



Before Abid Hussain – Executive Director

*In the matter of*

**Landmark Spinning Industries Limited**

Number and date of Show Cause Notice: CSD/ARN/223/2015-2113-2114 dated January 10, 2019

Dates of Hearing: January 28, 2019, February 27, 2019

Authorized Representative: Mr. Farrukh V. Junaidy  
Junaidy Shoaib Asad, Chartered Accountants  
(Authorized Representative)

**ORDER**

**Under Clause (m) of Section 301 read with Clause (b) of Section 304 of the Companies Act, 2017**

This Order shall dispose of proceedings initiated in the matter of Show Cause Notice dated January 10, 2019 (the "SCN") under Section 301 read with Section 304 of the Companies Act, 2017 (the "Act") issued to Landmark Spinning Industries Limited (the "Company") and its board of directors including the chief executive officer hereinafter referred to as Respondents.

2. The facts leading to this case, briefly stated are that the Company was incorporated in Pakistan on October 21, 1991 under the repealed Companies Ordinance, 1984 (the "Repealed Ordinance") and its shares are listed on Pakistan Stock Exchange. As per the Memorandum of Association the main object of the Company is to carry on the business of textile composite. It was observed that the business of the Company has been suspended for more than a year i.e. since November 2002. The Commission through its order dated May 7, 2013 authorized the registrar to file petition in the court for winding up of the Company in terms of clause (b) of section 309 read with clause (c) of section 305 of the repealed Ordinance. The order was later

SECURITIES AND EXCHANGE  
COMMISSION OF PAKISTAN  
NIC Building, 63 Jinnah Avenue,  
Islamabad, Pakistan



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department  
Company Law Division

Continuation Sheet - I -

revised considering the Company's revision application under section 484 of the repealed Ordinance. Through the revision order dated December 21, 2016, the Company was to be kept under close observation and assessed again after one year of time as to whether re-initiate the proceedings for filing of petition for winding up of the Company.

3. The interim accounts of the Company for the period ended December 21, 2017 and annual audited accounts for the year ended June 30, 2018 revealed that the Company has not revived its operations despite lapse of the one year time allowed in the revision order dated December 21, 2016.
4. The Additional Registrar of Companies, Company Registration Office, Karachi approached the Commission for grant of sanction in terms of clause (m) of section 301 read with section 304 of the Act to present a petition before the Honorable High Court for winding up of the Company on the grounds that the Company has suspended its business operations for more than a year.
5. In this regard, SCN was issued to the respondents to show cause as to why a petition for winding up of the Company may not be presented in a competent court.
6. In order to provide opportunity of personal hearing, the hearing was fixed on January 28, 2019 however no one appeared on behalf of the respondents. In reply to the SCN the Company Secretary vide letter dated February 8, 2019 requested to grant an extension of fifteen days and reschedule the date of hearing at another date. The Commission acceded to the request of the Company Secretary and the hearing was re-fixed for February 25, 2019. The respondents authorized Junaidy Shoaib Asad, Chartered Accountants (the "Authorized Representative") vide letter dated February 8, 2019 and requested to reschedule the date of hearing on February 27, 2019 or onwards. On the request of authorized representative, the hearing was rescheduled on February 27, 2019. Mr. Farrukh V. Junaidy attended the hearing as the authorized representative. During the hearing proceedings authorized representative of the Company submitted that due to non-availability of gas the Company did not start its operations, management is also considering the option of delisting of the Company.



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department  
Company Law Division

Continuation Sheet - 2 -

7. Before proceeding further, it is necessary to advert to the following relevant provisions of section 301 and section 304 of the Act, which state as under:

- Section 301 (m) of the Act states that:

*A company may be wound up by the Court-  
(m) if a listed company suspends its business for a whole year.*

- Section 304 of the Act, states that:

*"An application to the Court for the winding up of a company shall be by petition presented, subject to the provisions of this section, either by the company, or by any creditor or creditors (including any contingent or prospective creditor or creditors), or by any contributory or contributories, or by all or any of the aforesaid parties, together or separately or by the registrar, or by the Commission or by a person authorised by the Commission in that behalf.*

8. In terms of notification S.R.O 751(I)/2017 dated August 02, 2017, the power to adjudicate cases under Section 304 of the Act has been delegated to Executive Director (Corporate Supervision Department).

9. Before parting with this order, I would like to elucidate upon the important facts of the case. In this regard it is pertinent to mention here that the operations of the Company are suspended since November 2002. Thus the Company has been out of operations for about 16 years. Furthermore, a winding up order u/s 309 of the repealed ordinance was passed dated May 7, 2013 against which the respondents filed a revision application. The Company was granted a time period of one year to revive the operations vide the revision order dated December 21, 2016. The Company, however, has failed to revive the business operations which is substantiated from annual audited accounts for the year ended June 30, 2018 and from the interim accounts of the Company for the period ended December 31, 2018 wherein the Directors' Report also states that the operations of the Company are closed. It is abundantly clear that more than ample time has passed for the Company to revive its operations or to start alternative business to be operational. The law is very clear in this regard that suspension of business for more than a year is a ground for winding up of a listed company. In the instant case, the suspension had continued for more than 16 years and enough opportunities have already been provided to the respondents for revival of business however the Company has failed to do so.



# SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Corporate Supervision Department  
Company Law Division

Continuation Sheet - 3 -

10. In view of above, I am of the considered opinion that the provisions of law stated above are attracted and the Company is liable to be wound up. I, therefore, in exercise of the powers conferred on me under Section 304 of the Act hereby authorize the Registrar, Company Registration Office, Karachi to present a petition for winding up of the Company before the competent court.

**ABID HUSSAIN**  
Executive Director  
Corporate Supervision Department

**Announced:**  
March 20, 2019  
Islamabad