



**PAKISTAN STOCK EXCHANGE LIMITED**  
(formerly: Karachi Stock Exchange Limited)

PSX/N-526

**NOTICE**

January 29, 2016

The Securities & Exchange Commission of Pakistan vide an e-mail dated January 28, 2016 forwarded the Order of the Honorable Lahore High Court, Lahore for winding-up of Ayyaz Textile Mills Limited, which is reproduced hereunder for information of all concerned.  
(Copy of the same is also available on our Website [www.psx.com.pk](http://www.psx.com.pk)).

Received on 23/12/2015

**LAHORE HIGH COURT, LAHORE.**

**COMPANIES (COURT) RULES-1997  
CIVIL ORIGINAL NO. 14-2008  
IN THE MATTER OF:**

**Additional Registrar of Companies, SE  
VS  
M/s Ayyaz Textile Mills, Ltd., etc.**



**IT IS ORDERED THAT:**

1. Mr. Moiz Tariq, Advocate, Office No. 1, Ground Floor, Saingal Building, 4-Mozang Road, Lahore is appointed as Official Liquidator in terms of this Court's Order dated 08-12-2015 in order to ascertain the up to date position of assets and liabilities of the respondent company. The Official Liquidator further directed to open a liquidation account in any First Class Bank in his name as Official Liquidator of the respondent company. The remuneration of Official Liquidator shall be fixed having regard to quantum and nature of work to be done. The Official Liquidator further directed to submit the preliminary report in terms of section 328 of the Companies Ordinance, 1984.
2. The petitioner shall advertise within 15 days from this date a notice in Form-31 of the above Rules in at least two daily Newspapers one in Urdu and other in English.
3. Mr. Moiz Tariq, Advocate, shall open, maintain and operate an account in the name of Official Liquidator of M/s Ayyaz Textile Mills, Limited, in HBL The Mall Branch and deposit in such account all monies, securities etc. received by him.
4. Mr. Moiz Tariq, Advocate, shall submit to this Court half yearly accounts on 30<sup>th</sup> June and 31<sup>th</sup> December of every year as contemplated in section 337 of Companies Ordinance, 1984.
5. Dated this 16<sup>th</sup> day of December, 2015.

*(Signature)*

**(SHAHID KARIM)  
JUDGE**

Handed over by the official liquidator himself in SECP office to Adoff. Reg. Lahore. on 12/01/16

*(Signature)*  
12/1/16



IN THE LAHORE HIGH COURT, LAHORE.  
(COMPANIES JURISDICTION)

C.O.NO. 14 OF 2008.

In the matter of Companies ordinance 1984 and of M/S Ayaz Textile Mills Limited.

In re:-

Additional Registrar, Company Registration Officer, Securities and exchange commission of Pakistan, having his office at Associated House, 3<sup>rd</sup> & 4<sup>th</sup> Floors, 7-egerton Road, Lahore.

....PETITIONER

- ✓ 1. M/S Ayaz Textile Mills Limited through its Chief Executive having its registered Office at 93-A, CMA Colony, Street No.4 Lahore Cantt.
- ✓ 2. Mr. Ayaz Durrani s/o Mr. Riaz ud Din Durrani 7/85 Ifikhar Road, Lahore Cantt. Chief Executive.
- ✓ 3. Mr. Riaz ud Din Durrani s/o Badar Alam Durrani 7/85 Ifikhar Road, Lahore Cantt. Director.
- ✓ 4. Mr. Shah Muhamood s/o Shahzada Shar Alam H.No.E-4/1 St.No.6 officer Colony Cavalry Ground Lahore Cantt, Director.
- ✓ 5. Mrs. Asfa Ayaz W/o Mr. Ayaz Durrani 7/85 Ifikhar Road, Lahore Cantt, Director.
- ✓ 6. Mrs. Zabaida Afzal w/o Mirza M. Afzal 73-A, Munir Road, Lahore Cantt, Director.
7. Mrs. Amina Shah Mahmood w/o Shah Mahmood H.No.E-4/1 St.No.6 officer Colony Cavalry Ground Lahore Cantt, Director.
8. Mr. Aziz Alam Durrani s/o Farrukh Alam Durrani 490-M Model Town, Ext. Lahore. (

PETITION FOR WINDING UP- M/S. AYAZ TEXTILE MILLS LTD UNDER SECTIONS 305/309 OF THE COMPANIES ORDINANCE, 1984.

