



Securities and Exchange Commission of Pakistan

BEFORE THE APPELLATE BENCH

In the matter of
Appeal No. 01 of 2022

Yusra Medical & Dental College (Pvt.) Limited

..... Appellant

Versus

1. Registrar of Companies, SECP
2. Mr. Chaudhry Yar Muhammad
3. Mr. Asim Rahim
4. Prof. Ahmed Rafiq Akhtar
5. Mr. Muhammad Khalid
6. Mr. Akhtar Riaz Raja
7. Mr. Ghazanfar Mahmood
8. Mr. Muhammad Aizaz Qadeer, Official Liquidator
9. Dr. Javaid Akhtar Chaudhry
10. Col. (R) Dr. Muhammad Zaman Ranjha
11. Brig (R) Ahmed Nawaz Zafar
12. Col. (R) Dr. Khalid Mehmood
13. Mr. Abid Mehmood

..... Respondents

Date of Hearing(s): August 13, 2025; July 23, 2025; July 16, 2025; June 25, 2025;
June 02, 2025; May 22, 2025

Present:

For the Appellant:

Mr. Aftab Rashid, Authorized Representative for Yusra Medical & Dental College (Pvt.) Limited

For the Respondent(s):

- i. Mr. Zubair Ahmad, Assistant Director, Corporate Registry Department
- ii. Mr. Taimur-ul-Hassan Janjua, Assistant Registrar, CRO Islamabad
- iii. Mr. Touseef Ahmad, Deputy Registrar, CRO Islamabad
- iv. Mr. Chaudhry Yar Muhammad, Authorized Representative (Yar Muhammad Group, Respondents No. 2, 9-13)
- v. Mr. Raja Abid Hussain, Authorized Representative (Asim Rahim Group, Respondents No. 3-7)
- vi. Mr. Muhammad Aizaz Qadeer, Official Liquidator



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ORDER

1. This Order shall dispose of Appeal No. 01 of 2022 filed by Yusra Medical & Dental College (Pvt.) Limited (the “Company”) under Section 33 of the Securities and Exchange Commission of Pakistan Act, 1997 (the “SECP Act”) through its Chief Executive Officer (“CEO”), Mr. Mohammad Sultan Muzaffar (the “Appellant”), against the Order dated May 26, 2021 (the “Impugned Order”) passed by the Registrar of Companies, SECP (the “Respondent No. 1”), under Section 464(4)(a) and 480(a) of the Companies Act, 2017 (the “Act”).

A. FACTS OF THE CASE

2. Brief facts of the case are that the Company was incorporated on October 31, 2013, with the principal object of imparting medical and dental education, operating a hospital, and carrying out all ancillary activities necessary to give effect to its stated objects. At the time of incorporation, the authorized share capital of the Company was Rs. 10,000,000/- divided into 100,000 ordinary shares of Rs. 100 each, while the paid-up capital was Rs. 400, comprising of four ordinary shares allotted to:

- i. Mr. Mohammad Sultan Muzaffar
- ii. Mr. Raja Muhammad Zulfiqar Aslam
- iii. Mr. Ahmad Ayub
- iv. Mr. Yar Muhammad

The Company subsequently reported an increase in authorized capital to Rs. 100,000,000 through Form-7 dated May 15, 2014. The Company also filed Form-3 on June 03, 2014 (the “First Allotment”), reporting enhancement of its paid-up capital to Rs. 78,000,400 through allotments to ten (10) individuals.

Breakdown of the issuance of the shares pursuant to enhancement of paid up capital is as follows:

Sr. No.	Names	Number of Shares
1.	Mrs. Talat Sultan	177,273
2.	Raja Muhammad Zulfiqar Aslam	106,363
3.	Ahmad Ayub	70,909
4.	Yar Muhammad	106,363
5.	Javaid Akhtar Chaudhry	70,909
6.	Sadiq Mehmood	35,455
7.	Ahmed Nawaz Zafar	35,455
8.	Abid Mehmood	35,455
9.	Khalid Mehmood	70,909
10.	Muhammad Zaman Ranjha	70,909
	Total Shares	780,000



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Thereafter, another Form-3 dated July 15, 2015 (the "Second Allotment") was submitted, which reflected allotment of Rs. 42,545,400 to five additional individuals as follows:

Sr. No	Name	Number of Shares
1.	Asim Rahim	141,818
2.	Prof. Ahmed Rafique Akhtar	70,909
3.	Muhammad Khalid	35,455
4.	Akhter Riaz Raja	70,909
5.	Ghazanfer Mehmood	106,363
	Total Shares	425,454

The authorized capital was reportedly increased to Rs. 150,000,000 on September 20, 2015, as per Form-7 filed by the Company.

3. As a consequence, two distinct sets of shareholdings were reported to the Company Registration Office, Islamabad (the "CRO"), in addition to the initial subscribers recorded at the time of the Company's incorporation. The concerned Registrar kept both the returns pending, after issuing several deficiency letters. Finally, pursuant to the recommendation of the In-charge, CRO and with the written consent of the four shareholders/directors, namely Brig. (Retd.) Ahmad Nawaz Zafar, Dr. Muhammad Zaman Ranjha, Brig. (Retd.) Sultan Muzaffar, and Mr. Yar Muhammad Chaudhry, representing both disputing groups, the Securities and Exchange Commission of Pakistan (the "Commission"), appointed Inspectors under Section 265(b) of the Companies Ordinance, 1984, (the "Ordinance") vide order dated May 29, 2017, to investigate the affairs of the Company. The Inspectors submitted the Investigation Report on October 06, 2017, which concluded in its findings that the Company was not maintaining proper books of accounts in accordance with Section 230 of the Ordinance, alleged various irregularities in the holding of Annual General Meetings ("AGMs") except for the first AGM held on April 04, 2015 and filed contradictory returns. The CRO issued multiple reminders to the Company to rectify the defaults, but no corrective action was taken. The Deputy Registrar of Companies (the "Deputy Registrar") in view of the observations communicated to the Company from time to time and also in consideration of the findings of the Investigation Report dated October 06, 2017, rejected certain Forms vide letter dated December 18, 2017, which are as follows:

- i. Circular U/S 86 of the Ordinance dated December 18, 2017;
- ii. Form-3 dated July 15, 2015 (Second allotment);
- iii. Form-29 dated June 25, 2015;
- iv. Form-29 dated September 26, 2015;
- v. Form-A and 29 in respect of 2nd AGM reported to be held on November 30, 2015;
- vi. Form-A and 29 in respect of 3rd AGM reported to be held on October 29, 2016; and
- vii. Form-A and 29 (revised) in respect of 3rd AGM reported to be held on October 31, 2016.



