

IN THE LAHORE HIGH COURT LAHORE  
(Companies Jurisdiction)

C.O.No. 151124/2018

Additional Registrar of Companies  
Vs  
M/s Regal Ceramics Limited & Others

**PETITION UNDER SECTION 301 READ WITH SECTION 304 OF THE COMPANIES ACT, 2017 READ WITH ALL OTHER ENABLING PROVISIONS OF LAW FOR WINDING UP OF REGAL CERAMICS LIMITED (RESPONDENT NO.1)**

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**PETITIONER**

Through  
Hafiz Tallaha  
Advocate High Court  
C.C.NO.44101  
CNIC NO. 36302-7065790-3



**IN THE HONORABLE LAHORE HIGH COURT, LAHORE  
(Companies Jurisdiction)**

151124  
C. O. No. \_\_\_ of 2018

**Additional Registrar of Companies,**  
Securities & Exchange Commission of Pakistan,  
Company Registration Office, Lahore.

... Petitioner

*Versus*

1. **M/s Regal Ceramics Limited**  
Registered office at, 4th floor,  
4<sup>th</sup> Floor, Salam chambers-22 link road, Mcleod Road, Lahore,  
Through its Chief Executive Officer.

2. **Mr. Malik Saleem Ismail,**  
Chief Executive/Director,  
4<sup>th</sup> Floor, Salam chambers-22 link road, Mcleod Road, Lahore.

Appeared - 15/5/18

③ **Mr. Jehangir Ali Shamsi,**  
Chairman/Director,  
4<sup>th</sup> Floor, Salam chambers-22 link road, Mcleod Road, Lahore.

4. **Mr. Rahim Pervaiz Ismail (Director),**  
4<sup>th</sup> Floor, Salam chambers-22 link road, Mcleod Road, Lahore.

5. **Mr. Muhammad Amin Ismail (Director),**  
4<sup>th</sup> Floor, Salam chambers-22 link road, Mcleod Road, Lahore.

Appeared  
on 15/5/18

6. **Mr. Muhammad Amin Hassanali (Director),**  
3-E, Pak Mension, Shahlam Market, Lahore.
7. **Mr. Aziz-ud-Din Hassanali (Director),**  
3-E, Pak Mension, Shahlam Market, Lahore.
8. **Mr. Mehmood M. Hussain (Director),**  
105-B, S.M.C.H. Karachi.
9. **Mr. Ahmad M. Hussain (Director),**  
105-B, S.M.C.H. Karachi.
10. **Mrs. S. Ali (Noor Jahan) Director,**  
105-B, S.M.C.H. Karachi.
11. **Mr. Muhammad Asif (Director),**  
NIT 2<sup>nd</sup> Floor, Al-Flah Building Lahore.

... Respondents

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**PETITION UNDER SECTION 301 READ WITH SECTION 304 OF THE  
COMPANIES ACT, 2017 READ WITH ALL OTHER ENABLING PROVISIONS OF  
LAW FOR WINDING UP OF REGAL CERAMICS LIMITED (RESPONDENT  
NO.1)**

---

Respectfully *Sheweth*:-

1. That the names and addresses of the parties as given in the title of the Petition are true and correct as per the record maintained by the office of the Petitioner and the same are sufficient for the purposes of effecting service upon them.

2. That the Petitioner is an officer of the Securities & Exchange Commission of Pakistan ("SECP") established under the Securities and Exchange Commission of Pakistan Act, 1997 for, *inter alia*, the superintendence and control of corporate entities and for matters connected therewith and incidental thereto. The Petitioner, being the Additional Registrar of Companies and Incharge Companies Registration Office, Lahore, SECP is fully conversant with the facts of the instant Petition and is duly authorized under Section 304(b) of the Companies Act, 2017 (the "Act") to present this Petition before this Hon'ble Court after taking due sanction in this behalf from the SECP.

3. That the Respondent company namely, **M/s Regal Ceramics Limited** (hereinafter the "**Company**") was incorporated on 13.12.1974 as a public limited company under the Companies Act, 1913 which was repealed by the Companies Ordinance 1984 under Section 508, however the Companies Ordinance, 1984 was also repealed under Section 509 of the new Companies Act, 2017. Furthermore, the Company was also listed on the stock exchange on 27.9.1988.

