

THE HIGH COURT OF SINDH, KARACHI
[COMPANY BENCH]

J.C.M. No. 32 of 2024
In the matter of the Companies Act, 2017
And
of Sapphire Holding Ltd. and others

Petitioners : (1) Sapphire Holding Ltd.
(2) STM Corporation (Pvt.) Ltd.
(3) Channel Holdings (Pvt.) Ltd.
(4) ATMZ Company (Pvt.) Ltd.
(5) Synergy Holdings (Pvt.) Ltd.
(6) Resource Corporation (Pvt.) Ltd.
(7) Glory (Pvt.) Ltd.
(8) Glitter (Pvt.) Ltd.
(9) Lavender (Pvt.) Ltd.
(10) Acrylic (Pvt.) Ltd.
(11) Salman Ismail (Pvt.) Ltd.

Through M/s. Yousuf Khalid Anwer
Advocate.

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

Date of hearing : 30-05-2025

Date of order : 17-07-2025

ORDER OF SANCTION OF SCHEME

Adnan Iqbal Chaudhry J. - The Petitioners are companies limited by shares incorporated in Pakistan with registered offices at Karachi. Petitioner No.1 is a public un-listed company. Petitioners 2 to 11 are private companies. Under sections 279 and 282 of the Companies Act, 2017 [**the Act**], the Petitioners seek sanction of a Scheme of Arrangement with their respective members to transfer certain assets of the Petitioners 1 and 2 to the Petitioners 7 to 10. As a non-listed public company, Petitioner No.1 is classified as a Medium Sized Company in the Third Schedule to the Act. Therefore, *vide* SRO 840(I)/2017 dated 17.08.2017 issued under section 285(8) of the Act, a petition under section 279 of the Act lies before the Company Bench of the High Court.

2. By order dated 29.11.2024 passed under section 279(1) of the Act, the Court ordered separate meetings of members of the Petitioners to vote on the Scheme of Arrangement. The meeting of creditors of the Petitioners was dispensed with on the submission that as holding companies the Petitioners do not have secured creditors. The Chairman appointed for each meeting has filed report under Rule 57 of the Companies (Court) Rules, 1997.

3. Heard learned counsel and perused the record.

4. Petitioner No.1 is a holding company. Petitioner No.2 is a subsidiary of Petitioner No.1. Majority shareholders of Petitioner No.1 are individuals described in the Scheme as the 'Amer Family', the 'Nadeem Family', the 'Shahid Family' and the 'Yousuf Family'. Each Family holds controlling shares in Petitioners 3 to 11 as follows. Petitioners 4 and 9 are controlled by the Amer Family. Petitioners 3 and 7 are controlled by the Nadeem Family. Petitioners 6 and 8 are controlled by the Shahid Family. Petitioners 5, 10 and 11 are controlled by the Yousuf Family. The Petitioners 3 to 11 are holding companies for the Families. The Petitioners 3 to 6 and 11 are also shareholders of Petitioner No.1.

5. The assets subject matter of the Scheme are 71.6768% of the free assets of the Petitioners 1 and 2 as of 30.06.2024, primarily securities as set-out in Annexures 'A' and 'B' of the Scheme and referred to as the 'Demerging Undertaking' which have been worked out by the Chartered Accountant as assets representing the proportionate shareholding of each Family and their holding company in Petitioner No.1. The Scheme proposes to transfer the Demerging Undertaking to Petitioners 7 to 10 (the other holding companies for the Families) in said proportion. As a consequence, the number of shares set-out in clause 9 of the Scheme held by each Family and Petitioners 3 to 6 and 11 in Petitioner No.1 are proposed to be cancelled, and in lieu thereof,

the Petitioners 7 to 10 shall issue shares to the respective Family as per clause 10 of the Scheme.

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

- (a) meeting of members of Petitioner No.1, held on 26.12.2024, was attended by shareholders representing 18,591,347/- shares out of 20,093,140/- shares issued i.e. by 93%, all of whom approved the Scheme of Arrangement and passed a special resolution accordingly;
- (b) meeting of members of Petitioner No.2, held on 26.12.2024, was attended by 100% shareholders, all of whom approved the Scheme of Arrangement and passed a special resolution accordingly;
- (c) meetings of members of Petitioners 3 to 11 were also held on 26.12.2024 which were attended by 100%, all of whom approved the Scheme of Arrangement and passed special resolutions accordingly.

7. The Scheme of Arrangement was thus approved by the requisite majority of three-fourths of the value of shareholders of each Petitioner present and voting at the meeting. Therefore, the requirement of section 279(2) of the Act is fulfilled. Notice calling the respective meetings had also fulfilled the requirements of section 281(1) of the Act.

8. To the extent the proposed cancellation of shares by the Petitioner No.1 entailed a reduction in paid-up share capital requiring a special resolution by members as envisaged in section 89 of the Act, Petitioner No.1 was permitted to call another meeting of members for such purpose *vide* order dated 02.05.2025 so as to fulfil the requirement of Rule 66 of the Companies (Court) Rules, 1997. Such meeting was held on 27.05.2025 where the required special resolution

was passed by members of Petitioner No.1. Report of the Chairman of that meeting was placed on record under cover of statement dated 30.05.2025. The proposed reduction in share capital does not involve either diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital.

9. The Scheme is essentially a reorganization of shares held in Petitioner No.1 by the Family and their holding companies. The Family whose shares in Petitioner No.1 are proposed to be cancelled under the Scheme have voted in favour of the Scheme and also filed affidavits of consent. The shares do not appear to be under any charge or pledge. The Scheme appears to be for viable reasons and *prima facie* fulfils statutory requirements.

10. As per the auditor's report, the books of accounts of the Petitioners are properly maintained and the financial statements are in accord with the books of accounts. There do not appear to be investigation proceedings pending against the Petitioners under sections 256 to 258 of the Act. The petition was advertised pursuant to Rule 19 of the Companies Court Rules, 1997, however no one has come forth to oppose the petition. Comments of the Securities & Exchange Commission of Pakistan [SECP] do not bring forth any ground to withhold sanction to the Scheme of Arrangement.

11. In view of the foregoing, the petition is allowed. Under section 279(2) of the Companies Act, 2017 this Court doth hereby sanction without modification the Scheme of Arrangement involving the Petitioners and their members as set-out in Annexure 'L' to the petition (to be appended hereto), and doth hereby declare the same to be binding on all shareholders of each Petitioner, the creditors of the Petitioners 1 and 2 and on each Petitioner with effect from the date hereof.

The parties to the Scheme or any other person affected thereby shall be at liberty to apply to this Court for any direction that may be necessary regarding the working of the Scheme.

To comply with section 279(3) of the Act, the Deputy Registrar (O.S.) shall forward a certified copy of this order to the Registrar of Companies.

JUDGE

Karachi:
Dated: 17-07-2025