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4. The Deputy Registrar accepted the First Allotment reported through Form-3 dated June 03, 2014 on December 14, 2017, whereby first allotment of shares was made. Thereafter, the Deputy Registrar issued another letter dated December 22, 2017, to remove the deficiencies in respect of (i) Form-29 dated October 31, 2013; (ii) Form-26 dated September 20, 2015; (iii) Form-29 dated September 23, 2015; (iv) Form-29 dated January 12, 2016; (v) Form-29 dated March 01, 2016; and (vi) Form 26 dated February 19, 2016. After filing of revised Forms by the Company, the Deputy Registrar accepted the following Forms on January 01, 2018:
 - i. Form-A dated September 23, 2015; and
 - ii. Form-29 dated September 23, 2015
5. The Appellant preferred an appeal before the Respondent No. 1 against acceptance of Forms by the Deputy Registrar. The Respondent No. 1 dismissed the appeal vide order dated May 26, 2021, under Section 480(a) of the Act, and upheld the Deputy Registrar's decision. The Appellant filed an appeal before the Appellate Bench (the "Bench"), against the Impugned Order, which was transferred to the Executive Director, Prosecution and Legal Affairs Division, under Section 480(b) read with S.R.O. 1170(I)/2020 dated November 02, 2020, by Appellate Bench Registry on July 09, 2021. The Appellant objected to the transfer and requested that the matter be heard by the Bench. The Bench fixed the appeal bearing No. 35(12)/Misc/ABR/2021 for preliminary hearing and dismissed the same on the ground that the same is not maintainable, vide order dated October 06, 2021.
6. The Appellant assailed the dismissal of appeal by the Bench before the Hon'ble Islamabad High Court through SECP Appeal No. 05 of 2021. The Hon'ble Islamabad High Court vide order dated December 16, 2021 accepted the appeal and set aside the order of dismissal by the Bench, declaring that the appeal filed before the Bench will be deemed pending, whereupon the instant Appeal was renumbered as Appeal No. 01 of 2022.
7. Meanwhile, the Appellant filed a winding-up petition, C.O No. 01/2019 before the Hon'ble Islamabad High Court seeking winding up of the Company in which the Hon'ble Court vide order dated October 30, 2024 has passed an order for winding up of the Company and appointed Mr. Aizaz Qadeer as Official Liquidator to complete the liquidation of the Company. The Hon'ble Islamabad High Court also directed the Bench to decide the instant Appeal expeditiously through a speaking order. The Appellant also filed a Writ Petition 409/2019, before the Hon'ble Islamabad High Court challenging the Investigation Report which was dismissed by the Hon'ble Court vide order dated December 17, 2021. On the same date, Writ Petition No. 2622/2019 filed by the Yar Muhammad Group seeking enforcement of the Investigation Report was disposed of by the Hon'ble Islamabad High Court, and the Commission was directed to treat the said Petition as a representation and decide it accordingly.



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8. During the course of hearing in the instant Appeal, the Bench dismissed Miscellaneous Applications No. 11(16)/Misc/ABR/25 and 12(16)/Misc/ABR/25, for impleadment as party filed by Mr. Ameer Khan Durrani and Mrs. Nadia Roohi respectively, vide order dated July 18, 2025, having found them neither necessary nor proper parties to the instant Appeal, as they were neither a party to the original proceeding nor is their name reflected in any of the disputed Forms.

B. SUBMISSIONS OF THE APPELLANT

9. The Appellant preferred instant Appeal *inter alia* on the following grounds:
- i. It was contended that the appointment of Inspectors under Section 265 of the Ordinance was void ab initio as statutory preconditions were not fulfilled, rendering the Investigation Report and subsequent proceedings unlawful. The Appellant argued that the Registrar lacked jurisdiction under Sections 197 and 466 of the Act to adjudicate shareholding and directorship disputes, which fall within the domain of the High Court. Reliance was placed on *PLD 1958 SC 104* affirming that deviation from mandatory statutory procedure vitiates proceedings.
 - ii. It was further submitted that the order was arbitrary, *per incuriam*, and based solely on the Investigation Report and submissions of non-parties, while ignoring statutory lapses such as failure to issue a 21-day notice for AGM, absence of a Board resolution fixing directors, and acceptance of defective statutory Forms. The Appellant contended that the AGM was a nullity in law and that several Forms, including Form-A and Form-29, contained material omissions and misstatements but were inconsistently accepted. It was also highlighted that a stay order dated April 01, 2016 passed by the Civil Court remained operative until June 15, 2019, restraining interference in the company's affairs, and any action taken during that period was void.
 - iii. The Appellant further contended that the Deputy Registrar failed to apply independent mind, merely adopting the Investigation Report, while disputes relating to the settlement agreement of July 02, 2015 remain, *sub judice*, before the Islamabad High Court. It was argued that rejection of certain Forms by the Deputy Registrar had attained finality as no appeal was preferred, and the Respondents' proper remedy lay in a civil suit. The Appellant emphasized that the scope of the instant appeal was confined to the acceptance of certain statutory Forms and not to wider shareholder disputes. Lastly, reliance was placed on *PLD 2022 SC 73* to argue that the Bench's discretion under Rule 17(5) of the Securities and Exchange Commission of Pakistan (Appellate Bench Procedure) Rules, 2003 (the "Appellate Bench Rules") could not extend beyond the pleadings and statutory limits.



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C. SUBMISSIONS OF RESPONDENT NO. 1 (REGISTRAR OF COMPANIES)