**(Copies of the Certificate of Incorporation and Certificate of Commencement of Business are appended herewith as Annexures "A & B")**

4. That the registered office of the Company is situated at 4<sup>th</sup> floor, salam chambers 22 link road, Lahore.

**(Copy of Form VI (Old Form) is appended herewith as Annexure "C")**

5. That the authorized capital of the Company is Rs. 100 million /- divided into 10 million/- shares of Rs.10/- each. While the paid-up capital of the Company is Rs. 73 million /- divided into 7.3 million ordinary shares of Rs.10/- each.

**(Copy of latest Form A of the Company made upto 30.12.2000 and Form 29 dated 17.12.1997 are appended as Annexures "D & E")**

6. That the objects for which the Company was established, *inter alia*, is manufacture of table ware and ceramics as mentioned/stated in its Memorandum of Association under clause III sub-clause (I).

**(Copy of Memorandum of Association and Articles of Association is appended herewith as Annexure "F).**

7. That a Show Cause Notice (herein after referred as "SCN") was issued to the Company/Respondent No.1 under section 309 (b) read with section 305 (b) and (c) of the Companies Ordinance, 1984 dated 24.7.2003 on the following circumstances as stated in SCN which are reproduced herein below for ready reference;

- i. The company has made default in holding two consecutive annual general meeting; As per record, no annual general meeting of the company has been held since 2001 (attracting proviso (b) of section 305) and,
  
- ii. The company has suspended its business for a whole year; As per record, the company's operation are closed since 2000 (attracting proviso (c) of Section 305).

**(Copy of SCN dated 24.07.2003 is appended herewith as Annexure "G")**

8. That the directors of the company were given several opportunities of hearing however, they failed to appear before the Commission. Therefore, the Commissioner, CLD authorized the Additional Registrar, CRO, Lahore to file a winding up petition before the competent Court vide Order dated 31.12.2003. However, the winding up petition was filed before the Hon'ble Lahore High Court and the Hon'ble Court passed an ex-parte winding up order by appointing Mr. Yawar Ali as official liquidator vide Order dated 18.06.2004.

**Copies of Orders dated 31.12.2003 & 18.06.2004 are appended herewith as Annexures, H & I.**

9. That the Company/Respondent No.1 aggrieved with the decision of the Hon'ble Court intended to become a party of the case. The Hon'ble Court while reversing its earlier order dated 18.06.2004 allowed the Company to become a party to the winding up petition. Moreover, another winding up petition was filed by the Company's creditor i.e. PICIC Commercial Bank on the ground that the Company was unable to pay its debt. The Hon'ble Court clubbed both the matters and passed a winding up order on 28.03.2005. The said order was challenged by the company before the August Supreme Court of Pakistan and the order dated 28.03.2005 was set aside by the August Supreme Court and remanded back the petition to the learned Company Judge to decide the matter keeping in view the law on the subject. **Copy of the Order dated 28.03.2005 is appended herewith as Annexure, J**

10. That the Hon'ble Lahore High Court in its Judgement dated 12.03.2007 made the directions in the paragraphs Nos. 8,9 and 11 of the same which are reproduced herein below for ready reference;

*"8. Perusal of the sanctioned letter dated October 8<sup>th</sup>, 2003 clearly find mentioned that a show cause notice dated 24.07.2003 was alleged to have been issued in the name of the respondent company, which was received back undelivered meaning thereby the respondent company was not in the knowledge of any proceeding*



*before the authority. No services, as required by rule 76 of the Company Rules were effected. The show cause notice alleged to have been received back un-served has not been annexed with the petition. In view of the admission on the part of the authority that show cause notice was received back unserved. It was mandatory to get the services effected by other mode i.e. by publication in the newspaper. In this view of the matter, it could not be presumed that the respondent company was afforded a lawful opportunity of being heard was provided as written as the sanction letter dated October 8<sup>th</sup>, 2003. Service of the show cause notice could not be ignored in the circumstances, where it attracts penal consequences. Reliance in this respect is placed on Additional Registrar of Companies SECP vs. Norrie Textile Mills Limited (2004 CLD 1109 Karachi).*

