

IN THE HIGH COURT OF SINDH, KARACHI

J. C. M. No. 12 of 2024

[The Additional Registrar of Companies V. B4U Consultant (SMC-Pvt.) Ltd.]

Present: Mr. Justice Muhammad Osman Ali Hadi

Date of hearing: 22.12.2025.

Date of decision: 22.12.2025.

The Petitioner through Syed Ebad-ur-Rehman, Advocate.

ORDER

Muhammad Osman Ali Hadi, J: Learned Counsel for the Petitioner / SECP submits that this Petition was filed for winding up of the Respondent-Company.

Counsel contends that the Respondent / Company was taking deposits from the public which were not being properly accounted for, and as such, the Respondent was showing major discrepancies in their functioning.

Counsel further submits that the Company is acting in a *mala fide* and fraudulent manner, and has violated mandatory provisions of law, and are liable to be wound up on the following grounds:

- A. *That the Respondent Company has violated the mandatory provisions of Section 301 of the Companies Act, 2017 and has failed to discharge its legal obligations as enshrined in the statutory provisions.*
- B. *That the Petitioner/SECP have received several complaints during January to December, 2020 through Prime Minister Delivery Unit and SECP's Service Desk Management System (SDMS) against the Respondent Company, B4U Group and its sponsors. The complainants alleging that the Respondent Company, B4U Group and its sponsors are involved in inviting and accepting of unauthorized deposits from public directly and indirectly through companies and un-incorporated business setups which is in violation of Section 84 of the Companies Act, 2017.*
- C. *That the Respondent Company has indulged in fraudulent activities and most importantly the business of profit making by way of deposits which were not authorized as per its Memorandum and Articles of Association which was prohibited under the law, hence it is liable to be wound-up by this Hon'ble Court in terms of Section 301 (g) (i) and (ii) of the Companies Act, 2017 read with all other enabling provisions of law.*
- D. *That after examination of websites and Facebook pages of B4U Group and its sponsors reveals that funds raised by the B4U Group and its sponsors including the Respondent Company through illegal deposits and pyramid schemes are partially used for trading in virtual currencies abroad which is prohibited in Pakistan as per the BPRD Circular No. 03 of 2018 issued by the State Bank of Pakistan.*

- E. That FLA vide its letter dated 11-11-2020 informed the Petitioner/SECP that B4U group and its sponsors were engaged in "Ponzi Schemes, Multilevel Marketing, Sale/Purchase of cryptocurrencies, receiving deposits from general public, money laundering, hundi/hawala, doing dummy physical business etc". and registered an inquiry No.568/2020 against B4U Group and its sponsors. Subsequently, FLA vide its letter dated 22-12-2020 reaffirmed that B4U Group and its sponsors were involved in "Ponzi Schemes, Multilevel Marketing, Sale/Purchase of cryptocurrencies, owing virtual assets, managing different websites having server on Amazon to accomplish criminal activities, using social media forums for the purpose of collection of funds from general public, parallel banking, issuing ID/password to investor on B4U website to watch the investment and profit....".
- F. That in response, the Petitioner/SECP vide its letter dated 04-02-2021 has referred the matter under Section 41B of the SECP Act, 1997 to FLA for inquiry / investigation under FLA Act, 1974 for protection of the interest of general public.
- G. That further NAB vide its letter dated 03-03-2021 has brought to the knowledge of the Petitioner/SECP that they have also initiated an inquiry into the affairs of B4U Group and its sponsors.
- H. That in the circumstances mentioned above and under the provisions of clause (b) of Section 304 read with sub clauses (i)(ii) of Section 301(g) of the Company Act, 2017 read with all other enabling provisions of Law. Hence the Respondent Company is liable to be wound up.

Notices were issued and publication was made in one daily Urdu '**Jang**' dated 23.10.2024 and one daily English '**The News**' newspaper, dated 22.10.2024.

To date, none has appeared on behalf of the Respondent. Learned Counsel for the Petitioner has also referred to a judgment reported as **2023 CLD 111**, in which a similar winding-up order was passed against a sister concern of the instant Respondent / Company.

Since the Petitioner being the Security & Exchange Commission of Pakistan (SECP), being the concerned regulatory authority over governance of companies such as the Respondent, have hereby put forth their concerns regarding functioning of the Respondent, as well as the reasons requiring its winding-up, which have remained unrebutted. There therefore remains no impediment for granting of the instant Petition. Consequently, the Respondent Company is ordered to be wound-up, and the instant Petition is allowed in terms of Prayer Clauses No. "i" & "ii".

Furthermore, the Petitioner wishes to appoint Mr. Rahat Aziz as the Official Liquidator, who is from their panel of approved persons. Order accordingly.

Petition Allowed.

J U D G E