10. The Respondent No. 1 rebutted the submissions of the Appellant on the following grounds *inter alia*:

- i. That the instant appeal is not maintainable as it was filed against an order passed under Sections 480(a) and 464(4)(a) of the Act, whereas the appropriate appellate forum under the applicable law would be an authorized officer of the Commission under Section 480(b) or the Commissioner, Corporatization and Compliance Department under Section 464(4)(b). It was further contended that the relief sought by the Appellant is already, *sub judice*, before the Hon'ble Islamabad High Court in multiple proceedings and, therefore, this appeal amounts to parallel litigation and is liable to be dismissed on this ground alone. The Respondent No.1 also clarified that while the Company was originally incorporated with an authorized capital of Rs. 10 million and later enhanced to Rs. 100 million, the subsequent Form-7 dated September 20, 2015, reporting an increase to Rs. 150 million was never regularized due to deficiencies. At incorporation, the paid-up capital stood at Rs. 400, divided among four subscribers. The Respondent highlighted that the Company has a prolonged history of internal disputes and that contradictory statutory Forms were filed by rival factions, resulting in confusion regarding the authenticity of corporate filings. With the mutual consent of both groups, the Commission ordered an investigation under Section 265 of the Ordinance. Accordingly, two Inspectors were appointed who submitted a comprehensive report on October 06, 2017, following which certain actions were taken in line with its findings.
- ii. The Respondent No. 1 has firmly denied allegations regarding the unlawfulness of the Investigation Report, maintaining that it was conducted in accordance with the applicable provisions of law and with due consent of both rival groups. It was submitted that the Inspectors, Mr. Irfan Afzal and Mr. Sidney Custodio Pereira, were duly appointed under Section 265(b) of the Ordinance, and that the Investigation was conducted strictly within the parameters laid out in the terms of reference of Investigation. The Respondent emphasized that all relevant documents provided by both the groups were duly considered during the course of the Investigation. Importantly, written consents for initiating the Investigation were provided by four key shareholders/directors representing both factions namely, Brig. (R) Ahmad Nawaz Zafar, Dr. Muhammad Zaman Ranjha, Brig. (R) Sultan Muzaffar, and Mr. Yar Muhammad Chaudhry. The Respondent also submitted that no statutory provision was violated during the course of the Investigation. It was argued that the Investigation complied with due process, and the subsequent action taken by the Registrar was rooted in the report's findings and the Company's response thereto.
- iii. Regarding the specific Forms in dispute, the Respondent stated that Form-A and Form-29 dated September 23, 2015, were accepted only after careful review of documents and



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that the Deputy Registrar acted within his jurisdiction. The allegation that Mr. Yar Muhammad Chaudhry was not a party to the proceedings was refuted, as the Respondent clarified that the underlying corporate dispute was between the groups led by Mr. Yar Muhammad and Brig. (R) Sultan Muzaffar. Thus, it was necessary to hear both sides for a fair decision. It was also submitted that while some Forms were regularized, others were not, due to identified deficiencies and contradictions in the documents submitted by the rival factions. The Impugned Order, according to the Respondent, is a detailed and speaking order passed after affording due opportunity of hearing to both groups. It was argued that no violation of principles of natural justice occurred and the decision was made upon full application of mind and in strict adherence to legal and procedural requirements. In conclusion, the Respondent prayed that in light of the procedural propriety and the disputed nature of the Appellant's claims, the instant Appeal be decided as deemed appropriate by the Bench.

D. SUBMISSIONS OF RESPONDENT NO. 2, 9 – 13 (YAR MUHAMMAD GROUP)

11. Respondent No. 02, who is also authorized representative for Respondent No. 9 to 13, who were impleaded as Respondents vide order dated June 12, 2025 by the Bench, because they were party to the original proceedings as they became shareholders by virtue of first allotment, submitted *inter alia*:
- i. The instant appeal is not maintainable, as the Impugned Order was passed under Sections 480(a) and 464(4)(a) of the Act, where the proper appellate forum lay before an authorized officer or Commissioner, not the Appellate Bench. It was further submitted that the relief sought was already pending before the Islamabad High Court, making the present appeal parallel litigation. The Respondent highlighted the Company's long-standing internal disputes, contradictory statutory filings, and stated that the investigation under Section 265 of the Ordinance was initiated with the consent of both factions, conducted lawfully, and resulted in a comprehensive report dated October 06, 2017.
 - ii. It was denied that the investigation was unlawful, as Inspectors were duly appointed, written consents of shareholders/directors were obtained, and all documents from both groups were considered. Regarding disputed Forms, the Respondent submitted that Form-A and Form-29 dated September 23, 2015, were accepted after proper review, while others were rejected due to deficiencies. It was contended that both factions were heard, the Impugned Order was a detailed and speaking order, and principles of natural justice were duly observed. The Respondent prayed that the appeal, being misconceived and lacking merit, be dismissed.



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E. SUBMISSIONS OF RESPONDENT NO. 3 -7 (ASIM RAHIM GROUP)

12. The authorized representative for Respondents No. 3 to 7, who were impleaded as Respondents vide order dated May 23, 2025 of the Bench as they were necessary and proper party to the instant Appeal, since they are affectees of the order dated December 18, 2017 of the Deputy Registrar whereby Form-3 dated July 15, 2015 was rejected, submitted *inter alia*:
- i. It was submitted that they are legitimate shareholders holding 35.29% of the Company's shares, tracing their rights from the original Partnership Firm (the "Firm") through documented deeds, agreements, and share certificates. They argued that their capital contributions, including land and financial investments, satisfied statutory requirements under Sections 73(1)(b) and 86 of the Ordinance, supported by valuation reports, agreements, and Board resolutions. It was contended that the Inspector's report ignored vital evidence and was one-sided, while subsequent agreements, including the settlement agreement of July 2, 2015 and MOU of November 22, 2018, acknowledged their shareholding and financial participation.
 - ii. They further argued that the Impugned Order and the Investigation were arbitrary, biased, and beyond the jurisdiction of the Registrar under Section 466 of the Act, while the Inspector's categorization excluding their 35.29% stake was discriminatory. The Respondents denied knowledge of the cancellation suit and claimed they were deliberately kept uninformed by the Appellant. They prayed that their shareholding be formally recognized, pending/rejected Forms reflecting their interest be accepted, and an independent inquiry be held to determine the true shareholders, so as to restore corporate record and ensure fair treatment.

F. SUBMISSIONS OF RESPONDENT NO. 8 (OFFICIAL LIQUIDATOR)

13. The Respondent No. 8, the Official Liquidator, who was impleaded as Respondent vide order dated June 03, 2025 by the Bench, submitted, *inter alia*, that he had been appointed Official Liquidator by the Hon'ble Islamabad High Court vide order dated October 30, 2024, in Winding Up Petition C.O No. 01 of 2019, whereby the winding up of the Company was sanctioned. He emphasized that the resolution of the instant Appeal is, *sine qua non*, to the just and equitable liquidation of the Company. The Respondent stated that until the questions surrounding shareholding and corporate filings raised in the instant appeal are conclusively determined, it would not be possible to undertake an equitable distribution of the Company's assets amongst its shareholders. Therefore, he requested that the instant Appeal be decided on priority to facilitate a proper and lawful winding up process, ensuring that each shareholder receives his rightful entitlement.



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G. ANALYSIS OF THE BENCH

14. The Bench has heard all the parties at length and perused the record. Before parting with the order, it is considered appropriate to dilate upon the jurisdiction of this Bench, the scope of investigation into the affairs of a company and the extent of powers conferred on the Commission to initiate such investigation under the erstwhile Ordinance, as well as the role and authority vested in the Registrar as envisaged in Section 464 of the Act.

