

**THE HIGH COURT OF SINDH, KARACHI**  
[COMPANY BENCH]

**J.C.M. No. 24 of 2024**

**In the matter of the Companies Act, 2017**

**And**

**of (a) Unilever Pakistan Ltd.**

**(b) The Magnum Ice Cream Company  
Pakistan Ltd.**

Petitioners : Unilever Pakistan Ltd. & The  
Magnum Ice Cream Company  
Pakistan Ltd. through Mr. Mehmood  
Y. Mandviwalla, Hasan M.  
Mandviwalla, Hassan Ali, Zain-ul-  
Abdeen and Mahnoor Farogh  
Naseem, Advocates.

On Court notice : Securities and Exchange Commission  
of Pakistan through Mr. Syed Ebad-  
ur-Rehman, Advocate.

Date of hearing : 30-05-2025

Date of order : 23-06-2025

**ORDER OF SANCTION OF SCHEME**

**Adnan Iqbal Chaudhry J.** - The Petitioners are public companies limited by shares incorporated in Pakistan with registered offices at Karachi. They seek sanction of a Scheme of Arrangement under section 279 read with sections 280 to 282 of the Companies Act, 2017 [the Act]. Petitioner No.1 is in the category of a Large Sized Company under the Third Schedule to the Act. Therefore, in view of SRO 840(I)/2017 dated 17.08.2017 issued under section 285(8) of the Act, the instant petition lies before the Company Bench of the High Court.

2. Petitioner No.1 is a subsidiary of Unilever Overseas Holdings Ltd., the latter being a company incorporated in the United Kingdom. The principal line of business of Petitioner No.1 is the manufacturing and marketing of home and personal care products and ice cream. Petitioner No.2 is a subsidiary of Petitioner No.1. Under the Scheme of Arrangement, Petitioner No.1 intends a reorganization by demerging/separating its Ice Cream Business and transferring the

same to Petitioner No.2 which has been set-up by Petitioner No.1 specifically for such purpose.

3. By orders dated 05.11.2024 and 07.11.2024 passed under section 282(1) of the Act, the Court ordered separate meetings of the members of the Petitioners to vote on the Scheme of Arrangement. A meeting of creditors of Petitioner No.1 was not ordered in view of certificates of no-objection filed on their behalf. The Chairman appointed for each meeting has filed his report under Rule 57 of the Companies (Court) Rules, 1997.

4. Heard learned counsel and perused the record.

5. The effect of the Scheme is that:

- (a) the Demerged Ice Cream Business of Petitioner No.1 including related undertakings and rights, as identified in the Special Purpose Balance Sheet as of 30.06.2024, shall stand transferred to and vest in the Petitioner No.2 with effect from start of business on July 1, 2025;
- (b) consequently, Petitioner No.1 shall cancel in its issued share capital, one (1) fully paid-up ordinary share of PKR 50 (Pak Rupees Fifty) for every 14.5342 ordinary shares then held by its shareholders;
- (c) in lieu of the shares cancelled by Petitioner No.1, Petitioner No.2 shall allot fully paid-up shares in the follow ratio (the swap ratio):
  - (i) five (5) ordinary shares of PKR 10 (Pak Rupees Ten) each, to Ice Cream HoldCo (The Magnum Ice Cream Company HoldCo Netherlands B.V.), for each ordinary share of PKR 50 (Pak Rupees Fifty) of Petitioner No.1 which was held by Unilever Overseas Holdings Ltd.; and
  - (ii) five (5) ordinary shares of PKR 10 (Pak Rupees Ten) each to minority shareholders of Petitioner No.1 for each ordinary share of PKR 50 (Pak Rupees 50) held in Petitioner No.1;
- (d) thereafter, Petitioner No.2 shall cancel its issued share capital, 10,000 ordinary shares of PKR 10 (Pak Rupees 10) held by Petitioner No.1 and its nominees.

6. The Scheme of Arrangement herein appears to be a transaction exempted by Regulation 5(1)(i) and (ii) of the Competition (Merger Control) Regulations 2016, and therefore the pre-merger clearance of the Competition Commission under section 11 of the Competition Act, 2010 is not required.

7. *Prima facie*, the requirements of section 282(2) of the Act were fulfilled in calling the meetings of shareholders and secured creditors of each Petitioner to vote on the Scheme of Amalgamation.