**RESPECTFULLY SHEWETH:**

1. That the petitioner is an officer of statutory body established under the provisions of Securities & Exchange Commission of Pakistan Act, 1997 (herein after called "S.E.C.P") The petitioner is authorized under the provisions of section 309 of the Companies ordinance, 1984 to present this petition before this Hon'ble Court for winding up of Respondent No.1 which is a company having its liability limited by shares. It has been incorporated under the provisions of companies ordinance, 1984 and remaining Respondents 2 to 8 are its Directors respectively.
2. That the addresses of the parties per Petitioner's office record have been correctly given and are sufficient for the purposes of effecting service upon them in ordinary course of business. The Petitioner is fully conversant with facts of the case and can render proper assistance as and when required by this Hon'ble Court.



## ORDER SHEET

IN THE LAHORE HIGH COURT LAHORE  
JUDICIAL DEPARTMENT

Case No: C.O No.14/2008

Additional Registrar of Companies Versus M/s Ayyaz Textile Mills Ltd.

S.No. of order/ Proceeding	Date of order/ Proceeding	Order with signature of Judge, and that of Parties of counsel, where necessary.
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08.12.2015 Ch. Fasih uz Zaman, Advocate for the petitioner.  
Mr. Umair Mansoor, Advocate for SECP.

This is a petition under section 305 and 309 of the Companies Ordinance, 1984 (Ordinance).

2. The relevant facts are that the petitioner is an officer of the statutory body established under the provisions of Securities and Exchange Commission of Pakistan Act, 1997 (Act, 1997). This petition has been filed for the winding up of the respondent No.1 Company on the grounds which have been put forth in the instant petition.

3. The learned counsel for the petitioner submits that the petitioner viz. the Registrar has been entitled to present the present petition for the winding up of the Company in terms of the sanction of the Commission which has been obtained to the presentation of the petition. The said sanction has been filed with this petition as Annex 'H' and has been given after an opportunity of making a representative of being heard was afforded to the Company. A perusal of the sanction dated 28.11.2007 reveals that notices were issued to the respondent No.1 Company on several



occasions and in fact a representative of the Company did appear and sought adjournment on different dates of hearing. However, on the date fixed finally for the determination of the sanction, no one appeared on behalf of the respondent-Company.

4. A perusal of the sanction also reveals that it complies with the conditions given in section 309(c) of the Ordinance, in that, an investigation was conducted into the affairs of the Company and the following was revealed as an outcome of the investigation:

"5. Before proceeding further, it would be necessary to look at certain important facts regarding this Company. The Company is not holding its AGMs since 2003. The latest available annual and quarterly accounts of the Company are for the periods ended September 30, 2002 and March 31, 2003 respectively. Thereafter, the Company has not filed annual or quarterly accounts. Further, it has also been noticed from different communications received from the Company in 2005 that all fixed assets of the company have been sold by its main creditor Habib Bank Limited in settlement of its liabilities. The aforesaid facts along with the failure of the Company and its CEO to make any representation indicate that there are no prospects for revival of the Company.

6. Section 30 of the Ordinance provides the circumstances in which the Court may wind up a company. These also include non-holding of two consecutive annual general meetings and suspension of business for a whole year. In the instant case, the Company has failed to hold its AGMs since 2003 and its business has also been suspended for more than a whole year.

