

**ORDER SHEET**  
**IN THE HIGH COURT OF SINDH AT KARACHI**

J.C.M. No.25 of 2018

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DATE ORDER WITH SIGNATURE OF JUDGE

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1. For hearing of CMA No.388/2018 (U/R 63 of Companies (Court) Rules).
2. For hearing of Main Petition.

**15.03.2019.**

**Mr. Waqar Shaikh, Advocate for Petitioner.**  
**Mr. Syed Ebad, Advocate for SECP.**

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This is a Petition for merger of Petitioner No.2 into Petitioner No.1 and has been filed under Section 279 of the Companies Act 2017. The Petitioner No.1 was incorporated on 01.04.1982. The Petitioner No.2 was incorporated on 10.03.2013. Now the petitioners are desirous of merging Petitioners No.2 into Petitioner No.1 and the Scheme of Arrangement for such purposes has been annexed with this Petition as Annexure "A", wherein, the Share Exchange Swap Ratio as well as allotment of Shares of Petitioner No.1 to Petitioners No.2 has been mentioned so as to make the scheme of arrangement binding with Petitioners and the Shareholders of the Petitioners No. 1 & 2 along with other persons.

The Petitioners are desirous to restructure and merge, by way of amalgamation, with the object of better and more economic reasons to run the same business. The Petitioners have agreed and entered into an agreement being the Scheme of Arrangement (Annexure "A") for merger and amalgamation which has been duly approved by the respective Board of Directors of the Petitioners and such resolutions have been placed on record.

The Scheme of Arrangement, attached as Annexure "A" to this petition gives full particulars as to the benefits of the merger / amalgamation, the purpose for the same, the consequences of the arrangement, the effective date of the merger / amalgamation, consideration and related matters, the effect on the employees of the Petitioner Nos.2 and general provisions with respect to the arrangement. It also provides the number of shares of Petitioner

No.1 to be allotted respectively to shareholders of Petitioner No.2 on the basis of evaluation and SWAP ratio available at page-47 of the Scheme of Arrangement. Such Scheme of Arrangement is part and parcel of the petition. By seeking sanction of the Scheme of Arrangement through this Petition under the Companies Act, as above, the intention is to obtain approval of the terms, whereby, the entire undertaking and business, inclusive of all assets, properties, rights, liabilities, obligations and dues of Petitioner No.2, as more specifically stated in the Scheme of Arrangement, will be transferred to, stand vested and assumed by Petitioner No.1, whereas, Petitioner No.1 will continue as a going concern under the name of “**Industrial Clothings (Pvt.) Limited**” and petitioner No.2 at the same time shall stand dissolved.

On 12.10.2018 on application (CMA No.354/1880/2018) on behalf of the Petitioners under Rule 55 of the Companies (Court Rules), 1997, read with Section 151 CPC, the Court had permitted to convene separate meeting(s) of the members of the petitioners under Section 279(2) of the Companies Act, 2017 after publishing a notice in newspapers, and also inviting creditors, whereas, further directions were given for advertisement of the main Petition for publishing in terms of Rule 76 read with Rule 19 of the Companies (Court) Rules, 1997 and notice was also ordered to Securities & Exchange Commission of Pakistan. It appears that all requisite formalities have been completed as publication has been made in daily “**JANG**” and “**THE NEWS**” at Karachi and Lahore, dated 03.11.2018 and 02.11.2018, respectively, whereas, report has been furnished by the Chairman on 28.11.2018. Comments were filed by SECP and objection was raised regarding obtaining No Objection Certificate(s) from creditors i.e. Askari Bank Limited, JS Bank Limited and Habib Bank Limited. In response though CMA 388/2018 necessary No Objection Certificates have been placed on record and all objections have been complied. Today, a Statement dated 17.12.2018 has also been filed by SECP through its Additional Registrar of Companies, Exchange Commission of Pakistan and has given further No objections to the grant of this petition. A proper notice has also been published in the Gazette of Pakistan dated 30.01.2019.

In view of such position, since all formalities have been completed whereas, no objections have been received from any quarter, there appears to be no impediment in granting this Petition which is accordingly allowed as prayed. For further proceedings and necessary fulfilment of the requirements under the Companies Act, 2017, the Petitioners may approach SECP accordingly.

**J U D G E**