H. MAINTAINABILITY OF APPEAL

15. The Respondent No. 1 submitted that the instant appeal is not maintainable as it is filed against an order passed by him (Registrar of Companies) under Sections 480(a) and 464(4)(a) of the Act, whereas the appropriate appellate forum under the applicable law would be an authorized officer of the Commission under Section 480(b) or the Commissioner, Corporatization and Compliance Department under Section 464(4)(b). It is pertinent to mention here that the Appellant preferred an appeal before the Respondent No. 1 against acceptance of Forms by the Deputy Registrar. The Respondent No. 1 dismissed the appeal vide order dated May 26, 2021 (the Impugned Order), under Section 480(a) of the Act, and upheld the Deputy Registrar's decision. The Appellant thereafter, filed an appeal before the Bench, against the Impugned Order, which was transferred by the Appellate Bench Registry on July 09, 2021 to the Executive Director, Prosecution and Legal Affairs Division, in terms of Section 480(b) of the Act read with S.R.O. 1170(I)/2020 dated November 02, 2020. The Appellant objected to the transfer and requested that the matter be heard by the Bench. The Bench, having fixed the appeal bearing No. 35(12)/Misc/ABR/2021 for preliminary hearing, dismissed the same vide order dated October 06, 2021, on the ground of non-maintainability.
16. It is a trite principle law that question of jurisdiction is to be determined at the very first instance. This was affirmed in a judgment by the Hon'ble Supreme Court of Pakistan in the case of "***Izhar Alam Farooqi Vs. Sheikh Abdul Sattar Lasi and others***" reported as **2008 SCMR 240**, wherein it was held as follows;

"notwithstanding the raising of such an objection by the parties, the forum taking cognizance of the matter must at the first instance decide the question of its jurisdiction. There can be no exception to the principle that an order passed or an act done by a Court or a tribunal not competent to entertain the proceedings is without jurisdiction and that it is mandatory for the Court or the tribunal as the case may be to attend the question of jurisdiction at the commencement of the proceedings."

17. In the instant matter, the Hon'ble Islamabad High Court while adjudicating upon the question of maintainability of appeal under Section 480 and 481 of the Act, held that the Appellant



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aggrieved of the order of the Registrar can either file appeal under 480(b) or 481 of the Act as the case may be. Accordingly, the said Court and remanded the matter to the Appellate Bench of the Commission for the passing a fresh order. The relevant para of the judgment is reproduced for ease of reference:

“A plain reading of Sections 480 and 481 of the Companies Act read together with Section 33(1) of the SECP Act reflect that the legislature, under Section 481 of the Companies Act, has created a right to seek alternative remedy against an order passed by the Registrar under Section 480(a) in addition to that provided under Section 480(b) of the Companies Act. Such a person has a right of appeal before an officer authorized by the Commission for purposes of such Section. Such person also has a right to avail the option of filing an appeal against an order passed by the Registrar under Section 480(a) before the Appellate Bench under Section 481 of the Companies Act.”

18. The perusal of Section 481 of the Act indicates that it is, in essence, a reproduction of Section 33 of the SECP Act, however, the distinction lies in the fact that Section 481 of the Act makes express reference to the “Registrar or authorized officer”, whereas Section 33 of the SECP Act provides for an appeal against an order of the Commission passed by a single Commissioner or an authorized officer. Accordingly, where an order is passed by the Registrar, or where such order differs from the orders passed by various designated Registrars under Section 480(a) of the Act, the appeal lies before the Appellate Bench. In order to ensure that the right of appeal, as envisaged under Section 33 of the SECP Act, remains available before the Appellate Bench, it was necessary to expressly include the term “Registrar” alongside “authorized officer” in Section 481 of the Act. It may also be noted that the corresponding provision under the repealed Ordinance was Section 477, which, under the heading of “Power of Appeal and Revision,” provided an aggrieved person the remedy of revision, which has now been expressly treated as an appeal under the Act, thereby maintaining a direct nexus with the appeal mechanism envisaged under Section 33 of the SECP Act. In view of the foregoing discussion and in light of the order of the Hon’ble Court, it is held that the appeal is maintainable and the objection raised by the Respondent No. 1 is not tenable.

I. GENESIS OF THE CONTROVERSY

19. The dispute between the parties primarily emanated from the incorporation of the Company on October 31, 2013, undertaken in compliance with the requirement of the Pakistan Medical and Dental Council (“PMDC”), which mandated that a medical college be established as an incorporated entity with the Commission. Prior to incorporation, Yusra Medical and Dental College (“YMDC”) was being operated under a registered Firm comprising of twelve (12) partners, as evidence in the partnership deed dated December 20, 2008. The said partnership underwent two subsequent reconstitutions, firstly, through the reconstituted partnership deed



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dated July 17, 2011, and thereafter, through another reconstituted partnership deed dated November 1, 2013, i.e., one day subsequent to the incorporation of the Company. Clause 12 of the second reconstituted partnership deed expressly stipulates formation of a private limited company. The relevant extract is reproduced below for ease of reference;

“That keeping in view the sanctity of Medical Education and in order to safeguard the interest and future of Medical Students, this partnership will not be dissolved at will, the dissolution of the firm will be by mutual agreement of the partners. It may also be dissolved upon the formation of a private limited company and upon complete transfer of business from “Yusra Medical and Dental College” firm to private limited company to be incorporated in the name Yusra Medical and Dental College (Private) Limited, subject to availability of name from Securities and Exchange Commission of Pakistan and any other name approved by the Securities and Exchange Commission of Pakistan. Subject to agreement between the partners, all the partners at the time of dissolution of the firm shall be entitled to have shares in the proposed Private Limited Company in proportion to their interest in the firm.”

20. However, the Company was incorporated with the name “Yusra Medical & Dental College (Pvt.) Limited” with only four (4) initial subscribers instead of all the partners, which led to the acrimony between the initial subscribers of the Company and the partners who were owners and investors of the College/Firm. Subsequent to incorporation, two separate returns of allotment were filed by the Company, as recorded in Form-3 dated June 3, 2014, and Form-3 dated July 15, 2015, respectively. Through the first allotment, shares were issued to ten (10) individuals, including three (3) of the subscriber members and seven (7) partners of the Firm, pursuant to an agreement dated December 1, 2013, between the Company and the Firm. Under the said agreement, it was expressly stipulated that the Company would issue shares to the partners in proportion to their respective ownership interests in the Firm. The relevant extract of the agreement dated December 01, 2013 is reproduced for ready reference;

“Whereas the 1st Party being agreed to transfer the business, assets and liabilities to the 2nd party, (as agreed upon which assets to be transferred) as per requirement of Pakistan Medical & Dental Council (PMDC) to be transferred by way of issue of shares of the company to the existing partners of the firm (1st party) in their ratio in the firm against value of the land as assessed by evaluator and in the result of transfer of other assets and liabilities any difference on the credit side, that amount to be transferred to capital reserve.”

