



PAKISTAN STOCK EXCHANGE LIMITED

PSX/N-6195

NOTICE

October 13, 2017

Reproduced hereunder the Petition filed by the Commission Under Section 301 read with Section 304 of the Companies Act, 2017 and Rule 75 of The Companies (Court) Rules, 1997, in the matter of Haydari Construction Company Limited received from Securities & Exchange Commission of Pakistan vide email dated October 13, 2017, for information of all concerned.
(Copy of the same is also available on our Website www.psx.com.pk).

IN THE HIGH COURT OF SINDH AT KARACHI

JCM No. of 2017

Joint Registrar of Companies

----- Petitioner

Versus

Haydari Construction Company Limited

----- Respondent

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Karachi

Dated: 03/10/2017

[Signature]
Special Public Prosecutor

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IN THE HIGH COURT OF SINDH AT KARACHI

(Company Jurisdiction)

J.C. Misc. No. of 2017

In the Matter of Companies Act 2017

Joint Registrar of Companies,
Company Registration Office, Karachi
Securities and Exchange Commission of Pakistan,
4th Floor, State Life Building No.2, Wallace Road,
Off: I. I. Chundrigar Road, Karachi

----- Petitioner

Versus

Haydari Construction Company Limited,
having Registered Office at Mezzanine Floor
U.B.L. Building, Off : Police Head Office,
I. I. Chundrigar Road, Karachi

----- Respondent

PETITION UNDER SECTION 301 READ WITH SECTION 304 OF THE
COMPANIES ACT, 2017 AND RULE 75 OF THE
COMPANIES (COURT) RULES, 1997.

The Petitioner above named most respectfully submits as under:

1. That the address of the Petitioner for the service of all notices, processes, etc. is 4th Floor, State life Building No.2, Wallace Road, Off: I. I. Chundrigar Road, Karachi.
2. That the Respondent Company was incorporated on 9th August 1946 as a public limited company in Bombay under the Indian Companies Act 1913 and later on transferred to Sindh on 12th August 1947 and registered itself under the Companies Ordinance 1984 (now the Companies Act 2017). The shares of the Company are quoted on Pakistan Stock Exchange (previously Karachi and Lahore stock Exchanges).

A copy of Certificate of Incorporation is filed herewith as Annexure A/I

3. That the main objects *inter alia* others of the Respondent Company as per Memorandum of Association are "to construct, execute, carry out, improve, work develop, administer, manage or control, in India, Burma and Ceylon works and convenience of all kinds, which expression in this Memorandum includes railways, tramways, docks, harbours, piers, wharves, canals,

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reservoirs, embankments, irrigations, reclamation, improvement, sewage, drainage, sanitary, water, gas, electric light, telephonic, telegraphic, and power supply works, and hotels, warehouses, markets and buildings private or public, and all other works or conveniences whatsoever, and generally to carry on the business of builders and contractors, Engineers, Architects, Surveyors, Estimators and Designers in all their respective branches".

Copies of the Memorandum & Article of Association are filed herewith as Annexures A/2 and A/3.

4. That the Registered Office of the Respondent Company as per Form 21 dated 14.9.1999 filed by the Company with Petitioner is situated at Mezzanine Floor U.B.L. Building Off Police Head Office, I. I. Chundrigar Road, Karachi.

A copy of Form 21 dated 14.9.1999 is filed herewith as Annexure A/4.

5. That as per the record available with the Petitioner, the Authorized Share Capital of the Respondent is Rs.50,000,000/- (Rupees Fifty Million only) divided into 50,00,000/- ordinary shares of Rs.10 each. Whereas Paid up Capital of the Respondent is Rs.32,000,000 (Rupees thirty two million only) divided into 32,00,000 shares of Rs.10 each.

A copy of Form-A made up to 30.9.2016 is filed herewith as Annexure A/5.

