

TIBL/CORP/PSX/2770
February 15, 2018

Hafiz Maqsood Munshi
Manager,
Companies & Securities Compliance – RAD,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Placement of Companies in the Default Segment
Under Clause 5.11.1.(I) of PSX Regulation

Dear Sir,

This is with reference to your notice no PSX/N-596 dated January 29, 2018 whereby Trust Investment bank Limited was placed under the Defaulters' Segment of the Pakistan Stock Exchange. In pursuance with the said notice TIBL approached Hon'able High Court of Sindh through legal Counsel for which ad-interim injunction has been granted in favour of Trust Investment Bank Limited wherein TIBL had prayed to restrain PSX from placing the name of Trust Investment Bank Limited in the Defaulters Segment with effect from February 12, 2018. PSX vide letter no PSX/C-823-853 dated February 13, 2018 acknowledged that no further action will be taken against company and requested for certified true copy of Court order.

In the light of said proceeding, we are pleased to attach herewith certified copy of Court Order by which Hon'able High Court of Sindh Pakistan Stock Exchange is hereby requested to kindly remove the company name from Default Segment to give effect to the Hon'able High Court of Sindh order and publish the announcement.

Thank you.

Yours sincerely,
For Trust Investment Bank Limited

Zahra Khalid
Company Secretary

Encl: as above

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TRUST INVESTMENT BANK LIMITED

BEFORE THE SINDH HIGH COURT AT KARACHI.

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10/2/2018

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SUIT NO. 292/2018

TRUST INVESTMENT BANK LIMITED, A NON-BANKING FINANCE COMPANY INCORPORATED AND ESTABLISHED UNDER THE PROVISIONS OF THE COMPANIES ORDINANCE 1984, HAVING ITS REGISTERED OFFICE AT 6TH FLOOR, M.M. TOWER, 28-A/K, GULBERG-II, LAHORE ACTING THROUGH ITS AUTHORIZED ATTORNEY.

... PLAINTIFF

Versus

- 1) FEDERATION OF PAKISTAN, THROUGH SECRETARY MINISTRY OF FINANCE, HAVING OFFICE AT G-8/1, AIWAN-E-SANAT-O-TIJARAT, MAUV AREA, ISLAMABAD.
- 2) PAKISTAN STOCK EXCHANGE LIMITED, THROUGH ITS MANAGING DIRECTOR, HAVING ITS HEAD OFFICE AT STOCK EXCHANGE BUILDING, STOCK EXCHANGE ROAD, KARACHI.
- 3) SECURITIES & EXCHANGE COMMISSION OF PAKISTAN, SPECIALIZED COMPANIES DIVISION, THROUGH ITS COMMISSIONER SCD, HAVING ITS HEAD OFFICE AT NIC BUILDING, JINNAH AVENUE, BLUE AREA, ISLAMABAD.

... DEFENDANTS

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SUIT FOR DECLARATION WITH PERMANENT AND PERPETUAL INJUNCTION

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ORDER SHEET
IN THE HIGH COURT OF SINDH, KARACHI
Suit No. 292 of 2018

Date

Order with signature of Judge

1. For order on CMA No. 2080/2018
2. For order on CMA No. 2081/2018

12.02.2018

Mr. Shahid Ikram Siddiqui advocate for the plaintiff a/w Mr. Muhammad Ramzan advocate.

1. Urgency granted.
2. The plaintiff has challenged an action of the Pakistan Stock Exchange, whereby, the plaintiff's company has been placed in the defaulter segment under Pakistan Stock Regulations with effect from 30.01.2018.

Let notice be issued to the defendants as well as DAG, however, till next date of hearing no further action shall be taken against the plaintiff.