21. It is pertinent to mention that Respondents No. 3 to 7 presented valuation report, purportedly executed pursuant to disputes arising between the partners of the Firm, it was unanimously resolved that the partnership shares be valued by independent auditors. The valuation report



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dated July 05, 2012, clearly reflects that a total of eighteen (18) individuals, from time to time, injected capital into the Firm, including Respondents No. 3 to 7.

22. The second allotment, as reflected in Form-3 dated July 15, 2015, introduced five (5) additional shareholders. This allotment was made in pursuance of a settlement agreement dated July 2, 2015, entered into between the Company and three (3) of the original partners of the partnership. As per the settlement agreement, the Company agreed to induct (i) Mr. Ghazanfar Mehmood, (ii) Mr. Akhtar Riaz Raja, and (iii) Mrs. Rashida Rahim, partners of the original Firm, as well as two (02) additional persons, namely (i) Prof. Ahmed Rafique Akhtar and (ii) Mr. Muhammad Khalid, both of whom had made initial investments in the partnership. For ease of reference, the relevant extract of the said agreement dated July 15, 2015 is reproduced below:

“that the shares of the Company would be issued to party no. 2 and other two members namely Mr. Prof. Ahmed Rafique & Mr. Muhammad Khalid in accordance with the ratio of their investments or according to the ratio of existing shareholders in pari passu”

23. Upon perusal of both Form-3 dated June 3, 2014, and Form-3 dated July 15, 2015, it appears that, taken cumulatively, all the partners of the original partnership who held ownership rights in the College were ultimately inducted as shareholders of the Company. Notwithstanding the foregoing, the concerned Registrar, primarily relying upon the findings of the Investigation Report, accepted Form-3 dated June 3, 2014, but by way of a separate order/letter dated December 18, 2017, rejected Form-3 dated July 15, 2015.

24. An appeal was thereafter filed before Respondent No. 1, the Registrar of Companies, assailing the acceptance of certain statutory returns. In the Impugned Order, the rejection of Form-3 dated July 15, 2015, was also brought under consideration and adjudication. The Registrar of Companies while declaring that Form-3 dated June 3, 2014 was rightly accepted by the Deputy Registrar, also concluded that Form-3 July 15, 2015 was rightly rejected on the basis of Investigation Report. Consequently, the validity of such rejection of Forms, constitutes an integral part of the controversy raised herein and, therefore, constitutes the subject matter of the instant Appeal. Relevant extract from the Impugned Order is reproduced for ready reference;

“... However, subsequent Form 3 dated July 15, 2015 was rejected in light of findings of the investigation report and this fact was duly communicated to the Company vide letter dated December 18, 2017 of the registrar concerned.”

J. DISCUSSION

25. The controversy at hand primarily revolves around two returns of allotment filed on Form-3, one of which was duly accepted whilst the other was rejected. A perusal of the record indicates



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that, in respect of both Form-3 dated June 3, 2014, and Form-3 dated July 15, 2015, the concerned Registrar, through deficiency letters dated February 11, 2016, June 14, 2016, and August 25, 2016, called upon the Company to rectify the deficiencies noted therein and to provide further information relating to the said shortcomings.

26. The deficiencies so communicated to the Company included, inter alia: (i) allotment of shares to non-members in violation of Sections 2(28) and 86 of the Companies Ordinance; (ii) absence of decline letters and requisite Board resolutions under Section 86(7) of the Ordinance; (iii) misstatements regarding acceptance of shareholding despite partial subscriptions by the initial subscribers; (iv) vague and contradictory resolutions referring to a pre-incorporation partnership in the absence of any duly approved takeover scheme; (v) multiple and inconsistent returns of AGMs, reflecting three separate AGMs purportedly held in 2015 with delayed filings; (vi) conflicting records of auditors' appointments, coupled with the absence of audit reports from the first auditors; and (vii) irregular appointments of company secretaries, with certain returns improperly signed.
27. The record further reveals that the statutory returns were retained in abeyance by the concerned Registrar, and no acceptance or rejection was conveyed until the submission of the Investigation Report by the Inspectors on October 06, 2017. Subsequently, the first allotment of shares (Form-3 dated June 3, 2014) was accepted on December 14, 2017, while the second allotment (Form-3 dated July 15, 2015) was rejected on December 18, 2017. It is observed that the rejection letter issued by the Deputy Registrar merely cited missing Board approvals and conflicting particulars as grounds for rejection of Form-3 dated July 15, 2015, as well as several Form-29 filings. However, no detailed reasoning or specific findings were provided to substantiate the rejection.
28. Pursuant to the acceptance of Form-3 dated June 3, 2014, the concerned Registrar has also accepted statutory Forms i.e., Form-A and Form-29 dated September 23, 2015 pertaining to the AGM after first allotment, on January 01, 2018, following the issuance of a deficiency letter dated December 22, 2017 and a Formal written response by the Company. The Appellant has failed to establish that the acceptance of these Forms was either unlawful or tainted by perversity.
29. The Investigation Report indicates that both the allotments vide Form-3 dated June 03, 2014 and Form-3 dated July 15, 2015, were other than cash in lieu of land measuring 7 kanals 4 marlas, situated at Mouza Humak, G.T Road, opposite to D.H.A, Gate No. 3, Islamabad and land measuring 7 kanals situated at Zaraj Housing Scheme, Zone 5, opposite D.H.A, Phase II, Islamabad respectively. Both the lands mentioned in the allotment Forms were in the ownership of the Firm which were already transferred in the name of the Company pursuant to the agreement dated December 01, 2013. The said agreement between the Firm and the Company was signed by all partners of the Firm.