6. That, the statutory auditors of the Respondent M/s. Tanzeem and Co., Chartered Accountants in their report dated 31st August, 2015 on the annual audited accounts for the financial year ended 30th June 2015 (prepared on realization basis) expressed qualifications regarding non-verification of title of 'plant and machinery' and unverified balances of receivables, mobilization advance and unclaimed dividends. The Auditors in that very report also emphasized as reproduced hereunder:-

"Without qualifying our opinion, we draw attention to note no. 1 to the financial statements. The financial statements for the year ended June 30, 2015 have been prepared on a realization basis as the company has been inoperative since long and has accumulated losses of Rs.41.1 million as at June 30, 2015, eroding its equity by the amount of Rs.30.34 Million.

Further the management of the company has no future plans to revive the operating activities of the company. All these and other factors have rendered the company as no more a going concern and therefore it may

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be unable to realize its assets and discharge its liabilities in the ordinary course of business."

A copy of Annual Accounts of the Respondent for year ended 30th June 2015 is filed herewith as Annexure A/6.

7. That, subsequently, the statutory auditors of the Respondent M/s. Tanzeem and Co., Chartered Accountants in their report dated 31st August, 2016 on the annual audited accounts for the financial year ended 30th June 2016 (prepared on realization basis) expressed qualifications regarding non-verification of title of 'plant and machinery' and unverified balances of receivables, mobilization advance and unclaimed dividends. The Auditors in that very report also emphasized as reproduced hereunder:-

"Without qualifying our opinion, we draw attention to note 1 to the financial statements. The financial statements for the year ended June 30, 2016 have been prepared on a realization basis as the company has been inoperative since long and has accumulated losses of Rs. 41.5 million as at June 30, 2016, eroding its equity by the amount of Rs. 30.67 Million. Further the management of the company had no future plans to revive the operating activities of the company. All these and other factors have rendered the company as no more a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the ordinary course of business."

A copy of Annual Accounts of the Respondent for year ended 30th June 2016 is filed herewith as Annexure A/7.

8. That before filing this petition, the petitioner had approached the Commission for grant of sanction in terms of clause (b) of section 309 read with clause (c) of section 305 of the Companies Ordinance, 1984 (section 304 (c) read with section 301 (m) of the Companies Act 2017) to present a petition before this Hon'ble Court for winding up of the Respondent Company on the ground that the Company had suspended its business since 1986.
9. That consequently a Show Cause Notice dated 17.6.2016 under Section 309 read with Section 305 of the then Companies Ordinance, 1984 was served on the Respondent Company and its directors, as to why a petition for winding up of the Company may not be presented by the Registrar of the Companies to a competent Court of Law.

A copy of Show Cause Notice dated 17.06.2016 is filed herewith as Annexure A/8.

10. That in order to provide opportunity of personal hearing the matter was fixed for 30th June 2016. The respondents sought adjournment of the hearing

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and were granted further opportunities of hearing on 20.7.2016, 18.8.2016, 8.9.2016 and 26.9.2016, however no one appeared on behalf of the respondents. Finally the Chief Executive Officer of the Respondent Company submitted his response vide his letter dated 20.9.2016. For the ease of reference, relevant paragraphs of the said letter are reproduced hereunder:

"We refer to the letter dated September 8, 2016 on the subject of show cause notice and would wish to confirm that we have no objection to the Company being wound up as stated in your subject show cause notice.

The Company's business of construction has been suspended for lack of suitable opportunities, capital funds required for continuing such business and change of risk profile in the business during the period post-1986 when the business was suspended. Since revival of the business is not feasible or expected, we have no valid basis to object to the SECP's proposal for winding up of the Company and therefore, the matter may be decided by the SECP in the interest of equity and justice."

A copy of the letter dated 20.9.2016 of CEO of the Respondent Company is filed herewith as Annexure A/9.

