

**ORDER SHEET**  
**THE HIGH COURT OF SINDH KARACHI**

JCM No. 19 of 2021  
[Muhammad Saleheen Siddiqui & others v. Agro Processors &  
Atmospheric Gases (Pvt.) Ltd. & others]

DATE	ORDER WITH SIGNATURE OF JUDGE
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07-08-2025

Mr. Pervez Ali Advocate holds brief for Raja Qasit Nawaz Khan, Advocate for Petitioners.

M/s. Arshad M. Tayebaly and Talha Javed, Advocates for the Respondents 1 to 5.

Mr. Muhammad Naqqash, Advocate for Respondent No.7.

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**Adnan Iqbal Chaudhry J.** - A request for adjournment is made on behalf of Mr. Raja Qasit Nawaz, Advocate for the Petitioners, on the ground that he is on general adjournment. Mr. Arshad Tayebaly, learned counsel for the Respondents 1-5 opposes the adjournment on the ground that the case is date-by-Court with the caution that no adjournment shall be granted to the Petitioners, which order was passed when the Respondents had demonstrated that interim orders operating in the case are to the detriment of the company (Respondent No.1). Mr. Tayebaly appears to be correct. Therefore, I do not adjourn the matter and take up the stay applications moved by the Petitioners.

2. At the outset it is noted that the case-title incorrectly describes the Respondent No.1 as a private company. It is, in fact, a public unlisted company which had been so converted from a private company pursuant to section 46(5) of the Companies Act, 207 [Act] before the petition was filed. The Petitioners have however questioned such conversion in this petition.

3. The Petitioners are minority shareholders of the company and pray for orders under section 286 of the Act, alleging oppression and mis-management at the hands of majority shareholders viz. Respondents 2 to 4. By CMA Nos. 207/2021 and 217 of 2021, the Petitioners pray for a temporary injunction to restrain the

Respondents from giving effect to board resolution dated 18-12-2020 and subsequent resolutions whereby the company was converted from private to public and Respondent No.7 was inducted as director and approved allotment of shares under the scheme of a rights issue. Thereupon the Court passed an interim order on 03-06-2021 directing the parties to maintain “*status quo to the extent of the shareholding/ share capital of the company*”.

4. It appears that in 2023, the company intended to raise further capital by way of a public offer of securities [IPO] under section 87 of the Securities Act, 2015. Since the interim order dated 03-06-2021 passed by this Court was an impediment, the Respondent No.2 moved CMA No. 2158/2023 for vacating the same. On the other hand, the Petitioners sought to restrain the IPO by CMA No. 2243/2023. Though by order dated 26-10-2023 the Court observed that the IPO may be made subject to outcome of the injunction application, learned counsel for the Respondents 1-5 is correct in submitting that with such a condition attached to it, an IPO would hardly attract investors.

5. The temporary injunctions sought by the Petitioners are premised primarily on the submission that the company did not pass any special resolution for conversion from private to public, and consequently no shares could have been offered to the Respondent No.7 who was an outsider. Contrarily, the record reflects that the board resolution for converting the company from private to public was passed on 18-12-2020; on the same day notice was issued to the members calling an extra-ordinary general meeting [EOGM]; such meeting was held on 08-01-2021 where the requisite majority of members passed a special resolution for converting the company from private to public; and the requisite return in Form 26 was filed with the SECP on 25-01-2021. Presence of the Petitioner No.1 is mentioned both in the minutes of the board meeting dated 18-12-2020 and the EOGM dated 08-01-2021. The Petitioner No.1 acknowledges the former but not the latter. He alleges that minutes of the EOGM are false as no such meeting was

ever called or held. In my view, such a bald averment by the Petitioners does not suffice to disbelieve the record. Nevertheless, the fact of the matter remains that given their minority shareholding, the Petitioners could not have stopped the conversion of the company from private to public.

6. As regards shares approved for allotment to the Respondent No.7, the record reflects that upon conversion to a public company, the Respondent No.1 set-out to raise further capital by way of offering right shares under section 83 of the Act. To that end, a board resolution was passed by majority directors of the company on 24-02-2021 with the Petitioner No.1 in dissent. It is not disputed by the Petitioners that right shares were also offered to them and that they declined the offer, and it was only thereafter that the company resolved to allot shares to the Respondent No.7 who paid Rs. 443 per share (face value Rs. 100 + premium Rs. 343). The board resolution approving allotment of shares to the Respondent No.7 was then passed on 13-04-2021. It is also not disputed by the Petitioners that the rights issue was necessitated to raise working capital for the company. Rather, from the letter of the Petitioner No.1 dated 22-03-2021 (page 133, Part II) it appears that the Petitioners were either unwilling or unable to pay the premium fixed for the rights issue. To satisfy itself that the premium so fixed was not to drive-out the Petitioners, the Court had sought a valuation of shares from a Chartered Accountant who assessed the same at Rs. 623.87 per share as on 30.06.2024. Orders dated 30.04.2025 and 09.05.2025 reflect that the Petitioners are not willing either to sell their shares to the majority at such value or to buy the shares of the majority at such value. Mr. Tayebaly submits that he had even made an offer to allot the Petitioners additional shares at the previous value of Rs. 443 per share but that too was turned down.

7. In view of the foregoing and on a *prima facie* view of the matter, the Petitioners do not demonstrate that resolutions passed by the company and the proposed IPO that are sought to be stayed,

were/are intended to oppress the Petitioners. In fact, if such temporary injunctions were to be granted, those would have a crippling effect on the affairs of the company. Therefore, CMA No. 207/2021, CMA No. 217/2021 and CMA No. 2243/2023 by the Petitioners are dismissed. As a result, CMA No. 2158/2023 by the Respondent No.2 is disposed of as infructuous.

**JUDGE**

SHABAN\*