

IN THE HIGH COURT OF SINDH AT KARACHI

J.M. No. 13 / 2020

IN THE MATTER OF SECTION 279-283 and 285 OF THE COMPANIES ACT, 2017 AND IN THE MATTER OF:

1. Tata Textile Mills Ltd.
incorporated under the laws
of Pakistan and having its
registered office at
6th floor, Textile Plaza,
M.A. Jinnah Road,
Karachi.

Presented on 11/08/2020
[Signature]
Deputy Registrar (O.S.)

... Petitioner No. 1

2. Island Textile Mills Ltd.
incorporated under the laws
of Pakistan and having its
registered office at:
6th Floor Textile Plaza,
M.A. Jinnah Road,
Karachi.

... Petitioner No. 2

3. Salfi Textile Mills Ltd.
incorporated under the laws
of Pakistan and having its
registered office at:
6th Floor Textile Plaza,
M.A. Jinnah Road,
Karachi.

... Petitioner No. 3

4. Tata Energy Ltd.
incorporated under the laws
of Pakistan and having its
registered office at:
6th Floor Textile Plaza,
M.A. Jinnah Road,
Karachi.

... Petitioner No. 4

AND IN THE MATTER OF THE SCHEME OF
AMALGAMATION BETWEEN TATA TEXTILE MILLS
LTD., ISLAND TEXTILE MILLS LTD., SALFI TEXTILE
MILLS LTD. AND TATA ENERGY LTD.

PETITION UNDER SECTION 279-283 AND 285 OF
THE COMPANIES ACT, 2017



ORDER SHEET
HIGH COURT OF SINDH AT KARACHI
J.C.M. No. 13 of 2020

Date _____ Order with signature of Judge _____

For hearing of Main Petition.

- i) Copies of publication in daily "Jang" (Urdu) dated 10.09.2020 & daily "The News" (English) dated 05.09.2020, Karachi.
 - ii) Comments filed by SECP as flagged.
 - iii) The Official Gazette Notification, still awaited.
 - iv) Chairman's Meeting Report dated 10.11.2020 filed, as flagged.
 - v) C/A's filed to Main Petition & CMA 66/2020, as flagged.
- (Notice could not be issued to the creditors as per order dated 18.08.2020, as list of creditors not supplied by learned counsel.

02.03.2021:

M/s. Raashid Anwer and Ali Mehdi, advocates for the petitioners.

SYED HASAN AZHAR RIZVI, J:- Through this petition under Sections 279 to 283 and Section 285 of the Companies Act, 2017, the petitioners which are private companies with limited liability incorporated under the Companies Ordinance 1984 have sought permission of this Court for a Scheme of Arrangement between them more particularly described in the Scheme as set forth in Annexure 'B' to the petition.

2. The object of this petition is to obtain the sanction of this Court to a 'Scheme of Arrangement' whereby the Petitioners No.2, 3 and 4 shall, alongwith all their respective assets and liabilities, be amalgamated with and into the petitioner No.1 in exchange for the issuance of ordinary shares of Petitioner No.1 to the shareholders of petitioners No.2, 3 and 4 respectively, in accordance with Article 10 of



the Scheme. This will result in the dissolution without winding up of the Petitioners No.2, 3 and 4.

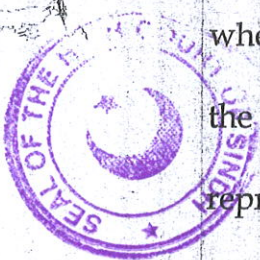
3. Pursuant to order dated 18.08.2020 notice of this petition to consider scheme of arrangement proposed between the petitioners in terms of Rule 76 r/w Rule 19 of the Companies Ordinance (Court) was issued. Notice was also issued to the Registrar, Joint Stock Companies. Publication was also effected in daily "Jang" (Urdu) dated 10.09.2020 and daily "The News" (English) dated 05.09.2020, Karachi and so also in the official Gazette of Pakistan.