*9. In view of the above facts, order dated October 8<sup>th</sup>, 2003 passed by the authority, whereby sanction was granted to the Registrar for filling the petition, was rendered void, ab-initio and nullity. Thus the petition for winding up, as prayed, could not be granted in view of the inherent infirmity indication herein above.*

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*11. The petitioner shall accordingly be required to submit and make representation to the authority (SECP) within four weeks of the announcement of this order. The respondent company shall be provided an opportunity of hearing by the authority and after considering all the aspects of the case, it shall pass an appropriate order and if after considering the facts was satisfied that the circumstances warranted for filling a petition for winding up, it shall pass necessary sanction order within six weeks after receipt of reply of show cause notice, if any, furnish by the respondent after provided full opportunity of hearing to the respondent Company. This petition is disposed of in the above terms with no order as to costs."*

***Copy of the judgement dated 12.03.2007 is appended herewith as Annexure, "K"***

11. That pursuant to the above mentioned direction of the Hon'ble Lahore High Court Lahore, the Petitioner issued a Show Cause Notice (herein after referred to "SCN II") on 05.04.2007 under section 309 (b) read with Section 305 (b) and (c) of the Companies Ordinance, 1984 to the Company and all the directors/respondents of the Company. **Copy of SCN-II dated 05.04.2007 is appended herewith as Annexure, "L".**

12. That while issuing SCN II in terms of the directions of the Hon'ble Court the respondents were given an opportunity to appear on 23.04.2007 and next hearing in the matter was fixed for 22.02.2011 which was adjourned on the request of the respondents 's counsel. However, the matter was again fixed for hearing on 22.02.2011, the Respondent No.2 attended the hearing and stated in his response that the principal assets of the company were auctioned on 7.06.2003 and the same was challenged before the Hon'ble Lahore High Court vide EFA No.1670/2014 titled "*Regal Ceramics Vs PICIC etc* which is reserved for judgment. Moreover, the Respondent No.2 requested that it would be proper in the circumstances to await the decision of the Hon'ble Court as it was likely to have significant bearing on the instant proceedings. The proceedings were adjourned till judgment to be announced in the matter.

13. That the matter was taken up again by the Commission vide letter dated 29.11.2012 for furnishing the copy of the final order passed by the Hon'ble Court to enable the Commission to proceed further. However, The matter was fixed on February 10<sup>th</sup>, 2016 vide letter dated February 1, 2016 and March 9<sup>th</sup>, 2016 vide letter dated February 22<sup>nd</sup>, 2016, but both the letters were returned undelivered from the registered address office of the company.

14. That the matter was re-fixed for hearing on March 14<sup>th</sup>, 2016 in which Mr. Muhammad Asif was represented by Mr. Shahid Zahid and other five respondents namely Mr. Ahmed M. Hussain, Mrs. S. Ali Noor Jehan, Mr. Azizuddin Hassanali, Mr. Jahangir Ali Shamsi and Mr. M. Amin Hassanali were represented by Mr. Muhammad Nadeem and Mr. Muhammad Akram. Mr. Abdul Qayum Bhutta and Mr. Mushtaq ul Hassan Gillani advocates also appeared in the hearing with no power of attorney from any of the respondents. In the said hearing the respondents were allowed one month time and were advised that the case be re-fixed for hearing after expiry of one month. Accordingly, the matter was fixed for hearing on April 14<sup>th</sup>, 2016 which was adjourned on the request and was rescheduled for May 2<sup>nd</sup>, 2016.

15. That in the said hearing held on May, 2<sup>nd</sup>, 2016, Mr. Muhammad Asif, the NIT's nominee and Mr. Malik Saleem, CEO of the company appeared wherein, Mr. Malik submitted that the proceedings of the liquidation of the company's assets has been challenged in the court and have been pending with the same status since the year 2011 and therefore, the matter may be held in abeyance till the court's order. Mr. Muhammad Asif, NIT's nominee stated that auction of the company's assets was completed through liquidator appointed by the Hon'ble Lahore High Court and payment was made to the PICIC commercial Bank, but the same was challenged by Mr. Malik Saleem Ismail.

