

FAUJI CEMENT COMPANY LIMITED

Fauji Towers, Block-III, 68 Tipu Road, Chaklala, Rawalpindi, Pakistan

Fax No : 051-9280416
E-mail : secretaryoffice@fccl.com.pk
Website : <http://www.fccl.com.pk>
Case No : SECY/FCCL/2037/37

Office : 051-9280075
Exchange : 051-9280081-83
: 5763321-24
Dated : 28 April 2022

To: **The Managing Director**
Karachi Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road, Karachi

The Commissioner
Company Law Division
Corporatization and Compliance Department
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue,
Block F-7/4 Blue Area, Islamabad, 44000

Subject: **Material Information - Disclosure of Court Order Regarding Merger**

Reference: Pakistan Stock Exchange letter No C-1041-2421 dated 2nd December 2021.

Dear Sir,

In accordance with Section 96 and 131 of the Securities Act, 2015 and Clause 5.9.13(c) of the Rule Book of Pakistan Stock Exchange Limited ("PSX"), we hereby convey the following information:

The Lahore High Court, Rawalpindi Bench has passed the Order under Section 279 to 282 of the Companies Act, 2017 sanctioning the merger of Askari Cement Limited with and into Fauji Cement Company Limited, through the Scheme of Arrangement, so as to make the Scheme of Arrangement binding on Askari Cement Limited and Fauji Cement Company Limited and the creditors and shareholders of the Companies, along-with all other persons. A Certified copy of the Court Order is attached herewith.

As per the Scheme of Arrangement dated 17 November 2021, FCCL shall issue at par and allot 800,493,615 ordinary shares of Rs. 10 each of FCCL credited as fully paid up to Fauji Foundation within 30 days of the Completion Date.

A disclosure form is attached herewith.



Your's truly,
For Fauji Cement Company Limited


Brig Abid Hussain Bhatti, SI(M), (Retd)
Company Secretary

Copy to **Chief Compliance & Risk Officer**
Central Depository Company of Pakistan Limited
CDC House, 99-B Block B, S.M.C.H.S
Main Shahrah-e-Faisal, Karachi
M/s Corplink (Pvt) Limited (Share Registrar)
Wings Arcade 1-K, Commercial,
Model Town, Lahore

**Disclosure Form
(Securities Act, 2015)**

Name of Company	Fauji Cement Company Limited
Date of Report (Date of earliest event reported if applicable)	18 th November 2021
Exact Name of the Company as specified in its Memorandum	Fauji Cement Company Limited
Registered address of the Company	Fauji Towers, Block-III, 68 Tipu Road, Chaklala, Rawalpindi
Contact Information	Brig Abid Hussain Bhatti, SI(M), (Retd) Company Secretary
Disclosure of Inside Information in terms of Securities Act 2015 Rule Book of Pakistan Stock Exchange Limited	<p>a. Lahore High Court, Rawalpindi Bench, passed an order under Section 279 to 282 of the Companies Act, 2017, sanctioning the Scheme of Arrangement, so as to make the Scheme of Arrangement binding on Askari Cement Limited and its members and creditors and Fauji Cement Company Limited and its members and creditors. A Certified copy of the court order is attached herewith.</p> <p>b. FCCL shall issue at par and allot 800,493,615 ordinary shares of Rs. 10 each of FCCL credited as fully paid up to Fauji Foundation.</p>

IN THE LAHORE HIGH COURT,
RAWALPINDI BENCH

(Companies Jurisdiction)
Under the Companies Act, 2017

Judicial Miscellaneous Application No. 01 of 2021

IN THE MATTER OF the Companies Act,
2017

-And-

IN THE MATTER OF (1) Fauji Cement
Company Limited and its members, and (2)
Askari Cement Limited and its members

For Private Use

[Signature]
Rawalpindi Bench

FAUJI CEMENT COMPANY LIMITED,

a company incorporated in Pakistan
whose registered office is at
Fauji Towers, Block III,
68 Tipu Road, Chaklala,
Rawalpindi, Punjab 46000, Pakistan

