



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Department- II

Adjudication Division

In the matter of
M/S. KARWAN-E-MAKKAH MADINAH (PRIVATE) LIMITED

Show Cause Notice	No. Adj-II/301/27/IAN-113/CRO-KHI/2023-24-123 dated January 25, 2024	
Date of hearings & list of attendees	Date	Attended by
	February 07, 2024	1. Mr. Muhammad Asif Memon, CEO/Director 2. Qari Hafiz Muhammad Sajid, Director

ORDER IN THE MATTER OF PROCEEDINGS INITIATED UNDER CLAUSE (b) OF PROVISO TO SECTION 304 READ WITH SECTION 301 OF THE COMPANIES ACT, 2017

This Order shall dispose of the proceedings initiated by the Securities and Exchange Commission of Pakistan (the '*Commission*') vide Show Cause Notice No. Adj-II/301/27/IAN-113/CRO-KHI/2023-24-123 dated January 25, 2024 (the '*SCN*') issued to **M/s. Karwan-e-Makkah Madinah (Private) Limited** (the '*Company*') having registered office at Mezzanine floor, Al-Raheem Tower, Bunder Road, Sukkur – 65200, and its **Chief Executive Officer and Directors** (collectively referred to as the '*Respondents*') under clause (b) of proviso to section 304 read with section 301 of the Companies Act, 2017 (the '*Act*').

2. The facts leading to issuance of the SCN are that a letter Ref. F. No. 01/01/2023-FIA (Policy) dated December 01, 2023, copied to the Chairman, SECP emanating from the office of Deputy Secretary (FIA), Ministry of Interior ('*MoI*') contained advices to the Secretary, Ministry of Religious Affairs & Interfaith Harmony ('*MORA*') to take strict action against the Umrah & Hajj group operators along with imposing ban on them, mentioned in the list of Umrah and Travel Companies (attached therewith the letter) which were involved in Hawala/ Hundi business creating bad name for the country. Based on the aforesaid letter and the list of companies attached therewith, it appeared that the Respondents were engaged in prohibited business activities rendering the Company liable to be wound up under sub-clauses (i) and (ii) of clause (g) of section 301 of the Act; as an entity titled "*Karwan-e-Makkah Madinah*" was mentioned at serial no. 13 of the aforesaid list. Relevant sections of the Act are produced hereunder:

"301. Circumstances in which a company may be wound up by Court.—A company may be wound up by the Court—

(g) if the company is—

(i) conceived or brought forth for, or is or has been carrying on, unlawful or fraudulent activities; or
(ii) carrying on business prohibited by any law for the time being in force in Pakistan; or restricted by any law, rules or regulations for the time being in force in Pakistan."

3. Hence, the Additional Registrar at the Company Registration Office, Karachi (the '*CRO/ Registrar*') sought sanction of the Commission to present a petition for winding up of the Company under clause (b) of proviso to section 304 read with sub-clauses (i) and (ii) of clause (g) of section 301 of the Act. The said clause (b) of proviso to section 304 of the Act states that:

"304. Provisions as to applications for winding up.—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 authorized by the Commission in that behalf:



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Provided that—

.....

(b) the registrar shall not be entitled to present a petition for the winding up of a company unless the previous sanction of the Commission has been obtained to the presentation of the petition: Provided that no such sanction shall be given unless the company has first been afforded an opportunity of making a representation and of being heard.”

4. Accordingly, a SCN dated January 25, 2024 was issued to the Company through its CEO along with its Board of Directors as appearing in Form-A made up to October 28, 2023, requiring to show cause in writing within seven days of the date of the SCN, as to why the sanction to present a petition for winding up of the Company may not be granted, as required by the Registrar in terms of clause (b) of proviso to section 304 of the Act. Furthermore, in order to provide an opportunity for personal representation, a hearing in the matter was also fixed for February 07, 2024 at 10:00 a.m. before the Authorized Officer vide the aforesaid SCN.

5. The preliminary response against the SCN was received vide the Company’s letter dated February 06, 2024, whereby, it denied the allegations, asserting that the Company and its directors have never been involved in any activities related to hawala and hundi businesses, along with a request to dismiss the unfounded allegations against the Company. Moreover, the hearing scheduled for February 07, 2024 was attended by the directors of the Company via zoom, wherein, similar submissions as that to the aforesaid letter were made by them. Given the explanation/reasons provided by the Respondents during the hearing, they were advised by the Authorized officer to seek clarification from the relevant ministries in relation to the allegations imposed on them, and accordingly share the same with this office.

6. A detailed response against the SCN was received vide the Company’s letter dated February 16, 2024, whereby, it was *inter alia* contended that Mr. Abdul Raheem Memon having CNIC No. 45504-1025340-9 whose name is mentioned at serial no. 13 of the list shared by the MoI vide letter dated December 01, 2023, is neither director nor shareholder of the Company. It was further contended that the entity identified at serial no. 13 of the aforesaid list bears a different name from that of the Company as well as has a different registered office. Following are the extracts from the said response:

“It has come to our notice that our company, M/s Karwan-e-Makkah Madinah (Private) Limited, has been erroneously associated with a company listed at serial number 13 of Annex-A of the letter of Ministry of Interior (Mol) ref. no.F.NO.01/01/2023-FIA(Policy) dated December 1, 2023 for permanent ban proceedings. We wish to clarify that our company, M/s Karwan-e-Makkah Madinah (Private) Limited, is distinct from the entity in question, and there exists no legal, operational, or ownership connection between the two.