7. From the above discussion and after careful consideration of all the facts and circumstances of the case, the undersigned is of the opinion that the Company is liable to be wound up. Non appearance of the CEO of the company before the undersigned substantiates the aforesaid conclusion."

5. The instant petition has been filed in terms of section 305 (b) of the Ordinance which reads as under:



*"305. Circumstances in which company may be wound up by Court.- A company may be wound up by the Court-*

*(a) ....*

*(b) if default is made in delivering the statutory report to the registrar or in holding the statutory meeting or any two consecutive annual general meetings;"*

6. Therefore, the only ground which has been urged in support of the petition is that the Company has fallen in default in delivering the statutory report to the registrar and in holding the statutory meetings as well as two consecutive annual general meetings (AGM) and, therefore, it has been found expedient to initiate the winding up of the Company in terms of the present petition.

7. The learned counsel for the petitioner submits that the last AGM of the Company was held on 31.3.2003 for the year ended September 30, 2002 and the Company has failed to hold five consecutive AGMs for the years ending September 30, 2003 to 2007. Also the audited accounts of the company have not been submitted for which a show cause notice was served upon the respondent-Company as well as its Chief Executive Officer (CEO) on 11.4.2007. The said notice was served in terms of section 309(b) read with section 305 of the Ordinance. Thus, according to the learned counsel for the petitioner the Company is sought to be wound up on the grounds of failure to hold its AGMs for the last five years as also to submit its annual audited accounts before the AGMs for the last five years under section 231 of the Ordinance. Therefore, according to the learned counsel, the



respondent-Company has fallen foul of the statutory requirements of section 178 and 248 of the Ordinance. Further, that the last available annual and audited accounts of the Company are for the periods ended September 30, 2002 and March 31, 2003 respectively. Lastly, the learned counsel submitted that the entire fixed assets of the Company have been disposed of by its main creditor Habib Bank Limited in submission of its liabilities.

8. Upon presentation of this petition, various notices were issued to the respondents, however, no one appeared on their behalf to prosecute the instant petition and the respondents were proceeded against *ex-parte* on 6.4.2010.

9. From the grounds adumbrated, it is evident that the respondent-Company and its directors are in breach of the statutory requirements of section 178, 233 and 245 of the Ordinance. The Company has failed to hold its AGMs for the last five years prior to the filing of the instant petition (and none has been filed thereafter as per the submission made by the learned counsel for the petitioner). Further, the audited accounts have also not been submitted by the Company. In terms of section 305 (b) of the Ordinance, a company is liable to be wound up if default is made in delivering the statutory report to the registrar or in holding the statutory meeting or any two consecutive AGMs of the Company. The acts of the respondent-Company are caught by the mischief of section 305(b) and it is a fit



case for the respondent-Company be ordered to be wound up.

10. In view of the above, this petition is accepted and the respondent-company is ordered to be wound up by this Court.

11. Mr. Moiz Tariq, Advocate is appointed as the official liquidator and an intimation shall be sent to the official liquidator so appointed. The official liquidator shall forthwith start the performance of his duties and functions in relation to the respondent-company and shall continue to perform such duties and functions till the conclusion of the winding up proceedings. The security to be furnished by the official liquidator in terms of section 321(4) of the Ordinance, 1984 is hereby dispensed with. All the consequences enumerated in the Ordinance, 1984 which follow the order of the winding up of a company shall be applicable to the instant case as well.

12. In terms of section 328 of the Ordinance, 1984 there shall be made out and submitted to the official liquidator a statement as to the affairs of the company containing the particulars mentioned in the said section. The official liquidator shall, in terms of section 329 of the Ordinance, 1984, submit a preliminary report to the Court with regard to the matters spelt out in section 329 of the Ordinance, 1984.

13. Adjournd to 21.01.2016.

**TRUE COPY**  
C.O. No. 14 of 2008  
Examiner: JIS (Commercial Division)  
Lahore High Court, Lahore

*Sd/-*  
(Shahid Karim)  
Judge