16. That in view of the submissions made in the hearing held on May 2<sup>nd</sup>, 2016, the proceedings were pending for a period of Six months and the respondents were directed to submit a fortnightly report to the Commission containing update on the proceedings of the Court. The respondents did not submit the fortnightly report as directed in the hearing. A letter dated May 30<sup>th</sup>, 2016 was sent to respondents to submit report, the said letter received back undelivered.

17. That final hearing was fixed on January 25<sup>th</sup>, 2017 vide letter dated January 12<sup>th</sup>, 2017. It was duly informed therein that the respondents may make arrangement to attend the hearing in person or through representation. A video link facility was also offered to the respondents for attending the hearing.

**Copy of letter dated 12.01.2017 is appended herewith as Annexure, "M"**

18. That hearing held on January 25<sup>th</sup>, 2017 was attended on video link by Mr. Malik Naeem on behalf of Mr. Ahmed M. Hussain (**Respondent No.9**), Mrs. S. Ali Noor Jehan(**Respondent No.10**) , Mr. Azizuddin Hassanali(**Respondent No.7**), Mr. Jahangir Ali Shamsi(**Respondent No.3**), Mr. M. Amin Hassanali(**Respondent No.6**), Mr. Mehmood M. Hussain(**Respondent No.8**) and Mr. Muhammad Asif(**Respondent No.11**) personally attended the hearing. Wherein, Mr. Muhammad Asif informed that the assets of the Company have been sold and possession

has been handed over to the purchaser namely Mr. Malik Naeem. However, Mr. Muhammad Asif endorsed the point of view of the Commission that the Company/Respondent No.1 should be wound up.

**Copy of attendance sheet along with hearing note is appended herewith as Annexure, "N".**

19. That on examination of the annual audited accounts of the Company/Respondent No.1 and other record of the Company/Respondent No.1 by the concerned department for the year ended 30.06.2000, it was, *inter alia*, observed that the Company has suspended its operations since 2000 and failed to hold its AGMs since 2001.

**(Copy of Annual Audited Account for the year ended 30.06.2000 is appended as Annexure "O")**

20. That after taking into consideration of the above mentioned facts, as well as all other relevant material, vide order dated 27.01.2017, the Executive Director, Corporate Supervision Department (CSD), SECP (while exercising the powers of the Commission as per the authority delegated to him vide notification SRO No. 1003 dated October 15, 2015) granted sanction to the Petitioner to file a petition before this Hon'ble Court for the winding up of the Company/Respondent No.1 on the following grounds;

- i. The Company has suspended its business since the year 2000 and has not been able to restart its operations. Its accumulated losses stood at Rs. 83.965 million which were increasing with each passing day.
- ii. Company had failed to file its statutory returns beside it had failed to comply with the various mandatory requirements of the Ordinance:
  - a) It did not hold two consecutive AGMs for the year 2001 onwards;
  - b) Notices issued by the Commission were not replied;
  - c) There was no responsible management to look after the interest of the Company its shareholders, creditors and there seemed to be no hope for its revival.

**Copy of Order dated 27.01.2017 along with Addendum dated 07-02-2017 are appended herewith as Annexure, P & P/1**

21. That the Company/Respondent No.1 is liable to be wound-up, *inter alia*, on the following:

**GROUNDS**

- A. That the Company/Respondent No.1 has ceased its operational activities since from the year 2000. Therefore, the Company/Respondent No.1 is liable to be wound up under section 301(b)(c) & (m) of the Company Act, 2017 on this score alone;

- B. That it is a settled principle of law that a company is liable to be wound up under clause (m) of section 301 of the Company Act,2017, if it does not commence its business within a year or has suspended its business for a whole year.
- C. That the company is liable to be wound up in terms of sub clause (c) and (b) of Section 301 of the Company Act,2017 as it has failed to hold AGMs since 2001.
- D. That the substratum of the Company has been lost as the company has admittedly disposed of its entire business.
- E. That additional grounds may kindly be allowed to be raised during the proceedings of the petition.

12. that in the circumstances mentioned above and under the provisions of clause (b) of Section 304 read with clauses (b) (c) and (m) of Section 301 of the Company Act,2017, the Company/Respondent No.1 is liable to wound up.



13. That this Hon'ble Court has jurisdiction to entertain this petition as the registered office of the Company/Respondent No.1 is situated within the territorial jurisdiction of this Hon'ble Court.