Adjourned to 21.02.2018.

sd/- Muhammad Ali Maghaz
Judge

Aadil Arab



CERTIFIED TO BE TRUE COPY

14.02.2018
Assistant Registrar (Copy)

HIGH COURT OF SIERRA LEONE

COPY APPLIED FOR ON 13.02.2018

FEE ESTIMATED ON do

ESTIMATED FEES DEPOSITED ON do

COPY MADE READY ON 14.02.2018

STAMPS SUPPLIED ON do

COPY CERTIFIED ON do

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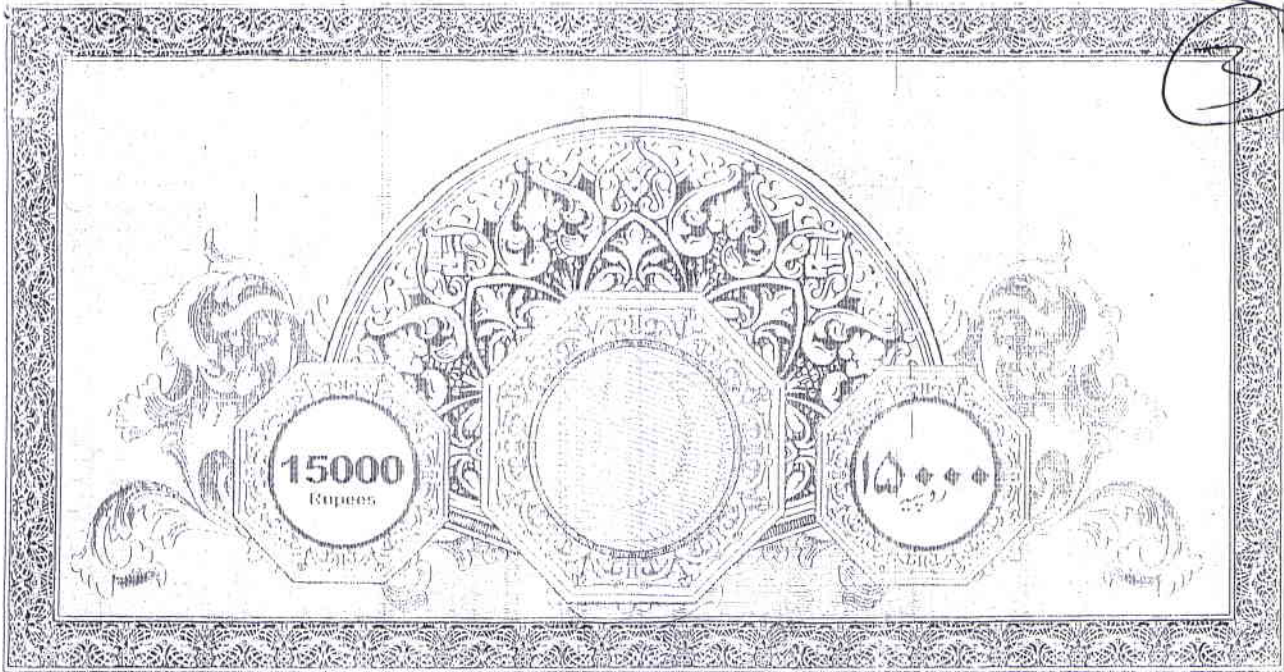
14/02/18

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COMPARING FEES	: PAGE	RS:

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14.02.2018
Assistant Registrar (Copy)



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OFFICE KARACHI PAKISTAN COURT FEE
No. 29 Date 09/02/18
Issue to Mr. Anila Chohan Adani
Vide Challan No. 169 Date 09/02/18

[Signature]
09/02/18

BEFORE THE SINDH HIGH COURT AT KARACHI

SUIT NO. 292/2018

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- 3) SECURITIES & EXCHANGE COMMISSION OF PAKISTAN, SPECIALIZED COMPANIE

... DEFENDANTS

SHAHID IKRAM SIDDIQUI
Advocate Supreme Court of Pakistan
9-G, Mushtaq Ahmad Gurmani Road,
Gulberg-II, Lahore

MUHAMMAD IMRAN MALIK
Advocate High Court

[Signature]
MUHAMMAD RAMZAN MEO
Advocate High Court
Suit # 111/112, Mezzanine Floor,
Columbus Tower, Near Teen Talwar,
Clifton Karachi

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BEFORE THE SINDH HIGH COURT AT KARACHI.

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... DEFENDANTS

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SUIT FOR DECLARATION WITH PERMANENT AND
PERPETUAL INJUNCTION
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Respectfully Sheweth:

1) That the names and addresses of the parties as given in the caption of this suit are correct and sufficient for the purposes of service of summons etc as may be issued by this honorable court from time to time.