11. That despite lapse of more than three decades since the Company suspended its business, the management of the Company has not been able to formulate a practicable, feasible and viable revival plan to revive the Respondent Company.
12. That as per Note 19 of the Accounts 2015, Company has certain contingencies alongwith Court cases relating to stuck up funds however, no material effort has been made to recover these stuck up funds. Moreover, as per Note 18 of the subsequent Accounts 2016, the contingencies position is the same and no recovery of stuck up funds has been made so far.
13. That in the prevailing circumstances, the chances of revival of the Respondent Company are completely barren. This fact has further been endorsed by the CEO of the Respondent Company who stated that revival of the Respondent Company is not possible due to lack of suitable opportunities. The Chief Executive Officer further admitted that they have no valid basis to object the winding up proposal as revival of the business is not feasible or expected.
14. That vide order dated 19.10.2016 the competent Authority in exercise of the powers conferred on it under section 309 of the Companies Ordinance 1984

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has authorized the Petitioner to present this Petition for winding up of Respondent Company, hence this Petition,

A copy of Sanction dated 19.10.2016 is filed herewith as Annexure A/10

15. That the Respondent Company is liable to be wound up in terms of clause (m) of section 301 of the Act.
16. That this Honorable Court has jurisdiction to entertain this petition as the registered office of the Respondent is situated at Karachi.
17. That the instant petition has been drafted in accordance with the Companies (Court) Rules, 1997 and the necessary documents are annexed with the petition.
18. That in view of the foregoing circumstances and facts so elucidated hereinabove, the Respondent is liable to be wound up by this Honorable Court under the provisions of the Act on the following grounds:

GROUNDS

- A. That the Respondent Company has violated the mandatory provisions of clause (m) of section 301 of the Companies Act 2017 and has failed to discharge its legal obligations regarding the statutory provisions.
- B. That the Company has suspended its business since 1986.
- C. That since the suspension of business the management of the Respondent has not taken any step for the revival of the Respondent Company.
- D. That despite lapse of more than three decades since the Company suspended its business, the management of the Company has not been able to formulate a practicable, feasible and viable revival plan to revive the Respondent Company.
- E. That lack of interest, seriousness and efforts for revival of Company on part of the management is fortified by letter of the CEO dated 20.09.2016 wherein he stated that revival of the Company is not possible due to lack of suitable opportunities and admitted that they have no valid basis to object to the winding up proposal as revival of the business is not feasible or expected.

(11)

- F. That the Auditors of the Company have categorically observed that the Respondent Company is no more a going concern and is unable to realize its assets or discharge its liabilities in ordinary course of business.
- G. That the Petitioner has obtained sanction from the competent Authority in terms of then Section 309 of the Companies Ordinance, 1984 (section 304 of the Act).
- H. That the Petitioner craves the leave of this Honorable Court to urge further/ additional grounds at the time of hearing.

PRAYER

It is therefore, prayed that this Honorable court in the circumstances and in the interest of the justice may be pleased to:

- i. Order that the above named Respondent Company be wound up under the provisions of the Companies Act, 2017.
- ii. That any person other than the Official Assignee may kindly be appointed as an Official Liquidator since he is already the official Liquidator in numerous companies and in terms of section 315 (2) of the Companies Act 2017, no person can be appointed as an Official Liquidator in more than three (03) companies at one point of time.
- iii. Such other order as this Honorable High Court deems just and proper in the circumstances of the case.
- iv. Grant costs of the petition.

Petitioner

Karachi
Dated:

Special Public Prosecutor

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VERIFICATION

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I, Zia ul Rasheed Abbas son of Masood Ahmed Abbasi
Muslim, adult, the Joint Registrar of Companies, Company Registration Office,
Karachi, Securities and Exchange Commission of Pakistan having office at 4th
Floor, State Life Building No.2, Wallace Road, Off: I. I. Chundrigar Road, Karachi,
do hereby state on oath that whatever stated hereinabove is true and correct to the
best of my knowledge, information and is based on the record available with me.

DEPONENT

Cell No. 0322-2814782

CNIC No. 42101-9935512-3

The Deponent above named is known to me and is identified by me to the
Commissioner for taking Affidavits.


ADVOCATE

Stated on oath before me at Karachi on 3rd day of October 2017 by the deponent
above named who is identified to me by Syed Imran Ali Shamsi, Advocate / Special
Public Prosecutor, who is known to me personally.

COMMISSIONER FOR TAKING AFFIDAVITS

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