

IN THE HIGH COURT OF SINDH KARACHI

J. C. M. No. 07 of 2022

Date	Order with signature of Judge
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1. For orders on CMA No.2606/2022 (Urgency) :
2. For hearing of main petition :

27.10.2022 :

Mr. Muhammad Abdur Rehman, advocate for the petitioners.
Syed Hafiz Ibad, Law Officer, SECP.

ORDER

NADEEM AKHTAR, J. – Through this petition under Sections 279 to 283 and 285(8) of the Companies Act, 2017, the petitioner-companies have prayed that the Scheme of Arrangement (**'Scheme'**) set forth in Annexure 'A' to the petition for the amalgamation of RB Hygiene Home Pakistan Limited (petitioner No.1) with Reckitt Benckiser Pakistan Limited (petitioner No.2) be sanctioned by this Court.

2. The petitioners are companies limited by shares and are existing under the Companies Act, 2017, (**'the Act'**). Their objects are set forth in their respective Memorandums and Articles of Association, copies whereof are attached to the petition. Petitioner No.1 has an authorized capital of Rs.250,000,000.00 divided into 25,000,000 ordinary shares of Rs.10.00 each, out of which 1,037,938 ordinary shares of Rs.10,379,380.00 are issued and fully paid up and the remainder are unissued ; and, is engaged in the business of developing, manufacturing, marketing, sale and distribution of home and general hygiene products. Petitioner No.2 has an authorized capital of Rs.500,000,000.00 divided into 50,000,000 ordinary shares of Rs.10.00 each, out of which 3,862,528 ordinary shares of Rs.38,625,280.00 are issued and fully paid up ; and, is engaged in the business of manufacturing, importing, marketing, selling and exporting health care products. It is stated that 98.7% of the issued shares of petitioners 1 and 2 are held by Reckitt Benckiser Limited, a company incorporated in England whose parent company is Reckitt Benckiser Group plc, a company incorporated in England.

3. It is stated in the petition that the Scheme is between petitioner No.1 and its members and petitioner No.2 and its members ; all the members of each of the petitioners, being holders of ordinary shares, are of a single class and each member will be affected by the Scheme in the same manner and to the same

extent ; the amalgamation of the petitioners in terms of the Scheme will not diminish or in any way affect the rights and securities of the creditors of petitioner No.2 ; the creditors of petitioner No.1 will become the creditors of petitioner No.2 and accordingly the liabilities of petitioner No.1 will be discharged by petitioner No.2 ; the respective creditors of the petitioners have accorded their written consent to the sanction of the Scheme ; and, the Scheme has been adopted by the respective Boards of Directors of both the petitioners.

4. The petitioners have submitted that the object of the Scheme submitted by them for the sanction of this Court is to effect the amalgamation of petitioner No.1 with petitioner No.2 in accordance with the Scheme by transferring to and vesting in petitioner No.2 of the whole undertakings of petitioner No.1 together with all its properties, assets, rights, liabilities and obligations of every description. The allotment at par to the registered holders of ordinary shares in petitioners 1 and 2 in accordance with their entitlement is laid down in the Scheme. The financial statements of both the petitioners have been filed for the year ended December 31, 2021.

5. Notice of this petition was published in the Gazette of Pakistan dated 18.05.2022, and also in daily newspapers 'Dawn' and 'Jang' on 26.05.2022. Notice was also affixed on the Court notice board and it was issued to the Additional Registrar of Companies too. Vide order dated 21.04.2022 passed on C.M.A. No.1005/2022 filed by the petitioners, they were allowed to convene separate meetings of their respective members for approving the Scheme. In compliance of the said order, separate meetings were held and thereafter reports were filed on 02.07.2022 by the Chairman of the Extraordinary General Meetings of the petitioners held on 27.06.2022. As per the said reports, the Scheme was placed before the members and was approved by them.

6. Para-wise comments were filed by SECP on 06.09.2022, wherein it was stated, *inter alia*, that the petitioners did not file the no-objection certificates (NOCs) from their secured creditors. In reply to the comments of SECP, a rejoinder was submitted by the petitioners on 09.09.2022 along with the requisite NOCs from their respective creditors. Consequently, a statement dated 25.10.2022 was filed by SECP on 27.10.2022 stating that the above observation made by SECP in its comments now stands satisfied, and SECP does not have any other reservation to the sanction of the Scheme. Learned counsel for SECP reiterates the above statement.

7. I have examined the Scheme wherein the amalgamation of petitioner No.1 with petitioner No.2 as well as the procedure and implications thereof have been set forth in detail. The petitioners have disclosed to the Court all material

facts relating to them including their latest financial position and the latest audited accounts for the year ended December 31, 2021. The Scheme has been approved by the members of the petitioners in their respective meetings held with the permission of this Court, and their creditors have accorded their consent to the sanction of the Scheme. Thus, all legal and formal requirements for the sanction of the Scheme have been duly complied with by the petitioners.

8. The object of the Scheme, as stated therein, appears to be lawful, and the proposed amalgamation of petitioners No.1 with petitioner No.2 does not appear to be against the public interest / policy or in violation of any law. In view of the above and also as the members of the petitioners have approved the proposed amalgamation, the Scheme is hereby sanctioned and accordingly the petition is granted as prayed.

J U D G E