

1. 07/5/2021
Registered on
Deputy

IN THE HIGH COURT OF SINDH AT KARACHI
(COMPANIES JURISDICTION)

J. C. M. PETITION NO.

OF 2021

In the matter of:
Sections 279 to 283 and 285(8) of the Companies Act, 2017

1. **GUL AHMED TEXTILE MILLS LIMITED**, a public company limited by shares, incorporated under the provisions of the Companies Act, 1913, and existing under the provisions of the Companies Act, 2017, having its Registered Office at Plot No. 82, Main National Highway, Landhi, Karachi.
2. **GRAND INDUSTRIES (PRIVATE) LIMITED**, a private company limited by shares, incorporated under the provisions of the Companies Act, 1913, and existing under the provisions of the Companies Act, 2017, having its Registered Office at 35-B, Block-6, P.E.C.H.S., Karachi.
3. **IDEAS (PRIVATE) LIMITED**, a private company limited by shares, incorporated under the provisions of the Companies Ordinance, 1984, and existing under the provisions of the Companies Act, 2017, having its Registered Office at 48 F / B, Block-6, P.E.C.H.S., Karachi.
4. **WORLDWIDE DEVELOPERS (PRIVATE) LIMITED**, a private company limited by shares, incorporated under the provisions of the Companies Ordinance, 1984, and existing under the provisions of the Companies Act, 2017, having its



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Registered Office at Plot No. HT-3A,
Landhi Industrial Area, Karachi.

5. **GHAFOORIA INDUSTRIES (PRIVATE) LIMITED**, a private company limited by shares, incorporated under the provisions of the Companies Act, 1913, and existing under the provisions of the Companies Act, 2017, having its Registered Office at 35-B, Block-6, P.E.C.H.S., Karachi.

.....PETITIONERS

**PETITION UNDER SECTION 279 READ WITH
SECTIONS 280 TO 283 AND 285(8) OF THE COMPANIES ACT, 2017**



ORDER SHEET
HIGH COURT OF SINDH AT KARACHI

J.C.M. No. 14 of 2021

Date

Order with signature of Judge

For hearing of Main Petition.

- i) copies of publication made in Daily "Jang" (Urdu) & Daily "The News" (English), Karachi dated 14.06.2021 and 15.06.2021, Karachi,
- ii) The Official Gazette of Pakistan, as flagged.
- iii) Parawise Comments of SECP filed, as flagged.
- iv) Chairman's meeting Report filed, as flagged.

29.10.2021:

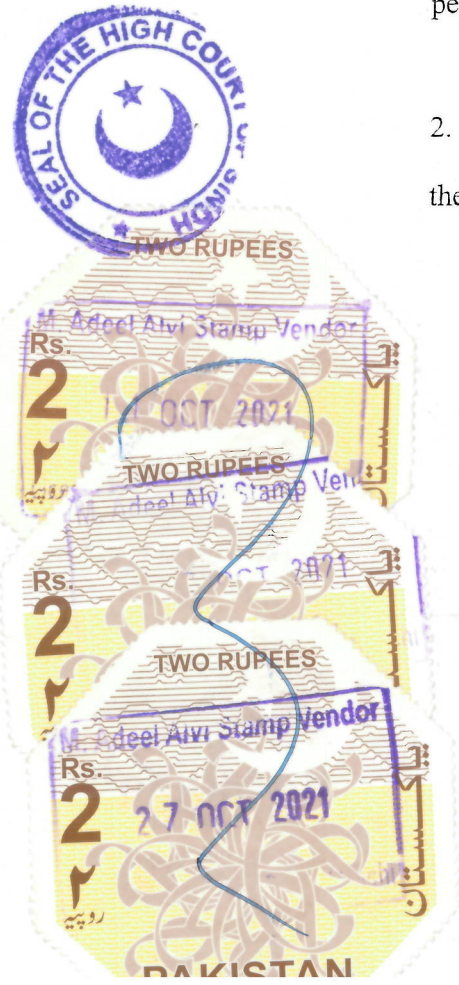
M/s. Mikael Azmat Rahim and Umar Memon, advocates for the petitioners.

Syed Ebaad-ur-Rehman, advocate for SECP.

SYED HASAN AZHAR RIZVI, J:- Through this petition under Section 279 read with Sections 280 to 283 and 285(8) of the Companies Act, 2017, the petitioners which are public / private companies limited by shares incorporated and existing under the Companies Act have sought permission of this Court for sanction of 'Scheme of Arrangement' as set forth in Annexure 'F' at page-73 to the petition.