2) That the plaintiff is a non-Banking Finance company, incorporated in Pakistan under the Companies Ordinance, 1984. The plaintiff Company has its Office at the address given in the caption of the titled suit. The plaintiff is also a Financial Institution within the meaning and scope of Financial Institutions (Recovery of Finances) Ordinance, 2001. The plaintiff is filing the instant suit through its duly authorized attorney i.e. Mr. Mehmood-Ur-Rehman AVP & Head Legal. Said Attorney is duly authorized by the plaintiff Company through a Board Resolution, inter alia, to institute the present suit, to sign and verify the pleadings, to engage legal counsel and to do all other acts, deeds and things necessary and incidental thereto on behalf of the plaintiff. The above named attorney is fully conversant with the facts of the case and are competent to depose about the same. Thus, the plaintiff Company as a body corporate and juristic person is filing the present suit through its authorized representative/attorney, in accordance with law. Board Resolution is Annexure "A".

3) That the brief facts giving rise to the filing of instant suit are that for the purposes of granting finance facilities and making investments to its customers, the Plaintiff initiated a scheme to generate resources through soliciting investments from a competitive market which was occupied by commercial banks offering variety of resources mobilization schemes and in order to extract maximum out of this competitive market, a commonly accepted product was marketed to attract fresh clientele and broaden the investment base of the Plaintiff. The affairs of the plaintiff are being controlled, run and managed strictly in accordance with the Memorandum & Articles of Association and the laws of the land. The plaintiff is a viable entity and its substratum is intact and is in a position to achieve its objects for which it was incorporated. It is worth noting here that on account of an overall economic recession, wherein the peoples' interest in investments decreased, the business of the plaintiff also affected a lot. However, despite all odds, the plaintiff survived and settled number of its customers.

4) That through the instant suit, the plaintiff is impugning the illegal and unlawful

conduct of the defendants No.2 & 3, in particular the defendant No.2 who has placed the name of the plaintiff in the Defaulter's Segment of the Pakistan Stock Exchange with effect from 30.01.2018, vide a Notice dated 29.01.2018, in subsequence of a Notice dated 15.01.2018 issued by the defendant No.3. The defendants have taken such action without providing any opportunity of hearing in complete violation of rules of Justice, fundamental rights of the plaintiff and the laws under which they derive their powers. It is relevant to mention here that the defendant No.3 issued a so called Show Cause Notice dated 15.01.2018 under Sections 282-J(1,2,3) and 282-M of the already repealed Companies Ordinance 1984. (Annexure "B"). Through the aforesaid Notice, the plaintiff was required to submit reply and to appear before the Commission on 30.01.2018. Thereafter, the defendant No.3, through its letter dated 24.01.2018 extended the time to file the reply and the hearing date extended to 28.02.2018. (Annexure "C").

5) That the worst was shown later by the defendant No.2, when it arbitrarily placed the name of the plaintiff in alleged Defaulter's segment under clause 5.11.1 of the Pakistan Stock Exchange Regulations vide a letter dated 29.01.2018 (Annexure "D") on the alleged ground of issuance of Show Cause Notice dated 15.01.2018 by the defendant No.3, thus practically halted all the business of the plaintiff.

6) That this act of the defendants No.2 & 3 of issuing Notices dated 29.01.2018 and 15.01.2018 respectively (Here-in-after referred as impugned Notices) in the matter of the plaintiff, are impugned herewith being repugnant to the provision of the Constitution and in conflict with the fundamental rights of the plaintiff as guaranteed by the Constitution of Islamic Republic of Pakistan, 1973 and thus the operation of the same is liable to be set aside being illegal and void.

7) That it may respectfully be submitted here that the impugned act of the defendant No.2 of placing name of the plaintiff in alleged defaulters' segment through the impugned Notice dated 29.01.2018 has been based upon impugned notice dated

15.01.2018. Both these impugned notices have been issued arbitrarily, without hearing the plaintiff, more especially the placement of plaintiff's name in defaulters' segment by the defendant No.2 is illegal as the defendant No.3 SECP has given time till 06.02.2018 for reply and 28.02.2018 for hearing in the matter of the defendant, therefore prior to such hearing, the placement of plaintiff's name in defaulter's segment under clause 5.11.1 of the Pakistan Stock Exchange Regulations is illegal, void, against fundamental rights of the plaintiff, without lawful jurisdiction as being initiated without adopting due process of Law.