**PRAYER:**

It is, therefore, most respectfully prayed that this Honourable Court may be pleased:

- i) To order the Winding-Up of the Company (i.e. **M/s Regal Ceramics Limited** ) under the provisions of the Companies Act,2017;
- ii) Furthermore, to appoint Official Liquidator/Provisional Manager to conduct the winding-up proceedings and perform related duties, and be directed to record the statement of affair of the Company/Respondent No.1 within the contemplation of Section 320 of the Companies Act,2017;

- iii) To order appropriate proceedings against the Chief executive and directors of the Company/Respondent No.1; and
- iv) To pass an interim injunction restraining the Company/Respondent No.1 from registering any new members and from alienating any of its assets and from operating any of its bank accounts;
- v) To pass such further order or orders and to issue all consequential and necessary directions as this Honourable Court may deem fit and proper in the circumstances;
- vi) To order the Respondent Company to pay the costs of the instant Petition;

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**ANY OTHER RELIEF** which this Hounarable Court deems fit and proper in the peculiar circumstances of the instant petition may very kindly be awarded.

(LIAQAT ALI DOLLA)  
Additional Registrar of Companies  
Corporatization & Compliance Department  
Securities & Exchange Commission of Pakistan



(LIAQAT ALI DOLLA)  
Additional Registrar of Companies  
Securities & Exchange Commission of  
Pakistan  
Company Registration Office  
3<sup>rd</sup> Floor, Associated House, 7-Egerton  
Road, Lahore

through

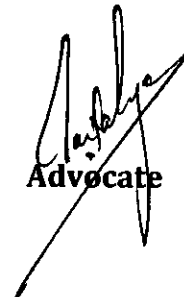


**Hafiz Talaha**  
Advocate High Court/  
Assistant Director Law, SECP  
CC No. 44101

**Certificate:**

As per instructions it is the second petition on the subject matter.

Dated: 15-01-2018



Advocate

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**IN THE HONORABLE LAHORE HIGH COURT, LAHORE  
(Companies Jurisdiction)**

**In Re:** C.O.No.\_\_\_\_/2018

Additional Registrar of Companies Vs M/s Regal Ceramic Limited & Others

**AFFIDAVIT OF: MR. LIAQAT ALI DOLLA, ADDITIONAL REGISTRAR OF  
THE COMPANIES, SECURITIES & EXCHANGE  
COMMISSION OF PAKISTAN, COMPANY  
REGISTRATION OFFICE, LAHORE.**

I, the above named deponent, do hereby solemnly swear and affirm as under;

1. That the names and addresses of the parties as given in the title of the Petition are true and correct as per the record maintained by the office of the Petitioner and the same are sufficient for the purposes of effecting service upon them.
2. That the Petitioner is an officer of the Securities & Exchange Commission of Pakistan ("SECP") established under the Securities and Exchange Commission of Pakistan Act, 1997 for, *inter alia*, the superintendence and control of corporate entities and for matters connected therewith and incidental thereto. The Petitioner, being the Additional Registrar of Companies and Incharge Companies Registration Office, Lahore, SECP is fully conversant with the facts of the instant Petition and is duly authorized under Section 304(b) of the Companies Act, 2017 (the "Act") to present this Petition before this Hon'ble Court after taking due sanction in this behalf from the SECP.

3. That the Respondent company namely, M/s Regal Ceramics Limited (hereinafter the "Company") was incorporated on 13.12.1974 as a public limited company under the Companies Act, 1913 which was repealed by the Companies Ordinance 1984 under Section 508, however the Companies Ordinance, 1984 was also repealed under Section 509 of the new Companies Act, 2017. Furthermore, the Company was also listed on the stock exchange on 27.9.1988.

**(Copies of the Certificate of Incorporation and Certificate of Commencement of Business are appended herewith as Annexures "A & B")**

4. That the registered office of the Company is situated at 4<sup>th</sup> floor, salam chambers 22 link road, Lahore.

**(Copy of Form VI (Old Form) is appended herewith as Annexure "C")**

5. That the authorized capital of the Company is Rs. 100 million /- divided into 10 million/- shares of Rs.10/- each. While the paid-up capital of the Company is Rs. 73 million /- divided into 7.3 million ordinary shares of Rs.10/- each.