.... **Petitioner No. 1**

ASKARI CEMENT LIMITED,

a company incorporated in Pakistan
whose registered office is at
Fauji Towers, Block III,
68 Tipu Road, Chaklala,
Rawalpindi, Punjab 46000, Pakistan

.... **Petitioner No. 2**

- VS
1. SECP through its chairman Islamabad
 2. Competition Commission of Pakistan through its chairman Islamabad
- JOINT MERGER APPLICATION UNDER SECTIONS 279 TO 282
AND 285 OF THE COMPANIES ACT, 2017 and all other enabling
provisions of the Companies Act, 2017**

&

In the matter of the Scheme of Arrangement for amalgamation
approved by the Board of Directors of Petitioner No. 1 and 2
respectively.

Respectfully Sheweth:

The humble petition of Fauji Cement Company Limited
and Askari Cement Limited, (together the "Petitioners") above-named, is
as follows:

FILED TO-DAY-TILL 11:00 A.M.
D.No. 766
ASSISTANT REGISTRAR (JUDICIAL)
[Signature]

12 JAN 2022

FILED TO-DAY-TILL 11:00 A.M.
DISTANT REGISTRAR (JUDICIAL)
24 DEC 2021

Stereo HCJ DA 38

JUDGMENT SHEET
IN THE LAHORE HIGH COURT,
RAWALPINDI BENCH, RAWALPINDI
JUDICIAL DEPARTMENT

Civil Original No.01 of 2022

Fauji Cement Company and Askari Cement Company V/S *Securities and Exchange Commission of Pakistan and others*

JUDGMENT

Date of hearing	02.03.2022
Petitioner(s) by	M/s Rashid Hanif, ASC, Tariq Nasir Zufar, Javaid Akhtar, Rohma Habib and Hamid Nawaz, Advocates.
Respondent(s) by	Mr. Ibrar Saeed, Director SECP with Mr. Adeel Peter, Advocate/Legal Advisor for SECP. Mr. Hasan Ahsan Mian, Advocate/Law Officer for Competition Commission of Pakistan. Malik Ahtesham Saleem, Assistant Attorney General of Pakistan.

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Examiner Gen. Supply
Section Lahore High Court
Rawalpindi Bench

JAWAD HASSAN, J. This petition under Sections 279 to 282 of the Companies Act, 2017 (the "*Act*") has been filed by the authorized representative of the Petitioners for seeking/obtaining sanction of this Court to a Scheme of Arrangement and for merger between Fauji Cement Company Limited ("*Transferee Company*") (the Petitioner No.1) and Askari Cement Limited ("*Transferor Company*") (the Petitioner No.2) and also seeking approval from Securities and Exchange Commission of Pakistan (the "*SECP*") and Competition Commission of Pakistan (the "*CCP*") which is mandatory requirement under the respective laws.

A. BACKGROUND

2. Briefly stated, the Petitioner No.1 is a public limited company with an authorized share capital of Rs.15,000,000,000/- divided into 1,500,000,000 ordinary shares of Rs.10/- each while its paid-up capital is Rs.13,798,150,250/-. Similarly, the Petitioner No.2 is a public unlisted company with an authorized share capital of Rs.10,000,000,000/- divided into 1,000,000,000 ordinary shares of Rs.10/- each while its paid-up capital is Rs.1,600,987,23/-. This petition seeks amalgamation of the Petitioner No.2 into the Petitioner No.1 through the "Scheme" which primarily involves the transfer to and vesting in Petitioner No.1 of the entire undertaking of the Petitioner No.2.

B. THE SCHEME OF ARRANGEMENT

3. The Petitioners have attached with this petition the Scheme of Arrangement (the "*Scheme*") in terms of Section 279 to 282 of the Act between the Petitioners and their respective shareholders. The principal object of the "*Scheme*" is to affect an amalgamation of the Petitioner No.2 into the Petitioner No.1 as mentioned in the Scheme. The Petitioner No.1/Fauji Cement Company Limited (FCCL) is a public limited company and is one of the leading producer of a wide range of quality cement in Pakistan. While the Petitioner No.2/Askari Cement Limited (ACL) is a public limited company and is preferred for construction of mega projects like Dams, Bridges, Highways, Commercial and Industrial complexes and residential societies.