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30. The rejection of the second allotment (Form-3 dated July 15, 2015), along with other Forms, was primarily owing to the failure of the Company to address the observation raised by him and persistent inaction to remove the deficiencies, in addition to the recommendations contained in the Investigation Report as is highlighted in the letter of the Deputy Registrar dated December 18, 2017. It is pertinent to observe that the Deputy Registrar had issued deficiency letters to the Chief Executive of the Company beginning February 11, 2016, well before the institution of the civil suit seeking cancellation of the settlement agreement, which was filed on March 25, 2016. Furthermore, these deficiency letters were addressed to the CEO of the Company namely Mr. Sultan Muzaffar and Respondent No. 2 (Mr. Yar Muhammad), and the affected parties, Respondents No. 3 to 7, whose rights were directly prejudiced by the rejection of Form-3 dated July 15, 2015, were never notified either of the deficiencies or of the rejection. Here it is pertinent to point out that the record of the Company present with the SECP, therein exists a letter by Respondent No. 2, with respect to deficiencies in both the forms, where in primarily Mr. Yar Muhammad supports the Form in which his shareholding has been recognized and reiterates that since he was a partner in the Firm and the land already stood transferred from the Firm to the Company, that Form should be accepted. Whereas, he opposed the acceptance of the other Form on the ground that such a Form has been filed by an unknown person, However, as mentioned earlier in the Writ Petition and all legal proceedings, the CEO who has signed both the Forms has never denied his signature. Even in the instant proceedings as mentioned earlier the right of the parties have been accepted by Mr. Yar Muhammad, appearing himself. The corresponding portion of Letter received on dated May 16, 2016, is reproduced for ease of referenced (emphasis added);

“... Therefore, the directors of the company in exercise of powers under Section 86 (7) of the Companies Ordinance, 1984 allotted the shares to the existing shareholders as well as the new persons on 15.05.2014. Hence there is no illegality in the allotment of shares to the new persons.”

Moreover, the Letter further stated that;

“... Regarding the circular under Section 86 (3) dated 20.09.2015 and Form 3 dated 15.07.2015, both are not available in the records of the company. Both the said documents have no legal value and were filed fraudulently by certain unscrupulous persons without the authority and sanction of the shareholders as well as the directors, the same being void ab initio and be treated as withdrawn.”

K. BASIS FOR ACCEPTANCE OF FORM

31. Controverting the findings of Respondent No. 1, regarding rejection of Form-3 dated July 15, 2015 as discussed in Para 24 above, it is observed that such conclusion rests upon misreading



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of the record. The assertion that Form-3 dated July 15, 2015 was rejected in light of the findings of the Investigation Report is misconceived. It is evident from the record that the rejection of the said Form-3 was premised on the non-removal of deficiencies despite multiple opportunities afforded to the Company coupled with the findings of Investigation Report, as is manifest from the rejection letter issued by the Deputy Registrar dated December 18, 2017. The finding of the Respondent is, therefore, misplaced. Relevant extract from the letter dated December 18, 2017 of the Deputy Registrar is reproduced below for ease of reference;

“You were reminded, from time to time, to rectify/make good the observations conveyed vide various letters, but no action in this regard, is seen on record. As such, in light of non-reply/non-receipt of satisfactory response on the observation letters and findings made by the investigation team. The following returns, being defective, are hereby refused/rejected in terms of the provisions of Section 464 of the Act, and the position reported therein is to be regarded as null and void.”

L. EXISTENCE OF PARTNERSHIP PREDATES THE FORMATION OF COMPANY

32. It is an admitted fact on record that although the Appellant challenged the validity of the settlement agreement on technical grounds, its execution was never denied by any of the parties. Accordingly, the said agreement continues to remain in effect. It is further undisputed that the partnership, comprising members from all disputing groups, predated the incorporation of the Company and that each partner had a recognized ownership interest in the Firm. Notably, the CEO of the Company namely Mr. Sultan Muzaffar, in the Writ Petition No. 3617/2019 filed by him, acknowledged that both Forms of allotment had been duly filed by the Company. In the said Writ Petition he further stated that the civil suit for cancellation of the settlement agreement was instituted to address the objection raised by the Deputy Registrar that shares had been allotted to non-members in contravention of applicable law. Relevant para of the Writ Petition is reproduced for ease of reference;

“The 1st as well as the 2nd allotment of shares was properly filed with the respondent No. 1 through its communication had raised certain legal objections on the procedure adopted for issuance/allotment of shares to non-members in deviation of clause (iii) of Sub-section (28) of Section 2 of the Companies ordinance, 1984 (Repealed) and refused the approval to record both the Form 3. The letters dated 11.02.2016 and 25.08.2016 of respondent No. 1 are attached as Annex “E”. hence, after refusal of respondent No. 1, the petitioners n 01.04.2016 had filed the said civil suit before the Civil Court (East) Islamabad for cancellation of settlement agreements whereby shares were allotted to non-members against the provisions of law.”



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33. It is also on record that Respondent No. 2, who appeared as the authorized representative for Respondents No. 9 to 13, made an unequivocal statement before the Bench that they had no objection to the acceptance of Form-3 dated July 15, 2015, and that shares may be issued to Respondents No. 3 to 7 in accordance with the said return. The Appellant contended that the mandatory 21-days' notice for the first AGM was not given, nor was any board meeting convened to fix the number of directors. Consequently, it was argued that all the subsequent acts in furtherance of the said purported AGM and board meeting were, *void ab initio*.
34. However, no proceedings were initiated by the Appellant or any other party challenging the proceedings of the AGM under Section 160-A of the Ordinance within the prescribed period of thirty days to have the proceedings of the aforementioned General Meeting declared invalid. The very fact was also reinforced in the Impugned Order as well as by the Investigation Report.

M. POWERS OF THE REGISTRAR

35. It is imperative at this stage to examine the scope of powers vested in the Registrar under the Ordinance. The Registrar is entrusted with a range of statutory functions, including but not limited to the acceptance or rejection of statutory returns. In the present case, reference may be made to Section 73 of the Ordinance, which mandates that a company shall file Form-3 within thirty (30) days of an allotment, specifying the number of shares allotted, their nominal value, and the amount paid thereon. In cases where shares are allotted otherwise than for cash, clause (b) of subsection (1) of Section 73 of the Ordinance expressly requires that a written contract evidencing the entitlement of the allottees, together with the relevant sale agreement, be produced for inspection of the Registrar. A plain reading of the provision makes it abundantly clear that the Registrar's duty is confined to ensuring that such contract of sale is annexed with the return, however, there is no statutory power conferred upon the Registrar to adjudicate upon the validity of the underlying contract of sale or to assess the valuation of the consideration. Relevant part of Section 73 of the Ordinance is reproduced:

73. Return as to allotments.-- (1) Whenever a company having a share capital makes any allotment of its shares, the company shall, within thirty days thereafter,

(a)

(b) in the case of shares allotted as paid up otherwise than in cash, produce for the inspection and examination of the registrar a contract in writing constituting the title of the allottee to the allotment together with any contract of sale, or for services or other consideration in respect of which that allotment was made, such contracts being duly stamped, and file with the registrar copies verified in the prescribed manner of all such contracts and a return stating the number and nominal amount of shares so allotted, the amount to be treated as paid-up, and the consideration for which they have been allotted."