**(Copy of latest Form A of the Company made upto 30.12.2000 and Form 29 dated 17.12.1997 are appended as Annexures "D & E")**

6. That the objects for which the Company was established, *inter alia*, is manufacture of table ware and ceramics as mentioned/stated in its Memorandum of Association under clause III sub-clause (I).

**(Copy of Memorandum of Association and Articles of Association is appended herewith as Annexure "F.**

7. That a Show Cause Notice (herein after referred as "SCN") was issued to the Company/Respondent No.1 under section 309 (b) read with section 305 (b) and (c) of the Companies Ordinance, 1984 dated 24.7.2003 on the following circumstances as stated in SCN which are reproduced herein below for ready reference;

- i. The company has made default in holding two consecutive annual general meeting; As per record, no annual general meeting of the company has been held since 2001 (attracting proviso (b) of section 305) and,
- ii. The company has suspended its business for a whole year; As per record, the company's operation are closed since 2000 (attracting proviso (c) of Section 305).

**(Copy of SCN dated 24.07.2003 is appended herewith as Annexure "G")**

8. That the directors of the company were given several opportunities of hearing however, they failed to appear before the Commission. Therefore, the Commissioner, CLD authorized the Additional Registrar, CRO, Lahore to file a winding up petition before the competent Court vide Order dated 31.12.2003. However, the winding up petition was filed before the Hon'ble Lahore High Court and the Hon'ble Court passed an ex-parte winding up order by appointing Mr. Yawar Ali as official liquidator vide Order dated 18.06.2004.

**Copies of Orders dated 31.12.2003 & 18.06.2004 are appended herewith as Annexures, H & I.**

9. That the Company/Respondent No.1 aggrieved with the decision of the Hon'ble Court intended to become a party of the case. The Hon'ble Court while reversing its earlier order dated 18.06.2004 allowed the Company to become a party to the winding up petition. Moreover, another winding up petition was filed by the Company's creditor i.e. PICIC Commercial Bank on the ground that the Company was unable to pay its debt. The Hon'ble Court clubbed both the matters and passed a winding up order on 28.03.2005. The said order was challenged by the company before the August Supreme Court of Pakistan and the order dated 28.03.2005 was set aside by the August Supreme Court and remanded back the petition to the learned Company Judge to decide the matter keeping in view the law on the subject. **Copy of the Order dated**

28.03.2005 is appended herewith as Annexure, J

10. That the Hon'ble Lahore High Court in its Judgement dated 12.03.2007 made the directions in the paragraphs Nos. 8,9 and 11 of the same which are reproduced herein below for ready reference;

*"8. Perusal of the sanctioned letter dated October 8<sup>th</sup>, 2003 clearly find mentioned that a show cause notice dated 24.07.2003 was alleged to have been issued in the name of the respondent company, which was received back undelivered meaning thereby the respondent company was not in the knowledge of any proceeding before the authority. No services, as required by rule 76 of the Company Rules were effected. The show cause notice alleged to have been received back un-served has not been annexed with the petition. In view of the admission on the part of the authority that show cause notice was received back unserved. It was mandatory to get the services effected by other mode i.e. by publication in the newspaper. In this view of the matter, it could not be presumed that the respondent company was afforded a lawful opportunity of being heard was provided as written as the sanction letter dated October 8<sup>th</sup>, 2003. Service of the show cause notice could not be ignored in the circumstances, where it attracts penal consequences.*



Reliance in this respect is placed on Additional Registrar of Companies SECP vs. Norrie Textile Mills Limited (2004 CLD 1109 Karachi).

9. In view of the above facts, order dated October 8<sup>th</sup>, 2003 passed by the authority, whereby sanction was granted to the Registrar for filling the petition, was rendered void, ab-initio and nullity. Thus the petition for winding up, as prayed, could not be granted in view of the inherent infirmity indication herein above.

11. The petitioner shall accordingly be required to submit and make representation to the authority (SECP) within four weeks of the announcement of this order. The respondent company shall be provided an opportunity of hearing by the authority and after considering all the aspects of the case, it shall pass an appropriate order and if after considering the facts was satisfied that the circumstances warranted for filling a petition for winding up, it shall pass necessary sanction order within six weeks after receipt of reply of show cause notice, if any, furnish by the respondent after provided full opportunity of hearing to the respondent Company. This petition is disposed of in the above terms with no order as to costs."