4. Mr. Rashid Hanif, ASC, learned counsel for the Petitioners pointed out the copies of the Resolutions passed by the Board of Directors of the Petitioners whereby the Scheme was sanctioned and has annexed with this petition the required documents in Volumes (Volume No.1 to Volume No.4, Page Nos. 1 to 802) which include certified copy of resolution of Board of Directors of the Petitioners, certificates of incorporation, memorandum and article of associations, audited accounts of the Petitioners, certificate of Chartered Accountants of the Petitioners, NOCs of creditors, statements of

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Sd/-
Notary Public
Fauji Cement Company Limited

information as per Section 281 and 134(3) of the Act etc. Learned counsel contended that basically the Scheme envisages to transfer to and vesting in the Petitioner No.1 of the whole undertaking of the Petitioner No.2 and to streamline the group structure and efficient administration.

C. REPORT OF THE SECP

5. The Additional Registrar of Companies, Companies Registration Office, Islamabad in response to the main petition filed report and parawise comments on behalf of the SECP wherein following observations have been made:

- i. *As per sub-section (2) of section 279 of the Act, it is required that a majority in number representing three-fourth in value of the members of the Petitioners, present and voting either in person or, where proxies are allowed, by proxy at the meeting, agree to the Scheme of Arrangement.*
- ii. *Section 282(2)(e) of the Act stipulates that where an order has been made by the Commission under section 282(1) of the Act, merging companies shall be required to circulate for the meeting so ordered by the Commission, supplementary audited financial statements if the last annual accounts of any of the applicant company related to financial year ending more than one hundred and eighty days before the first meeting of the company summoned for the purpose of approving the scheme. However, the last available audited accounts of the Petitioners relate to the financial year ending June 30, 2021. The Petitioner companies shall provide latest supplementary audited financial statements, if so required by this Court.*

D. REPORT OF THE CCP

6. Mr. Hasan Ahsan Mian, Advocate on behalf of CCP submitted report and states that this Court has already developed the jurisprudence by explaining the role of CCP in its judgment reported as "DILSONs (Private) Limited and others Versus Security & Exchange Commission of Pakistan and another" (2021 CLD Lahore 1317) by holding that permission of CCP has to be taken before any

order is passed. He further stated that CCP has already granted permission to the Petitioners vide letter dated 30.11.2021 (Annex-H of the petition at Page-764).

E. PROCEEDINGS OF THE COURT

7. After filing of the petition, this Court vide order dated 13.01.2022 directed the issuance of notices in national newspapers namely "*The Dawn*" and "*Nawa-i-Waqt*" for the purpose of informing general public about the "*Scheme*" proposing merger of the Petitioners and inviting objections to the "*Scheme*" from members and creditors of the Petitioners as well as from any person having interest in the affairs of the Petitioners. In addition, notices were also directed to be issued to the *SECP* and the *CCP*.

8. In response to the Court query regarding the approval from Competition Commission of Pakistan, Mr. Hasan Ahsan Mian, Advocate replied that the approval of the Competition Commission of Pakistan is not required for the subject merger under the Competition Act, 2010 as the proposed transaction does not meet the presumption of dominance in terms of Section 2(1)(e) read with Section 3 of the Competition Act, 2010. He maintained that proposed transaction was authorized by the CCP under Section 31(1)(d)(i) of the Act *ibid* to the extent of competition concerns.