4. Comments by the Syed Iftikhar Ul Hassan Naqvi, Additional Registrar of the Companies, Securities and Exchange Commission of Pakistan, were filed on 12.12.2020, wherein it has been stated that as per sub-section (2) of Section 279 of the Companies Act, 2017, a required majority of the petitioners in number representing three-fourths in value of the creditors or class of creditors, or members, present and voting either in person or, where proxies are allowed, by proxy at the meeting, who agree to the Scheme of Arrangement. It is further stated in the report that as per the Chairman's reports shared by the Petitioners' representatives with the SECP, the members' and creditors' meetings of the petitioners were convened on September 24, 2020 and September 23, 2020 respectively under the directions of this Court. The report enunciate that the members of Petitioners No.2 to 4 have unanimously approved the instant Scheme of Arrangement. In respect of petitioner No.1 the report mentioned that 78.2% of the



members present in person or by proxy at the meeting have approved and adopted the instant Scheme, while one member i.e. National Investment Trust Ltd., (NIT) holding 1,731,998 ordinary shares of petitioner No.1 (equivalent to 10% shareholding) recorded its dissent to the aforesaid resolution of members on the basis of certain objections. The Chairman's report reflect that the creditors representing 97.02%, 90%, 97% and 89% of the value of creditors of petitioners No.1, 2, 3 and 4 respectively have approved/adopted or provided no objection certificates (NOCs) to the instant Scheme of Arrangement.

5. Under Rule 955 of the Sindh Chief Court Rules (Original Side) and Rule 57 of the Companies (Court) Rules, 1997 the Chairperson has submitted reports dated 10.11.2020 of the extraordinary general meeting of members and creditors of the Petitioners No.1, 2, 3 and 4 (available on record). In the report it is stated that voting on the above resolution was by way of show of hands and 100% voters were in favour of the resolution in respect of petitioners No.2, 3 and 4 whereas in respect of petitioner No.1 78.2% voters were in favour of the resolution. The members present in person and by proxy represented issue, subscribed and paid-up share capital of the values shown in the table available at para-6 of the plaint. Thus the members representing 88.2% of the value of the shares of the petitioner No.1 were present in person or proxy at the meeting out of these 78.2% voting in favour of the resolution approving and adopting the Scheme of Arrangement. With regard to the creditors of the petitioner



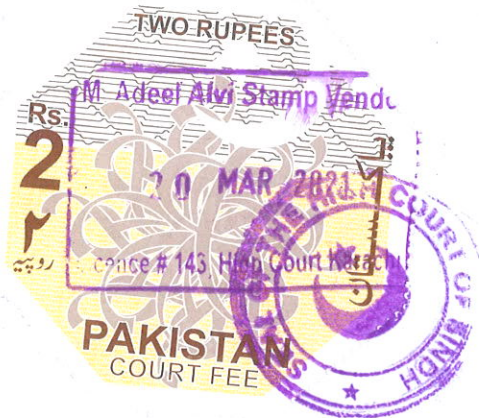
No.1 out of those who were present 100% voted in favour of the resolution approving of Scheme of Arrangement.

6. I have perused the proposed Scheme of Arrangement for amalgamation, transfer of undertaking, assets and liabilities, which has already been approved by the Board of Directors of each of the petitioners No.1, 2, 3 and 4.

7. There is no material on record to suggest that the scheme of arrangement would be against public interest or in violation of any law. Instant petition is, therefore, allowed as prayed for and Scheme of Arrangement (Annexure "B" to the Petition) is sanctioned.

The petition stands disposed of in the foregoing terms.

Sd/- Syed Hasau Aghar Rizvi
Judge



ORDER SHEET
IN THE HIGH COURT OF SINDH AT KARACHI

J.C.M. No.13 of 2020

DATE

ORDER WITH SIGNATURE OF JUDGE

1. For orders on CMA No.100/2021
2. For orders on CMA No.101/2021

17.03.2021.

Mr. Ali Mehdi, advocate for the petitioner.

1) Urgency granted.

2) Present application is filed to rectify / amend the omission in order dated 02.03.2021 (whereby the present petition was allowed) to the effect that it may be recorded that the Scheme (attached as Annexure "B" to the petition) is to be effective from 01.07.2021 and /or any other date as deemed appropriate by this Court. Per learned counsel, the term 'Effective Date' of the scheme means " the start of business on 1st day of October, 2020 or any other date as approved by the Court" as mentioned in the scheme enclosed with the petition filed on 11.08.2020. Learned counsel requests to record the effective date of the scheme as 01.07.2021 to avoid the retrospective application of the scheme, which (retrospective application) will cause serious accounting, procedural and practical issues in the process.

Learned counsel for the petitioner further points out that in para-1 of the order dated 02.03.2021 all petitioners have been mentioned as private limited companies whereas the petitioners No.1, 2 and 3 are public limited companies whereas petitioner No.4 is a private limited company and requests to correct such typographical error in the aforementioned order.

In view of above circumstances, in the order dated 02.03.2021 the Effective Date of the Scheme (Annexure "B" to the petition) is to be treated as 01.07.2021 and petitioners No.1, 2 and 3 be deemed to be public limited companies whereas petitioner No.4 as private limited company. Present application stands disposed of accordingly. /



THE HIGH COURT OF SINDH, KARACHI
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