**Copy of the judgement dated 12.03.2007 is appended herewith as Annexure, "K"**

11. That pursuant to the above mentioned direction of the Hon'ble Lahore High Court Lahore, the Petitioner issued a Show Cause Notice (herein after referred to "SCN II") on 05.04.2007 under section 309 (b) read with Section 305 (b) and (c) of the Companies Ordinance, 1984 to the Company and all the directors/respondents of the Company. **Copy of SCN-II dated 05.04.2007 is appended herewith as Annexure, "L".**

12. That while issuing SCN II in terms of the directions of the Hon'ble Court the respondents were given an opportunity to appear on 23.04.2007 and next hearing in the matter was fixed for 22.02.2011 which was adjourned on the request of the respondents 's counsel. However, the matter was again fixed for hearing on 22.02.2011, the Respondent No.2 attended the hearing and stated in his response that the principal assets of the company were auctioned on 7.06.2003 and the same was challenged before the Hon'ble Lahore High Court vide EFA No.1670/2014 titled "*Regal Ceramics Vs PICIC etc* which is reserved for judgment. Moreover, the Respondent No.2 requested that it would be proper in the circumstances to await the decision of the Hon'ble Court as it was likely to have significant bearing on the instant proceedings. The proceedings were adjourned till judgment to be announced in the matter.

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13. That the matter was taken up again by the Commission vide letter dated 29.11.2012 for furnishing the copy of the final order passed by the Hon'ble Court to enable the Commission to proceed further. However, The matter was fixed on February 10<sup>th</sup>, 2016 vide letter dated February 1, 2016 and March 9<sup>th</sup>, 2016 vide letter dated February 22<sup>nd</sup>, 2016, but both the letters were returned undelivered from the registered address office of the company.

14. That the matter was re-fixed for hearing on March 14<sup>th</sup>, 2016 in which Mr. Muhammad Asif was represented by Mr. Shahid Zahid and other five respondents namely Mr. Ahmed M. Hussain, Mrs. S. Ali Noor Jehan, Mr. Azizuddin Hassanali, Mr. Jahangir Ali Shamsi and Mr. M. Amin Hassanali were represented by Mr. Muhammad Nadeem and Mr. Muhammad Akram. Mr. Abdul Qayum Bhutta and Mr. Mushtaq ul Hassan Gillani advocates also appeared in the hearing with no power of attorney from any of the respondents. In the said hearing the respondents were allowed one month time and were advised that the case be re-fixed for hearing after expiry of one month. Accordingly, the matter was fixed for hearing on April 14<sup>th</sup>, 2016 which was adjourned on the request and was rescheduled for May 2<sup>nd</sup>, 2016.

19. That on examination of the annual audited accounts of the Company/Respondent No.1 and other record of the Company/Respondent No.1 by the concerned department for the year ended 30.06.2000, it was, *inter alia*, observed that the Company has suspended its operations since 2000 and failed to hold its AGMs since 2001.

**(Copy of Annual Audited Account for the year ended 30.06.2000 is appended as Annexure "O")**

20. That after taking into consideration of the above mentioned facts, as well as all other relevant material, vide order dated 27.01.2017, the Executive Director, Corporate Supervision Department (CSD), SECP (while exercising the powers of the Commission as per the authority delegated to him vide notification SRO No. 1003 dated October 15, 2015) granted sanction to the Petitioner to file a petition before this Hon'ble Court for the winding up of the Company/Respondent No.1 on the following grounds;

- i. The Company has suspended its business since the year 2000 and has not been able to restart its operations. Its accumulated losses stood at Rs. 83.965 million which were increasing with each passing day.

15. That in the said hearing held on May, 2<sup>nd</sup>, 2016, Mr. Muhammad Asif, the NIT's nominee and Mr. Malik Saleem, CEO of the company appeared wherein, Mr. Malik submitted that the proceedings of the liquidation of the company's assets has been challenged in the court and have been pending with the same status since the year 2011 and therefore, the matter may be held in abeyance till the court's order. Mr. Muhammad Asif, NIT's nominee stated that auction of the company's assets was completed through liquidator appointed by the Hon'ble Lahore High Court and payment was made to the PICIC commercial Bank, but the same was challenged by Mr. Malik Saleem Ismail.

