended that 10% shareholding of JJVL originally held by Mr. Jamal Akbar Ansari had been transferred to LSE Capital Limited; according to a letter dated 05.08.2025 from the purchaser-company to the PSX, the acquisition had been completed. Relying on Section 391 (avoidance of transfers after commencement of winding-up) and Section 306 (winding-up deemed to commence at presentation of petition) of the Companies Act, 2017, the applicant submitted that the transfer was void ab initio. JJVL countered that Section 391 can only be invoked after a winding-up order, given the reference to 'approval of the liquidator'; Section 306 is a deeming provision operative upon the passing of a winding-up order.

#### LEGAL ISSUE

Whether, on a harmonious reading of Sections 391 and 306 of the Companies Act, 2017, a transfer of shares effected after the presentation of a winding-up petition but before the passing of a winding-up order is automatically void ab initio merely by reason of the pendency of the petition, or whether such transfer remains valid and operative subject to subsequent scrutiny by the Company Court upon the making of a winding-up order.

#### HOLDING

The High Court held that while Section 391 regulates transfers and alterations effected after commencement of winding-up proceedings, Section 306 merely identifies the point in time from which commencement is reckoned; Section 306 by itself does not invalidate or render void any transfer. The legal consequence contemplated by Section 391 is not attracted merely upon the filing of a winding-up petition but becomes

operative upon the passing of a winding-up order, which then relates back to the date of presentation, bringing within its fold the transactions undertaken during the intervening period. The qualifying expressions in Section 391 ('except when an order to the contrary is passed by the Court' and 'unless approved by the liquidator') clearly indicate that intervening transactions are not non est in law; they remain operative and effective, though vulnerable to being declared void upon the making of a winding-up order unless validated by the Company Court or approved by the liquidator. Any interpretation treating every post-petition transaction as automatically void would defeat Section 391's statutory power of validation, paralyse the company's business, lead to commercial uncertainty, and enable the filing of a winding-up petition to be used as an oppressive instrument before the merits are adjudicated. Relying on *Pankaj Mehra v. State of Maharashtra* (AIR 2000 SC 1953) on the analogous Sections 441 and 536 of the Indian Companies Act, 1956, the Court adopted a harmonious, purposive and contextual reading. The objection regarding pendency of C.M.A. No.8 of 2026 (seeking production of JJVL's register of members) was held misconceived. No prima facie case for grant of interim injunction was made out; C.M. No.15/2025 was dismissed.

#### LEGAL SIGNIFICANCE

The judgment is the first detailed Lahore High Court treatment of the relationship between Sections 391 and 306 of the Companies Act, 2017 — provisions that have caused considerable practical anxiety amongst corporate practitioners and parties to winding-up litigation. By distinguishing between 'commencement of winding-up' (a deemed date) and 'making of a winding-up order' (the operative judicial act that crystallises the legal consequences of Section 391), the Court protects bona fide post-petition transactions from being paralysed by the mere filing of a petition, and prevents abuse of the winding-up jurisdiction as an instrument of commercial pressure. The reasoning aligns Pakistani jurisprudence with the position taken by the Indian Supreme Court in *Pankaj Mehra* and provides authoritative guidance for SECP, stock exchanges, registrars of companies and the Company Court in handling transactions effected during the interregnum between presentation of a winding-up petition and the making of a winding-up order.

#### LEGAL PROPOSITIONS (VERBATIM)

- *The legal consequence contemplated by Section 391 of the Act is not attracted merely upon the filing of a winding up petition; rather, the provision becomes operative upon the passing of a winding up order.*
- *These qualifying words clearly indicate that transactions entered into during the pendency of winding up proceedings are not non est in the eyes of law; rather, they remain operative and effective, though vulnerable to be declared void upon the making of a winding up order, unless validated by the Company Court or approved by the liquidator in accordance with law.*
- *A harmonious, purposive and contextual reading of Sections 306 and 391 of the Act leads to the conclusion that a transfer of shares effected after the presentation of a winding up petition, but before the passing of a winding up order, does not ipso facto or automatically become void merely by reason of the pendency of such petition.*
- *Any interpretation treating every post-petition transaction as automatically void from the very moment of its execution would not only defeat the statutory power of validation expressly conferred upon the Court and liquidator but would also paralyze the business of company and lead to serious commercial uncertainty and hardship for third parties dealing with the company in good faith.*

#### LEGAL PRINCIPLES EXPOUNDED

**Section 306 of the Companies Act, 2017 merely identifies the deemed date for commencement of winding-up by the Court — namely the presentation of the petition — and does not, by itself, invalidate or render void any transfer or disposition.**

**Source:** *By itself, Section 306 of the Act neither invalidates nor does render void any transfer, disposition, or alteration in the status of a member of the company.*

**Authority:** *Section 306, Companies Act, 2017*

**Section 391 of the Companies Act, 2017 becomes operative upon the passing of a winding-up order, which relates back to the date of presentation of the petition, bringing the intervening transactions within its fold; the qualifying expressions in Section 391 ('except when an order to the contrary is passed by the Court' and 'unless approved by the liquidator') confirm that**

**intervening transactions are not non est in law.**

**Source:** the provision becomes operative upon the passing of a winding up order. Once such an order is made, it relates back to the date of presentation of the winding up petition, thereby bringing within its fold the transactions undertaken during the intervening period.

**Authority:** Section 391, Companies Act, 2017

**There is a clear distinction in company law between 'commencement of winding-up' and 'making of a winding-up order'; this distinction must be preserved to balance protection of creditors and contributories with the legitimate interest of the company in continuing its business until judicial determination.**

**Source:** There is a clear and well-recognized distinction in company law between the 'commencement of winding up' and the 'making of a winding up order'... the law must, therefore, be construed in a manner that balances the protection of creditors and contributories with the legitimate interests of the company in continuing its business until judicial determination is made.

**Authority:** Pankaj Mehra v. State of Maharashtra (AIR 2000 SC 1953 = (2000) 2 SCC 756); Sections 441 and 536, Companies Act 1956 (India)

**The interim injunctive jurisdiction under Order XXXIX Rules 1 and 2 CPC will not be exercised where no prima facie case is made out; the mere filing of a winding-up petition is not sufficient to restrain bona fide post-petition share transfers in the absence of a winding-up order.**

**Source:** In view of the foregoing discussion, no prima facie case for the grant of temporary injunction as prayed for is made out at this stage; accordingly, the instant application, being devoid of merit, is dismissed.

**Authority:** Order XXXIX Rules 1 and 2, CPC; Section 391, Companies Act, 2017

**OPERATIVE ORDER**

*In view of the foregoing discussion, no prima facie case for the grant of temporary injunction as prayed for is made out at this stage; accordingly, the instant application, being devoid of merit, is dismissed. Let the main case along with all pending CMAs be listed for hearing on 21.09.2026.*

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