9. This Court vide order dated 13.01.2022 also directed that Extra-ordinary Meetings of the Petitioners' company be convened for presenting the proposed "*Scheme*" to their shareholders for sanctioning of the same or otherwise. It has held in "*CAPTAIN JOHN JOHNSTON Versus G.B POTTS & Co. AND ANOTHER*" (PLD 1967 Karachi 496) that "*the Court may order a meeting of company to be called, held and conducted in such manner as the Court thinks fit*". Ms. Asma Hamid, ASC and Mr. Ali Javed Darugar, Advocate were appointed as joint Chairpersons to supervise extra-ordinary meetings of the shareholders of the Petitioners Company with directions to file their report on the proceedings of aforesaid meeting.

10. In compliance with the aforesaid order by the Court, public notices in Daily "*Nawa-i-Waqt*" were issued on 17.02.2022; copy whereof is available on record.

11. The Chairpersons of the general meeting of the Petitioners submitted their report under Rule 57 of the Company (Court) Rules, 1997 on 26.02.2022 which is duly supported by the relevant record comprises in Volume No.1 to Volume No.6 (Page Nos.1 to 1210) which includes notice of meeting and statement of information, copies of dispatch receipts of notices circulated to shareholders, notices of convening meeting, copy of attendance sheets, statements of information required to accompany the notice under Section 281 and 134(3) of the Act and scrutineer reports of the Petitioners. According to the report, the Extraordinary General Meeting of the Petitioners was convened on 26.02.2022 at their respective offices. The notices of the meeting were issued by the Petitioners' company to their shareholders by publication in the Daily "*Dawn*" and "*Nawa-i-Waqt*" on 05.02.2022. The copies of the dispatched notices and names of the shareholders as well as the notices published in the aforementioned newspapers are mentioned in and attached to the Chairpersons' report. The attendance sheet of shareholders of the Petitioners have also been placed on record which shows the participation and voting of the Petitioner No.1 as 70.33% while that of the Petitioner No.2 as 100%. During the course of arguments, the learned counsel was asked to clarify whether 70.33% participation of members present in person or by proxy in approving the scheme would affect rights of remaining shareholders. In reply, he stated that 100% of Petitioner No.1's members were present at EOGM who approved the "*Scheme*". Under the Act, there is specific chapter dealing with 'Meetings and Procedure' under Part-VII. Section 131 of the Act deals with statutory meeting of company while Section 132 of the Act deals with Annual General Meeting (AGM) whereas Section 133 of the Act deals with calling of Extraordinary General Meeting (EOGM). Sub-Section 2 of Section 133 specifically states that the Board may at any time call

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EOGM and Sub-Section 4 of Section 133 of the Act deals with the requirement of statement of objects of requisition of any such meeting alongwith requirement of signatures of requisitionists on any such requisition. In "SHER ASFANDYAR KHAN and others Versus NEELOFAR SHAH and others" (2020 CLD 1260) it has held been that "shareholder should know what meeting is about so that the business of company could be properly transacted and conducted". In the case in hand, the Petitioners have sent notices to all shareholders under Section 134(3) of the Act regarding object and purposes of the meeting, copies of notices are annexed with Chairpersons' report at Exhibit FCCL-1 and Exhibit ACL-1" hence requirements of aforesaid section have been fully complied with. According to Section 134(4) of the Act, members of a company may participate in the meeting personally, through video link or by proxy. Section 134(9) of the Act envisages that on a poll, votes may be given either personally or through video link or by proxy. Perusal of attendance sheet attached with Chairpersons' report Exhibit FCCL-5 reveals that 26 shareholders were present in person on 26.02.2022 while 96 shareholders were represented through their proxies. The proxies are defined under Section 137(1) of the Act according to which a member of a company entitled to attend and vote at a meeting of the company may appoint another person as his proxy to exercise all or any of his rights to attend, speak and vote at a meeting. The word 'proxy' is defined by Lord Hanworth M. R. in '*Cousins v. International Brick Co.*', (1931) 2 Ch. 90 = (1932 2 C Comp Cas 108 (CA) as "a person representative of the shareholder who may be described as his agent to carry out a course which the shareholder himself has decided upon". The concept of a proxy is described in *Halsbury's Law of India* which reads as:

"Generally a proxy is an authority given by a person, the principal to another person, the proxy-holder to attend a meeting as his representative. Proxy is a person who acts in the place of a member of a company at a