16. That in view of the submissions made in the hearing held on May 2<sup>nd</sup>, 2016, the proceedings were pending for a period of Six months and the respondents were directed to submit a fortnightly report to the Commission containing update on the proceedings of the Court. The respondents did not submit the fortnightly report as directed in the hearing. A letter dated May 30<sup>th</sup>, 2016 was sent to respondents to submit report, the said letter received back undelivered.

17. That final hearing was fixed on January 25<sup>th</sup>, 2017 vide letter dated January 12<sup>th</sup>, 2017. It was duly informed therein that the respondents may make arrangement to attend the hearing in person or through representation. A video link facility was also offered to the respondents for attending the hearing.

**Copy of letter dated 12.01.2017 is appended herewith as Annexure, "M"**

18. That hearing held on January 25<sup>th</sup>, 2017 was attended on video link by Mr. Malik Naeem on behalf of Mr. Ahmed M. Hussain (**Respondent No.9**), Mrs. S. Ali Noor Jehan(**Respondent No.10**) , Mr. Azizuddin Hassanali(**Respondent No.7**), Mr. Jahangir Ali Shamsi(**Respondent No.3**), Mr. M. Amin Hassanali(**Respondent No.6**), Mr. Mehmood M. Hussain(**Respondent No.8**) and Mr. Muhammad Asif(**Respondent No.11**) personally attended the hearing. Wherein, Mr. Muhammad Asif informed that the assets of the Company have been sold and possession has been handed over to the purchaser namely Mr. Malik Naeem. However, Mr. Muhammad Asif endorsed the point of view of the Commission that the Company/Respondent No.1 should be wound up.

**Copy of attendance sheet along with hearing note is appended herewith as Annexure, "N".**

- ii. Company had failed to file its statutory returns beside it had failed to comply with the various mandatory requirements of the Ordinance:
- a) It did not hold two consecutive AGMs for the year 2001 onwards;
  - b) Notices issued by the Commission were not replied;
  - c) There was no responsible management to look after the interest of the Company its shareholders, creditors and there seemed to be no hope for its revival.

**Copy of Order dated 27.01.2017 along with Addendum dated 07-02-2017 are appended herewith as Annexure, P & P/1**

- d) That the Company/Respondent No.1 is liable to be wound-up, *inter alia*, on the following:

**GROUND**

- A. That the Company/Respondent No.1 has ceased its operational activities since from the year 2000. Therefore, the Company/Respondent No.1 is liable to be wound up under section 301(b)(c) & (m) of the Company Act, 2017 on this score alone;
- B. That it is a settled principle of law that a company is liable to be wound up under clause (m) of section 301 of the Company Act,2017, if it does not commence its business within a year or has suspended its business for a whole year.

- C. That the company is liable to be wound up in terms of sub clause (c) and (b) of Section 301 of the Company Act,2017 as it has failed to hold AGMs since 2001.
- D. That the substratum of the Company has been lost as the company has admittedly disposed of its entire business.
- E. That additional grounds may kindly be allowed to be raised during the proceedings of the petition.

22. that in the circumstances mentioned above and under the provisions of clause (b) of Section 304 read with clauses (b) (c) and (m) of Section 301 of the Company Act,2017, the Company/Respondent No.1 is liable to wound up.

23. That this Hon'ble Court has jurisdiction to entertain this petition as the registered office of the Company/Respondent No.1 is situated within the territorial jurisdiction of this Hon'ble Court.

(LIAQAT ALI DOLLA)  
Additional Registrar of Companies  
Incorporation & Compliance Department  
Securities & Exchange Commission of Pakistan  
**DEPONENT LAHORE**

**VERIFICATION:**

Verified at Lahore \_\_\_\_\_ on this day of January, 2018 that the contents of the above Affidavit are true and correct and nothing has been concealed therein.

(LIAQAT ALI DOLLA)  
Additional Registrar of Companies  
Incorporation & Compliance Department  
Securities & Exchange Commission of Pakistan  
**DEPONENT LAHORE**

