

**April 02, 1999 Securities and Exchange Commission of Pakistan moves an application in the Supreme Court of Pakistan for early hearing of the case of Taj Company Limited**

Company Law Division of the SECP has moved an application in the Supreme Court of Pakistan on April 02, 1999 requesting the Court to fix an early date for hearing the case of Taj Company, Limited. This step was taken to get the matter settled expeditiously as the deposits made by a number of persons were stuck-up for the last ten years. It may be recalled that in 1990 the Corporate Law Authority (now restructured as SECP) had moved an application in the Lahore High Court, Lahore under section 290 of the Companies Ordinance, 1984 to effect a change in the management of the company. Change in the management had become necessary because the affairs of Taj Company, Limited were not being managed in accordance with sound business principles and prudent commercial practices. The High Court in its judgment of December, 1990 removed existing management and appointed Board of Administrators consisting of three persons to look after affairs of the company. The Court also ordered a special audit of the accounts which revealed that the Company had grossly under-stated the amount of deposits, collected from the public, in the audited accounts for the year ended 31-12-1989. Against total liabilities of Rs. 2,550 million, the value of assets was estimated at Rs. 514.67 million only. Since liabilities of the company were much higher than that of available assets of the company, the Corporate Law Authority, therefore, decided to move a winding up petition in the Lahore High Court, Lahore. The High Court accepted the petition on May 05, 1998 and appointed three joint Official Liquidators, for the purpose. Challenging the liquidation Order passed by the High Court, some of the affectees filed two appeals in the Supreme Court of Pakistan. The Supreme Court suspended the proceedings of liquidation vide Order dated November 30, 1998 but did not fix a date for hearing. SECP has moved the Supreme Court for vacation of its order suspending the liquidation proceedings and has requested for fixation of an early date of hearing. The application is still pending for adjudication.