

ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI
Suit No. 1690 of 2008

Dated _____ Order with signature of Judge _____

19.12.2008

M/s. Abdul Hafceez Pirzada, Munir A. Malik, Adbul Sattar Pirzada, Rana Ikramullah, Usman Hadi and Adnan Chaudhry Advocates for the plaintiffs.

Mr. Ejaz Ahmed Advocate for defendant No.1

M/s. Munib Akhtar and Rashid Anwar Advocates for defendant No.2

Mr. Makhdoom Ali Khan Advocate for defendant No.3

Mr. Abid S. Zuberi Advocate a/w Mr. Muhammad Umar Lakhqani Advocates for newly added defendant

Mr. Kazim Hassan Advocate for newly added defendants.

Mr. Amir Raza Naqvi D.A.G

(1) & (20) CMA Nos. 11653/2008 and 11755/2008: It was pointed out by the learned Counsel for the defendants that on account of the interim order passed on 13.12.2008 there is continuous loss of security and its depletion has gone to the extent that the whole amount availed by the financees will become total loss. Proposals and counter proposals for interim measures were discussed. Mr. Abdul Hafceez Pirzada learned Counsel for the plaintiff suggested a proposal whereby the defendant No.1 is allowed to square up all transactions of CFS MK-II, liquidate the securities and for the balance, the plaintiffs are prepared to furnish their membership cards and other tangible securities. Tangible securities as suggested by him was to be furnished to the satisfaction of the Nazir of this Court. Mr. Munib Akhtar Counsel for the defendant No.2 stated that the membership card cannot be furnished as security for CFS MK-II transaction as the defendant No.2 has recourse against it on default made by the member. Counsel for the defendants, do not agree to the proposal of tangible security and stated that such security will itself become a cause of dispute and litigation and instead the plaintiffs be asked to furnish a liquid security of at least a bank guarantee. Plaintiffs say it will not be possible to arrange such security. Be that as it may, as the situation stands today where there is continuous exposures of security which is

eroding day by day, some amount of measures need to be taken whereby collateral parties affected by it are provided cover and breathing space until the applications are heard and decided. Consequently, until the applications are heard and decided the defendant No.1 is allowed to square up CFS MK-II transactions, liquidate the securities furnished by the plaintiffs and for the differential sum which is stated to be Rs.7.00 Billion, the plaintiffs will furnish bank guarantee to the satisfaction of the Nazir of this Court by 22.12.2008 within Court hours. Subject to such compliance by the plaintiffs, the interim order will continue. The CFS MK-II System will operate according to the regulations.

Adjourned to 23.12.2008 at 11:00 a.m.

JUDGE