

ORDER SHEET  
**IN THE HIGH COURT OF SINDH AT KARACHI**  
**JCM No. 23 / 2018**

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DATE

ORDER WITH SIGNATURE OF JUDGE

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For hearing of Main Petition.

**27.02.2019**

Mr. Sikandar Khan Advocate for Petitioner.  
Mr. Saad Abbasi Advocate for SECP.

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This is a Petition under Section 89, 92 and 93 of the Companies Act, 2017, seeking confirmation and approval of reduction of Share Capital of the Petitioner Company. The Company was initially incorporated on 28.02.2006 under the then Companies Ordinance, 1984, with the name of Khanani Securities (Pvt.) Limited. As to the working of the Company and its compliance in respect of the Companies Act, 2017, there appears to be no issue, as all necessary documents to that effect have been annexed.

Upon filing of this JCM, notice of main Petition in terms of Rule 76 read with Rule 19 of the Companies Ordinance (Court) Rules 1997 has been published in daily "Jang" and daily "The News" on 7.11.2018. Para wise comments have also been filed on behalf of SECP, wherein, an objection has been raised regarding non-filing of Form-26, which the Petitioner's Counsel undertakes to comply immediately after passing of the order of merger and at the time of approaching SECP for necessary compliance. Publication in Gazette of Pakistan dated 28.11.2018 has also been made, whereas, no objection has been received from any quarter.

The Petitioner Company was earlier incorporated with an authorized capital of Rs. 100,000,000 /- divided into 10,000,000/- Ordinary Shares of Rs.10/- each. Whereas, paid up capital of the Company was Rs. 90,010,000/- divided into 9,001,000/- ordinary shares of Rs.10/- each. At the relevant time, Company acquired membership card of Karachi Stock Exchange Ltd. and commenced brokerage business at Stock Exchange; and thereafter, due to demutualization of Stock Exchange, the company has been issued

Trading Right Entitlement Certificates (stock broking license) and shares of Karachi Stock Exchange Limited in 2012 in lieu of membership card. Due to market crises in 2008 and thereafter, the Directors have decided to reduce the scale of brokerage business and since they are operating the company with their own investments from their own funds; the Directors have now decided to reduce the share Capital as they are not in need of such huge capital. The Memorandum and Articles of Association of the Company permits such reduction of Share Capital, more specifically in Article V of the Memorandum of Association it has been provided that the Company may, reduce its share capital in accordance with the then Companies Ordinance, 1984, and subject to confirmation by the Court. For such purposes the Company has passed a Special Resolution in its Extra Ordinary Meeting held on 17.08.2018 for reduction of the paid up capital from existing to Rs. 40,010,000/- (Rupees Forty Million and Ten thousand) divided into 4,001,000/- (Four Million One thousand), Ordinary shares of Rs.10/- each. However, the Petitioner is required to complete necessary formalities.

In view of hereinabove facts and circumstances, and for the reason that all necessary compliance has been made, whereas, despite publication none has objected, including SECP, and even otherwise, such reduction of share capital is a domestic matter, and so long as it is not affecting the creditors or shareholders, there is no impediment in granting the reduction in shares capital, as above. The same is allowed by granting this Petition accordingly. The Petitioner shall make necessary compliance in accordance with the relevant provisions of the Companies Act for recording of such share reduction by approaching SECP, including filing of Form-26.

**J U D G E**

ARSHAD/