A handwritten signature in blue ink is visible in the bottom left corner. Below the signature is a circular blue stamp containing the text "Company Secretary" and "Registered Office".

company meeting. A special proxy is empowered to act at one specified meeting; a general proxy is authorised to vote at any meeting. A proxy is an agent of the shareholder who, as between himself and the principal, was not entitled to act contrary to his instructions in the matter." [Halsbury's Law of India, Volume-27 (Companies & Corporations), Page-333]

The concept of proxy has also been well summarised in Gower's Principles of Modern Company Law in the following terms:

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"One of the important features of company meetings is that the members do not have to appear at the meeting in person; they may appoint another person (a proxy) to attend and vote on their behalf. At common law attending and voting had to be in person, but early on it became the normal practice to allow these duties to be undertaken by an agent or 'proxy'. It should be noted that the system of proxy voting is not the same as that of postal voting. With postal voting the vote is cast directly by the member who holds the vote and he or she votes without attending a meeting. With proxy voting, the proxy votes on behalf of the member and at a meeting. In practice, there may not be much difference between the two when the proxy is given precise instructions and follows them, for then the member in fact makes up his or her mind on how the vote is to be cast in advance of the meeting." [Gower's Principles of Modern Company Law, Tenth Edition, Page-443]

The concept of a proxy is further elaborated in Pennington's Partnership and Company Law as follows:

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"A proxy is an agent appointed by a member to vote on his behalf, but unless the articles give him more extensive powers, he may only vote on a poll and not on a vote taken by a show of hands (a), but he may demand or join in demanding a poll, and in the case of a private company, he may speak at the meeting (b). because he is simply an agent, a proxy's powers may be revoked by the member at any time before he has voted, and the member may

do this impliedly by attending the meeting and casting his vote personally (c). A proxy's powers are also terminated by the death, bankruptcy or mental disability of the member, but to relieve the company from difficulty in determining the validity of a proxy's vote, articles usually provide that his vote shall be counted unless the revocation or termination of his powers has been notified to the company before the meeting begins (d)." [Partnership and Company Law, Page-197].

12. Furthermore, the right of proxy has now been well established and recognised since long not only in companies law in England and India but also in Pakistan. The right of proxy was recognised as a valid document under Section 161 of the Companies Ordinance 1984 and now Section 137 of the Act. This Court has also elaborated the concept of proxy in "Lt. Gen. (Retd.) SHAH RAFI ALAM and others Versus LAHORE RACE CLUB and others" (2004 C L D 373) as follows:

"I find myself unable to subscribe to the view taken by Abdul Rahim Kazi, J. Proxies are agents of the shareholders and are governed by the law of Agency, Chapter X of Contract Act, 1872. On a poll, vote could be given either personally or by proxy under section 79 of the Companies Act, 1913. After the promulgation of the Companies Ordinance, 1984, this recognition was converted into a statutory right conferred by section 161(1) of the Companies Ordinance, 1984. However, proviso (a) was inserted putting limitation on the right to vote by proxy. The aforementioned subsection is reproduced as under:--

"**Proxies.**---d(1) Any member of a company entitled to attend and vote at a meeting of the company shall be entitled to appoint another person as his proxy to attend and vote instead of him and a proxy so appointed shall have such rights as respects speaking and voting as the meeting as are available to a member:

Provided that---

(a) this subsection shall not apply in the case of a company not having a share capital."

In my view there can be no proxy voting in the case of a Company limited by guarantee and having no share

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 Section 137 of the Act
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capital. Express right was conferred on a member to vote by proxy under section 161 (1) of the Ordinance, 1984. At the same time this right has been taken away by inserting proviso (a) to the aforementioned subsection. A restriction has been placed that the subsection will not apply to a Company not having a share capital. Section 136 of the repealed (English) Companies Act, 1948, section 372 of the (English) Companies Act, 1985 and section 176 of the Indian Companies Act, 1956 are similarly worded regarding proxies."

