

ORDER SHEET

IN THE HIGH COURT OF SINDH AT KARACHI

JCM No.12 of 2018

DATE

ORDER WITH SIGNATURE OF JUDGE

For hearing of Main Petition.

28.08.2018.

Mr. Muhammad Aleem, Advocate for Petitioner.
M/s. Saad Abbasi and Syed Ebad, Advocates for SECP.

This is a Petition under Section 89 of the Companies Act, 2017, seeking confirmation and approval of reduction of Share Capital of the Petitioner Company. The Company was initially incorporated on 24.4.2006 under the then Companies Ordinance, 1984, with the name of R.F.R. Securities (Private) Limited; however, due to change in business, the name was changed to R.F.R. (Private) Limited with the permission of Securities & Exchange Commission of Pakistan (“SECP”) on 16.8.2017. 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 19.04.2018. Para wise comments have also been filed on behalf of SECP, wherein, no objection has been raised except the approval of this Court regarding reduction in share capital. Publication in Gazette of Pakistan dated 16.05.2018 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 Rs.10,000,000/- Ordinary Shares of Rs.10 each. Whereas, paid up capital of the

Company was Rs.90,002,000/- divided into Rs.9,000,200/- ordinary shares of Rs.10 each. At the relevant time, Company was engaged as a Company to deal with shares at Stock Exchange; and thereafter, the Company could not continue with such business and therefore the name of the Company was also changed and now requires reduction in Share Capital accordingly. The Memorandum and Articles of Association of the Company permits such reduction of Share Capital, more specifically in Article 20 of the Articles of Association it has been provided that the Company may, by special resolution, reduce its share capital in any manner and with, and subject to confirmation by the Court. For such purposes the Company has passed a Special Resolution in its Extra Ordinary Meeting held on 26.3.2018 for reduction of the paid up capital to the extent of Rs.20,000,000/- (Rupees Twenty Million) divided into Rs.2,000,000/- (Rupees Two Million), the Ordinary share of Rs.10 each.

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.

J U D G E