

**Judgment 5/2007**

**Masood et al v Zahoor et al – Royal Court (Civil  
Action File 938) – 9<sup>th</sup> March 2007**

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**Companies (Guernsey) Law, 1994 (Section 75) – allegation of prejudice to the  
interests of minority shareholders – application for interim relief – legal  
principles to be followed**

**IN THE ROYAL COURT OF THE ISLAND OF GUERNSEY**

**Civil 938**

**The 9th day of March, 2007, before Richard C Southwell QC, Lieutenant  
Bailiff, sitting alone.**

**In the matter of**

**Between:**

- (1) SOHAIL MASOOD**
- (2) NEWPORT FINANCIAL HOLDINGS LIMITED**
- (3) MOHAMMAD ALI**

**Plaintiffs**

**v**

- (1) MOHAMMAD ZAHOOR**
- (2) INTERNATIONAL STEEL AND TUBE INDUSTRIES LIMITED**
- (3) METALSUKRAINE CORPORATION LIMITED**
- (4) AZOT LIMITED**
- (5) WASEEM MAHBOOB**
- (6) PARVEEN SALEEMI**

**Defendants**

Whereas on 8<sup>th</sup> day of February 2007 the Lieutenant Bailiff considered an application for interim relief by the Plaintiffs against the First, Second and Fourth Defendants and heard thereon Advocates J.M Wessels and A.M. Ozanne counsel for the Plaintiffs and Defendants respectively the Lieutenant Bailiff this day handed down judgement in the terms attached hereto and ordered as follows:-

- (i) That the First, Second and Fourth Defendants serve on the Advocate for the Plaintiffs and at the Greffe within [14] days from the date of this order an affidavit sworn by the First Defendant containing the relevant explanations, and exhibiting the relevant documents in so far as they are in the possession, custody or power of any of the First, Second and Fourth Defendants, as specified in (a) – (e) below:
- (a) a full and frank explanation as to the ownership and as to the control of Mont Blanc Trading Limited (“Mont Blanc”) a company incorporated in the island of Mauritius, from the time of Mont Blanc’s incorporation, with all documents relating to such ownership and to such control;
  - (b) all audited accounts of Mont Blanc since incorporation, and all management accounts of Mont Blanc for any periods commencing on or after 1<sup>st</sup> January 2006;
  - (c) any audited accounts of the Second Defendant and any audited consolidated accounts of the group of companies of which the Second Defendant is the parent company for any period commencing on or after 1<sup>st</sup> January 2006;
  - (d) all quarterly management accounts of the Second Defendant and of such group of companies for any period commencing on or after 1<sup>st</sup> January 2006;
  - (e) a full and frank explanation of the contractual arrangements between all and any of the companies in the ISTIL group of companies, including the Second Defendants as the parent company, on the one hand, and Mont Blanc on the other hand, from the commencement of business between them and including such arrangements now in force between them, with all documents evidencing such contractual arrangements.
- (ii) That the First, Second and Fourth Defendants serve on the Advocate for the Plaintiffs all and any documents coming into existence after the date of this order in any of the categories set out in paragraph (i) (a) to (e) of this Order within [14] days of any such document coming into existence.

S.M.D. ROSS  
Her Majesty’s Deputy Greffier

**THE LIEUTENANT BAILIFF set out the principles to be applied in paragraph 2 of his Judgment, this is reproduced below: -**

2. This judgment relates to an application by Masood and the other Plaintiff for interim relief in connection with the Section 75 claim. I will in this judgment use the same abbreviated forms as in the November 2006 judgment, and I will not repeat what is there set out as regards the background facts, including the history of the relationships between the parties, and the circumstances in which the Section 75 claim is alleged to arise. It appears to be common ground between the parties that

- (1) the Royal Court is the appropriate Court to determine this application for interim relief;
- (2) the legal principles governing the application for and the grant of such interim relief are those stated by the House of Lords in England in *American Cyanamid Co v Ethicon Ltd* [1975] AC 396 HL(E) and restated in this jurisdiction in *Tracey et al v Seed International Limited* (Court of Appeal, Civil Appeal no.341, 18 December 2003 – Judgment 55/2003 – unreported) at paragraph 20 and pp.14-15, as follows:

“It was for the Plaintiffs to establish that

- (a) they had a good arguable case against Seed;
- (b) there was a real and sufficiently serious risk of dissipation of Seed’s assets in Guernsey; and
- (c) it was just and convenient in all the circumstances for the freezing and disclosure orders to be made.”