F. RESPONSE TO OBJECTIONS OF SECP

13. So for as the objection No.i of the SECP relating to Section 279(2) of the Act is concerned, it is noted that meetings of the Board of Directors of the Petitioners were convened on 26.02.2022 at their registered offices. The shareholders of the Petitioners unanimously consented and approved proposed Scheme of Arrangement for merger of the Petitioner No.2 into the Petitioner No.1 in their meetings. Copy of the approved Scheme of Merger is annexed as "*Exhibit FCCL-6*" (Volume 5, Page 953-964) with the report of Chairpersons. It has been shown that the merger contemplated under the Scheme of Arrangement would have significant benefits for the Petitioners' companies and their respective stakeholders, which are stipulated in the Scheme of Arrangement. The Petitioner No.1 in its meeting resolved as under:

"RESOLVED THAT the Scheme of arrangement for Amalgamation dated 17th November, 2021 between Askari Cement Limited and its Members, and Fauji Cement Company Limited and its Members, approved by the Board of Directors of Fauji Cement Company Limited and circulated to the members of Fauji Cement Company Limited, being considered by this meeting is hereby approved adopted and agreed".

"RESOLVED FURTHER as and by way of Special Resolution THAT the authorised share capital of the Company be and is hereby increased to Rs.25,000,000,000/- (Pak Rupees

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Section 1, Lahore High Court

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Twenty-Five Billion only) by the creation of 1,000,000,000 (one billion) ordinary shares of Rs.10/- each, such new shares to rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company, and that accordingly:

- (a) Object V of the Memorandum of Association of the Company be and is hereby amended to read as follows:

"V. The authorised capital of the Company is Rs.25,000,000,000/- (Rupees Twenty-Five Billion only) divided into (2,500,000,000) (Two Billion Five Hundred million) ordinary shares of Rs.10/- each with Rights, Privileges and Conditions attaching thereto as provided by the Articles of Association of the Company from time to time, with power to increase and reduce the Capital of the Company and to divide the shares into several classes of shares and issue shares of higher or lower denomination subject to any permission required under the law".

- (b) Article 4 of the Articles of Association of the Company be and is hereby amended to read as follows:

"4. The authorised capital of the Company is Rs.25,000,000,000/- (Rupees Twenty-Five Billion only) divided into (2,500,000,000) (Two Billion Five Hundred million) ordinary shares of Rs.10/- each with Rights, Privileges and Conditions attaching thereto as provided by the Memorandum of Association and Articles of Association of the Company from time to time, with power to increase and reduce the Capital of the Company and to divide the shares into several classes of shares and issue shares of higher or lower denomination subject to any permission required under the law".

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14. Similarly, the Petitioner No.2 in its meeting held on 26.02.2022 resolved as under:

“RESOLVED THAT the Scheme of arrangement for Amalgamation dated 17th November, 2021 between Askari Cement Limited and its Members, and Fauji Cement Company Limited and its Members, approved by the Board of Directors of Fauji Cement Company Limited and circulated to the members of Fauji Cement Company Limited, being considered by this meeting is hereby approved adopted and agreed”.

15. Since all the shareholders and Board of Directors of the Petitioners have unanimously approved the scheme of merger therefore, there is no reason to interfere with their business decision. All the required documents have been filed in Volumes, mentioned above, by the Petitioners and the Chairpersons, which have duly been examined by this Court.

16. Objection No.ii of SECP with regard to provision of latest supplementary audited financial statements, it is evident from the record that at the time of filing this petition, the Petitioners have appended financial statements upto 30.06.2021 however, on raising objection by the SECP, the learned counsel for the Petitioners sought time to submit the latest audited financial supplementary statements of the Petitioners in terms of order dated 02.02.2022. The latest financial statements of the Petitioners are annexed with Chairpersons report at (Annex-B/1) (Page. 1126 to 1210). Objection raised by SECP of similar nature has already been dealt with by this Court in “DILSONs (Private) Limited and others Versus Security & Exchange Commission of Pakistan and another” (2021 CLD 1317 Lahore) by holding that *“in light of the supplementary accounts placed on record by the Petitioners for the supplementary six month period ending 20 June 2020, the requirement of section 282(2)(e) has been duly met with and as such statements of accounts be considered part of Scheme of Arrangement and also be made part of the case file”*. So in the

light of aforesaid case law, the requirement of Section 282(2) of the Act has been met with.