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N. MAIN ISSUE

36. It is pertinent to underscore that the root cause of the dispute emanated from the fact that, at the time of incorporation, the Company was constituted with only four (04) subscribers, thereby excluding the original partners of the Firm from being inducted as shareholders of the Company. In the case of allotment other than in cash, clause (b) of subsection 1 of Section 73 of the Ordinance requires a company to produce a contract in writing constituting ownership of allottees along with sale agreement for inspection of the Registrar. The Registrar is not empowered to sit in a judgment on the contract of sale or valuation. However, the Registrar failed to take into account that both the Forms were filed as a consequence of settlement agreement wherein all parties to the dispute have agreed, any procedural lapses, therefore were immaterial.
37. It is stressed here that Section 86(3) of the Ordinance was to protect the shareholding rights of existing shareholder and once they agree on the shareholding and Forms are submitted with consent, the requirement of Section 86(3) of the Ordinance is substantially complied.
38. It is also imperative to reiterate that the real issue was that the Company was incorporated with only four subscribers, which created friction between the initial subscribers and the rest of the partners of the Firm. This issue was subsequently attempted to be addressed through the allotment of shares made in consideration of the land measuring 7 kanals 4 marlas, situated at Mouza Humak, G.T Road, opposite to D.H.A, Gate No. 3, Islamabad, which was purchased by the partners of the Firm with respect to their investment from time to time and as per Revenue record (Mutation) bearing number 8927 dated April 21, 2014, the said land was directly transferred in the name of the Company from the original owner pursuant to sale deed dated July 04, 2012 between the Firm and the owner, likewise there was another chunk of land measuring 7 kanals situated at Zaraj Housing Scheme, Zone 5, opposite D.H.A, Phase II, Islamabad, which was allotted in the name of Yusra Medical & Dental College vide allotment letter bearing number ZGPL-717/B dated June 21, 2013 against which second allotment was made.
39. It is evident that the rectification of the omission through such allotment was not the most optimal way to cure the underlying defect i.e. incorporation of Company without inclusion of all partners of the Firm, which ultimately became the root cause of disputes between the parties. Nevertheless, it remains an undisputed fact that the individuals in whose favour shares were subsequently issued ought to be the proprietor/subscriber in the first instance beneficial owners of the Company, being the original partners of the Firm, and their proprietary interest in the corporate entity cannot be denied notwithstanding the procedural infirmities, if any. In fact, the very incorporation of the Company would have been seriously compromised in view of the exclusion of the rightful owners of the Firms. Unfortunately, this fact was not taken into consideration by the Investigation Report, the concerned registrar or in the Impugned Order.



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40. In terms of Section 73 of the Ordinance, the Registrar is only required to satisfy himself that the return of allotment is accompanied by a contract in writing constituting the title of the allottees to the allotment, together with a contract of sale, service, or other consideration in respect of which the allotment is made. In the instant case, the statutory requirement for first allotment stood duly complied with, as a contract in writing along with the evaluation report and sale agreement of the subject land was provided with the return. In the case of second allotment, the return was accompanied by the evaluation report of the land. Subsequently, in the investigation proceedings, settlement agreement between the Company and second allottees was produced, therefore, there was no basis for the Registrar not to accept the same.
41. The legislative scheme as provided in the Companies Ordinance and the Act envisages that once the statutory requirements are met on the face of it, the Registrar is bound to record and register the statutory return without embarking upon an inquiry into the validity, legality, or enforceability of the underlying transaction, which squarely falls within the domain of a competent judicial forum and not within the limited jurisdiction of the Registrar.
42. The law requires the Registrar to assess each statutory return on its own merits in determining whether to accept or reject such return. His function under the Act is ministerial in nature. Reference is made to the Honorable Lahore High Court judgements:

- a. ***Messrs Biotech Energy (Pvt.) Limited through Chief Executive and 2 others vs. Securities and Exchange Commission of Pakistan through Additional Registrar and another***” reported as **2018 CLD 383**, wherein it was held that;

“Under Section 152 of the Ordinance, power is given to this Court to rectify the register of members and that provision further shows that a similar power was not, and could not have been intended to be conferred on the Registrar under Section 468 of the Ordinance... To the extent that the scope of Section 468 of the Ordinance is interpreted in a limited manner conferring ministerial powers on the Registrar, there is no cavil with this proposition. The Registrar may also seek help from the powers available to him under Sections 472 and 473 of the Ordinance for directing the company to file a proper or complete Return or to make good the default or to undo the irregularity. If the transaction incorporated in the Return is unlawful and illegal, the shareholders too have the option to take up the matter in the appropriate forum but this Court is not convinced regarding the availability of the power with the Registrar to sit in judgment over the validity or invalidity of the transactions incorporated in a statutory Return. Looked at it from any angle, Section 468 of the Ordinance cannot be interpreted in a manner that concedes such a power to the Registrar. In the opinion of this Court, there is a statutory obligation on the part of the Registrar to register the Return if it is not defective or incomplete.”



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- b. *Hamid Saleem Minhas Vs. Delta Garments Limited etc.*” bearing number *C.O 35 of 2015*, wherein it was held that;

“... there is a statutory obligation on the part of Registrar (SECP) to register the return if it is not defective or incomplete and that the Registrar cannot sit in judgment over a transaction contained in the Forms submitted to it”

44. In view of the aforementioned discussion, the substantial compliance of Section 73 of the Ordinance, stood duly satisfied in the case of subject Form -3 dated July 15, 2015. In these circumstances, instead of indulging in hyper-technicalities arising out of purported procedural lapses, the matter ought to have been viewed in light of the underlying intent behind the further issue of shares, namely, to induct all partners of the erstwhile Firm into the Company.
45. As per the law laid down by the Hon’ble Court, it is clear that the registrar cannot sit in judgment over transaction reported in a statutory return. The Registrar is not vested with jurisdiction to embark upon fact-finding inquiries concerning the propriety of shareholding, and his role must remain confined strictly within the parameters prescribed under Section 73 of the Ordinance, while exercising powers under Section 464 of the Act.