2. The object of this petition is to, *inter alia*, obtain sanction of this Court to the Scheme of Arrangement in terms of which:-

- (i) specific portions of the undertaking of the Petitioner No 1 i.e. the GATML Retail Undertaking, as more particularly described in the Scheme of Arrangement, will be demerged from the Petitioner No. 1 and shall be transferred to, stand vested in and assumed by the Petitioner No. 3, while the GATML Retained Undertaking (as defined in the Scheme of Arrangement) shall continue to remain with the Petitioner No. 1, which shall continue as a going concern (taking into account the merger / amalgamation of the Petitioner No. 4, the Grand Demerged Undertaking 1, and the Ghafooria Demerged Undertaking with and into the Petitioner No 1).
- (ii) simultaneously, the Petitioner No. 4 shall be merged / amalgamated with and into the Petitioner No. 1, whereby the entire undertaking and business, inclusive of all assets, properties, rights, liabilities, obligations, benefits, powers.



privileges, contracts and dues of the Petitioner No. 4, as more particularly described in the S will be transferred to, stand vested in, and be assumed by Petitioner No. 1, as a consequence of which the Petitioner No. 4 shall be dissolved and will cease to exist without winding up in the manner contemplated under the Scheme of Arrangement. Furthermore, as part of the same, the loans provided to the Petitioner No 4 by the WWDL Directors (as defined in the Scheme of Arrangement) shall stand settled against issuance of shares of the Petitioner No.1;

- (iii) *simultaneously, specific portions of the undertaking of the Petitioner No. 2 i.e. the Grand Demerged Undertaking 1 and Grand Demerged Undertaking 2, as more particularly described in the Scheme of Arrangement, will be demerged from the Petitioner No 2 and shall be transferred to, stand vested in and assumed by the Petitioners No. 1 and 3 respectively, while the Grand Retained Undertaking (as defined in the Scheme of Arrangement) shall continue to remain with the Petitioner No 2, which shall continue as a going concern.*
- (iv) *simultaneously, specific portions of the undertaking of the Petitioner No. 5 i.e. the Ghafooria Demerged Undertaking, as more particularly described in the Scheme of Arrangement, will be demerged from the Petitioner No.5 and shall be transferred to, stand vested in and assumed by the Petitioner No.1, while the Ghafooria Retained Undertaking (as defined in the Scheme of Arrangement) shall continue to remain with the Petitioner No.5, which shall continue as a going concern.*

Additionally, the Petitioners seek the confirmation of this Hon'ble Court with respect to the reduction in the issued and paid up share capital of the Petitioner No.3.

3. Pursuant to order dated 27.05.2021 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) Rules, 1997 was issued. Notice was also issued to the Registrar, Joint Stock Companies. Publication was also effected in daily 'Jang' (Urdu) dated 15.06.2021 and daily 'The News' (English), Karachi dated 15.06.2021, so also in the official Gazette of Pakistan dated 11.08.2021.

4. In terms of the order dated 27.05.2021 separate meetings of the members / shareholders and secured creditors of the Petitioners No.1 and 2 as well as the members and shareholders of the petitioners No.3, 4 and 5 were convened on different dates (as mentioned in the Chairman's Report). In the meetings of the



Petitioners resolutions as described in para-3 of all the reports of the Chairman were passed (reports are available at page-31, 95, 113, 131, 149, 189 and 217) and the members / shareholders of the petitioners voted in favour of their respective resolution thus all were represented one hundred percent (100%) in value of the shares held by the members present in person or by proxy and voted at the meetings whereas in respect of secured creditors of the petitioners No.1 and 2 one hundred percent (100%) of the value of creditors of petitioners No.1 and 2 present and voting at the meeting have consented to and passed the resolution approving the Scheme of Arraignment and no secured creditor of the petitioners No.1 and 2 has objected to the said scheme.

5. Parawise comments by the Syed Iftikhar Ul Hasan Naqvi, Additional Registrar of Companies, Securities and Exchange Commission of Pakistan, were filed on 21.09.2021, wherein certain formal observations are made which are not against and inconsequential to the Scheme of Arrangement.

6. In view of the above circumstances, I am of the opinion that all the indispensable statutory benchmarks and formalities have been accomplished and adhered to by the petitioners as envisioned under the relevant provisions of Companies Act, 2017 and the enabling rules. The Scheme set up for sanction have been reinforced and fortified by the requisite majority which decision seems to be just and fair. The report of Chairman unequivocally convey that all essential and fundamental characteristics and attributes of scheme were placed before the voters in the separate meetings to live up to statutory obligations. The proposed scheme as a whole looks like evenhanded and serviceable from the point of view of prudent men of business, taking a commercial decision. Once the requirements of a scheme for getting sanction of the court are found to have been met, the court will have no further jurisdiction to sit over the commercial wisdom of the



majority of the class of persons who with their open eyes have given their approval to the scheme.

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. The petition is, therefore, allowed as prayed for and 'Scheme of Arrangement' (Annexure "F" at page-73 to the Petition) is sanctioned.

Sd/- Syed Hasan Azhar Rizvi
Judge



THE HIGH COURT OF SINDH, KARACHI
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Muhammad Sarfaraz
(MUHAMMAD SARFARAZ)
I/C: ASSISTANT REGISTRAR (COPYING)

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