17. Another observation of SECP with regard to soliciting NOCs from the secured creditors stands cured as all the secured creditors have given their NOCs to the mentioned Scheme. NOCs from the secured creditors of the Petitioner No.1 are annexed at Annex-G/1 (Pages 477 to 600 of Volume 3 and from pages 601 to 618 of Volume 4. While that of Petitioner No.2 are annexed at Annex-G/2) (Pages 619 to 761 of Volume No.4). It has been held in "DEWAN SALMAN FIBER Versus DHAN FIBERS LIMITED" (PLD 2001 Lahore 230) that *where required majority of the members of both the company has approved the resolution of merger of both the companies the sanction for merger could not be withheld unless it was shown that same was unfair, unreasonable or against the national interest*. It was further observed that *the shareholders were best judges of their interest and were better informed with the market trends than the Court, which was least equipped in evaluating such trends*.

G. CONCLUSION

18. Being a sanctioning Court, the Court has noticed that all indispensable statutory benchmarks, requirements and formalities have been accomplished and adhered to by the Petitioners as envisioned under the relevant provisions of the law, including the holding/convening of the requisite meetings as contemplated under the relevant provisions and rules and the resolutions passed by the members have already been highlighted. The proposed scheme is not found to be violative of any provision of law and/or contrary to public policy but as a whole looks like evenhanded and serviceable from the point of view of a prudent man of business taking a commercial decision beneficial to the class represented by him for whom the scheme is meant. Once the requirements of a scheme for getting sanction of the Court is found to have been met, the Court will have no further jurisdiction to sit in appeal over the commercial wisdom of the majority of the class of persons who with their open eyes have

given their approval of the scheme. There does not remain any objection to the scheme of arrangement and no mistake, conspicuous, detectable shortcoming or flaw has further been pointed out in the present matter. This Court has already allowed various mergers recently on the basis of consideration mentioned above, in "ROOMI FOODS PVT LTD Versus JOINT REGISTRAR OF COMPANIES" (2020 CLD 900), "MS FAZAL CLOTH MILLS Ltd Versus MS FAZAL WEAVING MILLS Ltd" (2021 CLD 182), "PRESSON DESCON INTERNATIONAL PVT LIMITED etc. Versus JOINT REGISTRAR OF COMPANIES" (2020 CLD 1128 = PLD 2020 Lahore 869) and "DILSONs (Private) Limited and others Versus SECURITY & EXCHANGE COMMISSION OF PAKISTAN and another" (2021 CLD 1317 Lahore) by holding that where a scheme of arrangement is found to be reasonable and fair, it is not duty or province of the Court to supplement or substitute its judgment against collective wisdom and intellect of all shareholders of the company involved.

19. In view of the forgoing reasons, there remains no impediment to grant and sanction of the Scheme of Merger of Petitioner No.2 into Petitioner No.1. Accordingly, this petition is allowed and the Scheme attached at **Annex-A** is hereby sanctioned in terms thereof.

(JAWAD HASSAN)
JUDGE

APPROVED FOR REPORTING

JUDGE

19840

Petition No. 19840
 Date of Presentation of Application 27/3/22
 Date of Deposit of Tax 27/3/22
 No of Words 14
 Copping No 14
 Urgent Fee 42
 Registration & Filing Fee 42
 Agency Fee 3
 Court Fee & Adjudication 3
 Total 45
 Name of Copist 45
 Date of Receipt of Cash 26-4-22
 Date of Completion of Copy 26-4-22
 Date of Delivery of Copy 27/4/22

Certified to be True Copy

Examiner Copy
 Authorised Under Article 24
 26/4/22