O. REJECTION OF FORM-3

46. Accordingly, the controversy now stands confined to the rejected Form-3 dated July 15, 2015. The principles of justice, equity, and fair play mandate that similarly situated persons must be treated alike and that consistent standards be applied in cases involving identical factual matrices. Given that both the accepted and rejected Forms were substantially similar in nature and were communicated through same letters dated February 11, 2016 and June 14, 2016 and were subject to identical scrutiny by the Registrar, the affected claimants under the rejected Form deserve a fair and equal opportunity to cure the deficiencies noted therein and to have their claims determined on their merits.
47. The Impugned Order relies on the findings of the investigation report and notes that the same was rejected in light of the investigation report which is not correct. As discussed hereinabove, the rejection order was also base on non-removal of deficiencies. The important issue that needs highlighting is that the Impugned Order overlooks that the said Order was communicated to the Company alone and the parties affected, namely Respondent No.3 -7, were never informed of this Order. As discussed earlier that the subject deficiency letter has almost similar objections with respect to both.



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48. In conclusion, the incorporation of the company without the legitimate owners and investors of the Firm which from time to time contributed in setting up of Yursa Medical and Dental College, was an infirmity required to be corrected. The objections by the Registrar only assisted in ensuring control of one party on the affairs of the sole business of the company, depriving others of the same. The restriction placed on the private company, not to transfer shares to a person outside the company is only applicable in the case where the memorandum of the company depicts all legitimate shareholders, which was not the case in the instant matter. The Registrar in consideration of these factual circumstances should have guided the parties in resolution of the dispute. The Forms were filed by persons at the helm of the Company itself, and cannot be allowed to benefit from any infirmity in the process and any lapse on their part cannot be used a tool to deprive the legitimate shareholders who through an agreement and later through a settlement agreement acknowledged the investment in the assets of the Firm and entitlement for shareholding in the Company proportionate to their investment.

P. POWERS OF THE BENCH WHILE EXERCISING APPELLATE JURISDICTION

49. While exercising appellate jurisdiction, the Bench is vested with all the powers of the original adjudicating authority in addition to those conferred on it under Rule 17(5) of the Appellate Bench Rules. For ease of reference, the said sub-rule is reproduced below;

“The Appellate Bench in appeal may, inter alia, confirm, remand, set aside or cancel the order appealed against or enhance or reduce the penalty or make such other order as it may deem just and equitable in the circumstances of a case.”

In exercise of its appellate jurisdiction, this Bench is empowered under Rule 17(5) of the Appellate Bench Rules not only to confirm, set aside, or modify the order appealed against, but also to render such order as it may deem just and equitable in the circumstances of the case. Equity, therefore, demands that both Forms be viewed through the same lens and accorded the same treatment, so as to prevent inconsistent application of the law and to uphold the substantive rights of the parties.

50. It is a settled principle of law that an appeal is a continuation of the original proceedings, and the appellate forum is fully empowered to grant relief which the original adjudicating authority is empowered to grant. The appellate authority has power to mould the relief in accordance with the circumstances of the case. Powers available to the appellate court has been elaborated by the Hon’ble Supreme Court of Pakistan in case titled as **“Muhammad Farooq and others vs. Javed Khan and others”** reported as **PLD 2022 SC 73**, wherein it was held that;

“In appropriate cases, the courts could mould the relief within the scope of the provisions of O.VII, R.7 of the Code of Civil Procedure Code, 1908 (“C.P.C.”), and were empowered to grant such relief as the justice may demand, in the facts and circumstances of the case.”



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51. The appellate authority is further competent to extend relief even to a non-party where the circumstances so warrant, as held by the August Supreme Court of Pakistan in the case titled **“Mst. Bibi Fatima vs. Muhammad Sarwar”** cited as **2022 SCMR 870**, wherein it was held that;

“Appellate Court is empowered, in the interest of justice, to allow appropriate relief to non-appealing parties where the appeal is with regard to whole of the decree in terms of Order XLI, Rule 33, C.P.C.---Court also has inherent powers under Section 151, C.P.C., to make such orders, as may be necessary for the ends of justice and to prevent the abuse of the process of the Court---Said provisions are enabling provisions; the powers thereunder can be exercised by the Court to cover ostensibly impossible situations, for complete dispensation of justice.”

The same principle has been laid down by a larger bench of the Hon’ble Lahore High Court in case titled **“Mrs. Shehla Tariq Saigol vs. Federation of Pakistan through Secretary Finance and 3 others”** reported as **2025 PTD 313**, wherein it was held that;

“High Court under the provisions of O. XLI, R. 33, C.P.C. can exercise appellate powers in favour of all or any of the respondents or parties though such respondents or parties may not have filed any appeal or objection.”

52. It is a settled principle of law that justice is to be administered on merits, and that mere technicalities or procedural irregularities should not be permitted to defeat or obstruct the course of substantial justice as had been held by the Hon’ble Supreme Court of Pakistan in case titled as **“S.D.O./A.M., Hasht Nagri Sub-Division, PESCO, Peshawar and others Vs. Khawazan Zad”** reported as **PLD 2023 Supreme Court 174**, wherein it was stated that;

“Courts always lean in favour of adjudicating the matters on merits rather than stifling the proceedings on procedural formalities---Rules of procedure are meant to facilitate the court proceedings for enforcing the rights of litigants, not to trap them in procedural technicalities for frustrating their rights; they are the tools to advance the cause of justice and cannot be used to cause the miscarriage of justice---Ultimate object of securing the ends of justice, therefore, outweighs the insistence on strict adherence to such rules.”

Same view has been taken by the Hon’ble Lahore High Court in case titled as **“Mirza Muhammad Akbar Baig Vs. Additional District Judge and others”** reported as **2024 CLC 979**, wherein it was held that;

“Cases must be decided on merits instead of technicalities and the technicalities should not be a hindrance in the way of justice.”



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CONCLUSION

Accordingly, for the reasons recorded hereinabove, the Bench finds no illegality in respect of the first allotment of shares recorded through Form-3 dated June 3, 2014, which, therefore, warrants no interference. The Bench further observes that no apparent illegality is found in Form-3 dated July 15, 2015, and, in the interest of consistency and to uphold the substantive rights accrued to the parties pursuant to their investment in the Firm, the said Form ought to be accorded the same treatment as the earlier Form-3 dated June 3, 2014.

It is, therefore, just and equitable that both allotments be treated on an equal footing. Consequently, the rejection of the second allotment is found to be without justification, and the concerned Registrar is directed to accept Form-3 dated July 15, 2015 and to report compliance to the Official Liquidator accordingly. Since the Company is under liquidation, therefore requirement of other Forms submitted along with the mentioned Form-3 may not be necessary, however, for the purposes of liquidation if so required the concerned registrar may issue direction to the liquidator to do the needful as deemed expedient in accordance with the relevant provisions of the Act.

The Appeal is disposed of in the above terms with no orders as to costs.


(Muzafar Ahmed Mirza)
Commissioner


(Zeeshan Rehman Khattak)
Commissioner

Announced on: **25 SEP 2025**