8. Reports of the Chairmen of the respective meetings, submitted under Rule 57 of the Companies (Court) Rules, 1997, are to the following effect:

- (i) the meeting of shareholders of the Petitioner No.1, held on 06.12.2024, was attended by shareholders representing 99.16% shares issued, all of whom approved the Scheme and passed a special resolution accordingly;
- (ii) the meeting of shareholders of the Petitioner No.2, held on 06.12.2024, was attended by 100% shareholders, all of whom approved the Scheme and passed a special resolution accordingly.

Thus, the Scheme of Arrangement was approved by more than three-fourths majority of the value of shareholders of each Petitioner present and voting. As narrated above, the secured creditors of the Petitioner No.1 had already given consent to the Scheme. Thus, the requirement of section 279(2) of the Act is fulfilled.

9. To the extent the aforesaid cancellation of shares by the Petitioners entailed a reduction in paid-up share capital requiring a special resolution by members as envisaged in section 89 of the Act, Petitioners called another meeting of members on 27.05.2025 to fulfil the requirement of Rule 66 of the Companies (Court) Rules, 1997, at which the requisite special resolution was passed. The reduction does not involve either diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital.

10. Comments filed by the Securities & Exchange Commission of Pakistan [SECP] do not bring forth any material objection to the Scheme.

11. As per the auditor's report on the financial statements of the Petitioners for the period ended 30-06-2024, the books of accounts of the Petitioners are properly maintained, and the financial statements are in accord with the books of accounts.

12. From the rationale of the Scheme of Arrangement, set-out on clause 1.4 thereof, the same appears to be for viable reasons. The swap ratio of shares worked out by the Chartered Accountant appears to be reasonable. It is settled law that where a Scheme of Amalgamation approved by the requisite majority appears to be fair, just, reasonable and *prima facie* fulfils statutory requirements, then the Court does not sit in appeal over the commercial wisdom of the Scheme.<sup>1</sup>

13. The Petitioners affirm that there are no investigation proceedings pending against them under sections 256 to 258 of the Act. The SECP does not dispute that fact. The petition was advertised pursuant to Rule 19 of the Companies Court Rules, 1997. No one has come forth to oppose sanction of the Scheme.

14. Therefore, the Scheme of Arrangement filed with the petition as **Annexure 'A'** is hereby sanctioned without modification with the following order:

- (i) That all the property, rights and powers of Unilever Pakistan Ltd. [UPL] in the Demerged Ice Cream Business identified in the Special Purpose Balance Sheet (Annexure 'E-1') read with the Scheme of Arrangement (Annexure 'A'), and all the other property, rights and powers of UPL related to the Demerged Ice Cream Business, be transferred without further act or deed to The Magnum Ice Cream Company Pakistan Ltd. [Magnum], and accordingly the same shall pursuant to

---

<sup>1</sup> *Paramount Spinning Mills* (2020 CLD 1443); *IGI Insurance Ltd.* (2018 CLD 572); *Gadoon Textile Mills Ltd.* (2015 CLD 2010).

section 282(3) of the Companies Act, 2017 be transferred to and vest in Magnum for all the estate and interest of UPL therein but subject nevertheless to all charges now affecting the same; and

- (ii) That all the liabilities and duties of UPL related to the Demerged Ice Cream Business be transferred without further act or deed to Magnum, and accordingly the same shall pursuant to section 282(3) of the Act, be transferred to and become the liabilities and duties of Magnum; and
- (iii) That all proceedings now pending by or against UPL in relation to the Demerged Ice Cream Business be continued by or against Magnum; and
- (iv) Reduction in share capital of the Petitioners consequent to cancellation of shares under the Scheme is hereby approved;
- (v) That Magnum do without further application allot to the Ice Cream HoldCo and members of UPL the shares in Magnum to which they are entitled under the Scheme of Arrangement, and the shares allotted by Magnum to UPL shall be cancelled as per the Scheme;
- (vi) That UPL do within 7 days after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration, and on such certified copy being so delivered the Scheme shall be effective as on start of business on July 1, 2025; and
- (vii) That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

Petition allowed as above.

**JUDGE**

Karachi:

Dated: 21-06-2025