We emphasize the following points to elucidate the discrepancy:

****Different Company Name**:**

<i>Name of company at S.No.13 of Annex-A</i>	<i>Our Company Name</i>
<i>Karwan-e-Makkah Madinah Registration/ CUI No. nil</i>	<i>Karwan-e-Makkah Madinah (Private) Limited CUINo. 0051614</i>

****Divergent Registered Office Address**:**



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Address of company at S.No.13 of Annex-A	Our Company's Registered Address (as per Form 21)
B-2952, Mezzanine Floor Sarafa Bazar, District Sukkur	Mezzanine Floor, Al-Raheem Tower, Bunder Road, Sukkur Sindh 65200

****Distinct Ownership and Directorship**:**

Owners Name of company at S. No. 13 of Annex-A	Our Company's Shareholders / Directors / CEO (as per Form 29)
Mr. Abdul Raheem Memon CNIC # 45504-1025340-9	Muhammad Asif Memon CNIC # 45504-6174050-7 Chief Executive/ Director/ Shareholder
	Qari Hafiz Muhammad Sajid CNIC # 45504-4331720-5 Director/ Shareholder

Based on the aforementioned disparities in company credentials, we assert that any penal action imposed by the Securities and Exchange Commission of Pakistan (SECP) against our company, M/s Karwan-e-Makkah Madinah (Private) Limited, would be unjust and unwarranted and should not be subjected to punitive measures on the grounds of misidentification."

7. In order to substantiate the aforesaid claims, the Company's letter dated February 16, 2024 also annexed a clarification letter from MORA dated February 13, 2024, copied to the Joint Registrar, SECP, Islamabad, which provided the following clarification:

"The undersigned is directed to refer to Ministry of Interior's O.M No. F.No. 01/01/2023-FIA (Policy) dated 1st December, 2023 whereby, list of Umrah and Travel Companies who are involved in Hawala/Hundi Business circulated for strict action.

It is pertinent to mention here that Chief Executive of Karwan-e-Makkah Madinah (Pvt) Ltd through letter dated 13th February, 2024 (copy enclosed) has informed this Ministry that Mr. Abdul Rahim Memon having CNIC No. 45504-1025340-9 whose name is mentioned at Sr. No. 13 of list shared by Ministry of Interior is neither Director nor shareholder of Karwan-e-Makkah Madinah (Pvt) Ltd.

In view of above, it is requested that matter may be clarified so that further action in the matter may be taken accordingly, please."

8. Meanwhile, a Petition titled Const. Petition No. D-926 of 2024 was filed by the Company/Petitioner before the High Court of Sindh, Karachi (the 'Court') against the MoI's letter dated December 01, 2023 and the SCN dated January 25, 2024, along with a request to set these aside, on the grounds mentioned therein including that the entity named "Karwan-e-Makkah Madinah" as mentioned in the list of companies involved in Hawala/Hundi business shared by the MoI has nothing to do with the Company/Petitioner, and that the Company/Petitioner and its directors have not engaged in any illegal or prohibited activities.

9. The present status of the aforesaid petition was sought from the relevant department of the Commission, which informed that the Court vide its order dated November 18, 2024 has suspended the letter of MoI dated December 01, 2023 on the basis of which the SCN was issued to the Petitioner/ Company, as the Deputy



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Attorney General conceded in the Court that the name of the Petitioner is different from the name appearing in the list attached with the MoI's letter. The copy of the said Court's order dated November 18, 2024 was also shared and the extracts from the same are produced hereunder:

“.....The two entities apparently are different and distinct from each other. Respondent No.1/ Federal Government of Pakistan have filed their parawise comments and have stated that the proprietor Abdul Raheem Memon of Karwan-e-Makkah Madinah is neither a director nor shareholder of Karwan-e-Makkah Madinah (Pvt.) Limited. Similarly, the Deputy Registrar of Companies on behalf of SECP has also filed a compliance report wherein they have not discussed anything about the two entities being similar..... Nonetheless, it appears that the petitioner as being an independent entity has nothing to do.

Let the impugned order dated 01.12.2023, to the extent whereby a ban was imposed on Karwan-e-Makkah Madinah (Pvt.) Limited, is suspended.....”

10. I have gone through the facts of the case, the submissions made by the Company, clarification provided by MORA vide letter dated February 13, 2024, and the Court's Order dated November 18, 2024 suspending the MoI's letter dated December 01, 2023 based on which the SCN was issued, to the extent whereby, apparently, the ban was imposed on the Company. In view of the foregoing, it is evident that the Company is different from the entity mentioned in the list of entities shared vide the MoI's letter, alleged to be engaged in prohibited activities i.e., Hawala/Hundi businesses, with different name, ownership/directorship structure as well as the registered office address. Accordingly, there are no reasons on record to establish that the Company is involved in illegal/prohibited business activities which could render it liable to be wound up under sub-clauses (i) and (ii) of clause (g) of section 301 of the Act. Now, therefore, considering the same, I, in the exercise of the powers conferred upon me vide S.R.O. No. 1546(I)/2019, drop the subject proceedings in respect of winding-up of **M/s. Karwan-e-Makkah Madinah (Private) Limited** with no further action.

11. This order is being issued without prejudice to any other action that the Commission may initiate against the Company and/or its officers in accordance with the law on matters subsequently investigated or otherwise brought to the knowledge of the Commission.

(Hammad Javed)

Additional Director / Head of Department
Adjudication Department-II

Announced: April 09, 2025
Islamabad