

ORDER SHEET
IN THE HIGH COURT OF SINDH KARACHI
High Court Appeal No. 436 of 2024

DATE	ORDER WITH SIGNATURE OF JUDGES
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Fresh Case

1. For order on CMA No. 2620/2024 (Urgent)
2. For orders on office objection/reply at A
3. For orders on CMA No. 2621/2024 (Exemption)
4. For hearing of Main Case
5. For hearing of CMA No. 2622/2024 (stay)

07.10.2024

Khawaja Shams-ul-Islam Advocate for the Appellant

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1. Urgency allowed.
 2. Deferred.
 3. Granted subject to all just exceptions.
- 4-5. The Appellants have preferred the captioned Appeal so as to impugn an Order made by a learned Single Judge of this Court on 04.10.2024 in Suit No. 1028 of 2024 whilst seized of two interlocutory applications, one being an application under Order XXXIX Rules 1 and 2 CPC and the other being an application under Section 94 read with Section 151 CPC.

The backdrop to the matter is that Appellant No.1 apparently availed certain finance facilities from the Respondent Nos. 1 to 5, which were secured *inter alia* by the Appellant Nos. 3 to 5 pledging their shares of the Appellant No.2, Agha Steel Industries Limited (“ASIL”) with those Respondents and the pledge being marked in their respective accounts with the CDC. A call was then made by the Respondent No.1 with the Appellant No.3 in respect of the shares pledged by him, followed by the transfer of 17,500,000 of such shares, and the Suit having since been brought so as to impugn that action and the interlocutory applications having been preferred seeking restoration of the *status quo-ante* as well as a restraint against any further transfer, sale and/or trade in the pledged

shares. Whilst ordering notice on those applications, the learned Single Judge was pleased to hold that “Since the share of ASIL are listed securities, it is ordered that in the event the Defendants 1 to 5 intend to make any sale of shares of ASIL pledged with them, including the unsold shares held by the Defendant No.1, they shall first give the Plaintiffs 3 to 5 a reasonable opportunity to redeem those shares at the prevailing market price.”

Learned counsel for the Appellant contended that such an order provides the Respondents with a carte blanche to proceed in an unbridled manner to the detriment of the Appellants and sought that the impugned order be suspended and the Respondents be restrained from making any further transfer, sale or trade in the matter.

However, having considered the matter, it is apparent that the impugned order is of an ad-interim nature, with the relevant applications remaining pending for determination in the underlying suit, and the interim safeguard to the extent put in place by the learned Single Judge in exercise of his discretion in light of the arguments apparently cast in terms of Section 176 of the Contract Act not appearing to be either capricious or illusory. Learned counsel for the Appellants argued that the Respondents could potentially act in a manner with very little notice so as to defeat the prospect of “reasonable opportunity”, but that too is a matter for further consideration by the learned Single Judge as and when a definite action, if any, is taken in that regard by the Respondent Nos. 1 to 5, if at all. For the time being we find no infirmity in the impugned ad-interim order requiring intervention in exercise of the appellate jurisdiction of this Court, hence dismiss the Appeal in *limine* along with pending applications.

JUDGE

JUDGE