8) That the impugned placement of plaintiff in alleged defaulter's segment is illegal and against fundamental rights of the plaintiff as the same is based upon merely upon an impugned Notice issued without any probe of the matter as the purported probe has yet to be made, therefore on a mere allegation without substantiation, the fundamental right of the plaintiff of doing business cannot be infringed in such an arbitrary manner.

9) That even otherwise, without prejudice to other submissions and without admitting the applicability of provisions whereunder impugned notice dated 15.01.2018 was issued by the defendant No.3, it is humbly submitted that even in the said impugned Notice, an opportunity was given to the plaintiff to answer allegations contained in said Notice and merely on the basis of issuance of said Notice, business activities of the plaintiff could not be stopped. On the other hand under para 21 of the impugned Notice dated 15.01.2018, the penalties as threatened, cannot be imposed simultaneously as being against the fundamental right of the plaintiff under Article 13 of the Constitution of Islamic Republic of Pakistan, 1973.

10) That without prejudice to other submissions, it is humbly submitted that the allegations contained in the impugned Notice cannot be made basis for any alleged winding up, thus there can be no implication of section 5.11.1 (I) of the PSX Regulations and hence the placement of plaintiff's name in defaulter's segment is illegal.

- 11) That with the placement of plaintiff's name in alleged defaulter's segment and thus practically stoppage of plaintiff's business activities on mere allegation without proving the same, is against the fundamental right of the plaintiff as provided under Article 18 of the Constitution of Islamic Republic of Pakistan 1973.
- 12) That impugned Notice dated 29.01.2018 has been issued by the defendant No.2 under clause 5.11.1 (l) of PSX Regulations, on the basis of impugned Notice dated 15.01.2018 issued by the defendant No.3. In this regard, it is relevant to mention here that aforesaid provisions of 5.11.1 (l) & (m) have been amended through a Notice No.PSC/N-472 dated January 23, 2018 (Annexure "E"). In this context, without admitting the applicability of aforesaid provisions, it is humbly submitted that such amendments in the Regulations have to be notified in the Gazette pursuant to Section 34 of the SECP Ordinance 1969, which has not been done till date therefore the same cannot be made effective till its formal publication in Gazette, whereas in the case of the plaintiff, the same has been applied even prior to the publication in Gazette thus has no applicability in the matter of the plaintiff. Secondly, these amendments have been made on 23.01.2018 whereas the impugned Notice dated 15.01.2018 of defendant No.3 which has been made basis of issuance of Notice dated 29.01.2018 for placing name of plaintiff in defaulter's segment, is prior to the aforesaid amendment, therefore it cannot have any retrospective effect upon the matter of the plaintiff, hence the placement of plaintiff's name in alleged defaulter's segment under impugned Notice dated 29.01.2018 is illegal and void.
- 13) That even otherwise it is trite law that all regulations have to be compliant in their parent statute. The Stock Exchange Regulations have been created under Section 34 of the SECP Ordinance 1969. Subsequently the Securities Act, 2015 and Companies Act 2017 have also been enacted and the same categorically lays down the mechanism under which detailed hearing is to be provided before any decision can be taken. Hence the action of the defendants for placing name of plaintiff in Defaulter's segment under impugned Notice dated 29.01.2018 is arbitrary, illegal and beyond the scope of

Act/Ordinance.

14) That without prejudice to the above, it is humbly stated that under Article 8 of the Constitution, any laws inconsistent with or in derogation of fundamental rights of the citizens are void. A bare perusal of section 5.11.1 (l) of PSX Regulations, is clearly against the fundamental rights of the citizens which infringes the fundamental rights of the plaintiff providing freedom of trade and business under Article 13 of Constitution as well as right of Fair Trial as provided under Article 10-A of the Constitution. Hence the referred clauses 5.11.1 (l) & (m) of the PSX Regulations being in derogation to fundamental rights are liable to be strike down.

15) That access to justice is a fundamental right, anything to the contrary is not permissible and everyone is required to follow due process of Law which means that individuals are not only required to be dealt with in accordance with Law but it qualified further that the process adopted in this context is open, fair and transparent, therefore the impugned Notices issued by the defendants No.2& 3 and further placement of plaintiff's name in alleged defaulter's segment is contrary to fundamental rights of the plaintiff and is offensive to the legal parameters of settled Law.

16) That the illegal action of the defendant No.2 of placement of plaintiff's name in alleged defaulter's segment under impugned notice dated 29.01.2018 is ultra vires the Constitution being discriminatory, oppressive, unjust, providing parallel system of justice and violative of fundamental rights especially denying the access to justice to the citizens and violative of Rule of Law and due process of Law.

17) That the respondents have acted in an illegal and malafide manner, in violation of their parent statutes and against the rules of natural justice. If the defendants No.2 and 3 are not restrained to act adversely against the plaintiff, the plaintiff is bound to suffer irreparable loss and injury.

18) That the cause of action arose in favor of the plaintiff and against the defendants firstly on 15.01.2018 when the defendant No.3 issued the impugned purported Show Cause Notice, secondly the cause of action arose with the issuance of impugned Notice dated 29.01.2018 by the defendant No.2 for placing the name of the plaintiff in defaulter's segment and the same is still continuing.

19) That the defendant No.2 has its place of business at Karachi, the cause of action also arose within jurisdiction of this Honorable Court, hence this Honorable Court has got the jurisdiction to adjudicate upon the matter.

20) That for the purposes of court fee and jurisdiction, the suit is approximately valued at Rs.100 Million and maximum court fee has been affixed on the plaint.

PRAYER ;

In view of the above submissions it is most respectfully prayed that the impugned act of defendant No.2 for placing name of the plaintiff in the alleged defaulter's segment under clause 5.11.1(I) of the PSX Regulations, based upon impugned Notice dated 15.01.2018 issued by defendant No.3 may kindly be declared as illegal, unlawful, void, ultra vires of the Constitution of Islamic Republic Of Pakistan, 1973 and repugnant to the provision of the Constitution and in conflict with the fundamental rights of the plaintiff, hence the same may kindly be set aside. Further be declared that Regulation 5.11.1 of Pakistan Stock Exchange Regulations is ultra vires and beyond the scope of the parent statute.

It is further prayed that pending final disposal of the present suit, operation of impugned Notices dated 29.01.2018 and 15.01.2018 issued by defendants No.2&3 respectively may kindly be suspended, for the sake of justice and equity.

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Any other relief which this Honourable Court may deem appropriate under the facts and circumstances of the case may also kindly be passed.

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PLAINTIFF

Through :

[Handwritten signature]

SHAHID IKRAM SIDDIQUI
Advocate Supreme Court of Pakistan
9-G, Mushtaq Ahmad Gurmani Road,
Gulberg-II, Lahore

MUHAMMAD IMRAN MALIK
Advocate High Court

MUHAMMAD RAMZAN MEO
Advocate High Court
Suit # 111/112, Mezzanine Floor,
Columbus Tower, Near Teen Talwar,
Main Clifton Road, Clifton Karachi

VERIFICATION ON OATH:

I Mehmood-Ur-Rehman Son of Muhammad Sharif, Muslim, Adult, residing at Lahore, do hereby Verify on oath at Karachi on this ..th day of February 2018 that ;

- (i) I am duly authorized Attorney of the plaintiff and I m well conversant with the facts of the case and the instant plaint has been drafted under my instructions.
- (ii) I say that whatever has been stated in paras 1 to 17 of the above plaint are true and correct to the best of my knowledge and belief and those of paras No.18 to 20 are true and correct to the best of my information received and believed by me to be true.
- (iii) Whatever has been stated above is correct and true

KARACHI

The deponent above named is personally known to and identified by me to the commissioner for taking affidavits.



DEPONENT/PLAINTIFF

35201-516245-6
0321-7200810

ADVOCATE

Solemnly affirmed on oath before me on this day of February 2018 by the deponent above named, who is identified to me by his counsel, who is known to me.

ASSISTANT REGISTRAR-V
AFFIDAVIT & IDENTITY BRANCH
HIGH COURT OF SINDH

COMMISSIONER FOR TAKING AFFIDAVITS