

LAHORE HIGH COURT, LAHORE.

C.O. NO. 43-2015

PRESENT MR. JUSTICE SHAMS MEHMOOD MIRZA

MCB BANK LIMITED

Vs.

MCB ISLAMIC BANK LIMITED

JOINT APPLICATION BY THE PETITIONERS FOR COMPROMISES,  
ARRANGEMENTS AND RECONSTRUCTION UNDER SECTION 284  
TO 288 OF THE COMPANIES ORDINANCE, 1984.

Order P.T.O.

*Omair Anjum*

9/4/15

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Form No.HCJD/C-121

**ORDER SHEET**  
**IN THE LAHORE HIGH COURT LAHORE.**  
**JUDICIAL DEPARTMENT**  
**CO.No.43 of 2015.**

MCB Bank Ltd.      VERSUS      MCB Islamic Bank Limited

Sr. No. of Order/ Proceeding	Date of order/ Proceeding	Order with signature of Judge, and that of parties Of counsel, where necessary
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04.03.2016      M/s Imtiaz Rashid Siddiqui, Shaheryar Kasuri,  
Raza Imtiaz Siddiqui, Sabeel T. Mann Advocate  
for the petitioners.  
Mrs. Samia Khalid, learned Assistant Advocate  
General.  
Muhammad Amin, staff officer, State Bank of  
Pakistan.  
Mr. Umair Mansoor Advocate for SECP.  
Mr. Aurang Zeb Mirza Advocate and Mr. M.  
Ilyas Ahmad Advocate, Joint Chairman.

This is a joint petition filed under sections 284 to 288 of the Companies Ordinance, 1984 (the Ordinance), between petitioner No.1 and petitioner No.2 for sanctioning of the scheme of demerger, rearrangement and transfer of assets, liabilities, and operations of the Islamic Banking Division of MCB Bank Limited, petitioner No.1 herein to its wholly owned subsidiary namely MCB Islamic Bank Limited, petitioner No.2 (hereinafter referred to as the Scheme).

2.      Vide application bearing C.M. No.969 of 2015, the petitioners placed on record letter dated 20.10.2015 written by the State Bank of Pakistan through which it was informed that the proposed bifurcation of Islamic Banking Division of petitioner No.1 and vesting thereof in petitioner No.2 cannot be carried out under section 48 of the Banking Companies Ordinance, 1962. Petitioner No.1 was accordingly advised to

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proceed further in the matter in accordance with the applicable laws, hence this joint application by the petitioners.

3. On 27.11.2015, the Court directed that notices be issued through proclamation in the newspapers Dailies "Jang" and "Dawn" under Rules 61 of the Companies (Court) Rules, 1997, for the purposes of informing the general public of the presented Scheme *inter se* the petitioners and objections were invited from members, certificate holders and creditors, as well as, from any person having an interest in the affairs of the petitioners. In addition, thereto notices were also to be issued to the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan and the Competition Commission of Pakistan.

4. Through order dated 27.11.2015, the Court also ordered for the holding of the extra-ordinary general meetings of the petitioners to ascertain the wishes of their respective members/certificate holders with reference to the Scheme. The said meetings were directed to be held under the co-chairmanship of Mr. Aurangzeb Mirza, Advocate and Mr. Ilyas Ahmad, Advocate. The said co-chairpersons were directed to preside over the meetings and submit a report thereof.

5. In compliance with the afore-mentioned order, public notices by the office of this Court have been issued in dailies "Dawn", "Business Recorder" and "Jang" on 30.01.2016.

6. The co-chairpersons have tendered a comprehensive report on 21.01.2016 which is duly supported by the relevant record. According to the report, the extra-ordinary general meetings of the respective petitioners were scheduled and notified for 08.01.2016. In this regard notices were issued to the shareholders of the petitioners, which were also published on 17.12.2015 in Dailies "Jang" and "Dawn". The

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copies of the dispatched notices and names of the shareholders and the notices published in newspapers are annexed with the report.

7. As per the Report, the meetings were convened and held as scheduled under the supervision of the co-chairpersons. The attendance sheet of shareholders of the petitioners has also been placed on record which manifests the participation of the shareholders in the meeting of petitioners, personally and through proxy. As per the report, the Scheme was unanimously approved by the shareholders of the petitioners.

8. The Securities & Exchange Commission of Pakistan has filed its comments and stated that it has no objection to the Scheme. Likewise, the State Bank of Pakistan has also filed its comments and stated that it has no objection to the Scheme. Further, the NOC's issued by the Creditors have also been placed on record stating their no objection to the approval of Scheme.

9. Petitioner No.1 is a public limited Company with an authorized share capital of Rupees 15,000,000,000 divided into 1,500,000,000 ordinary shares of Rupees 10 each; its paid up capital is Rupees 11,130,307,000 divided into 1,113,030,748 ordinary shares of Rupees 10 each.

Similarly, Petitioner No. 2 is a wholly owned subsidiary of Petitioner No. 1 with an authorized share capital of Rupees 15,000,000,000 divided into 1,500,000,000 ordinary shares of Rupees 10 each; its paid up capital is Rupees 10,000,000,000 divided into 1,000,000,000 ordinary shares of Rupees 10 each. Petitioner No. 1 as well as petitioner No. 2 are both engaged in the business of banking.

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10. In the Application as well as is the Scheme, it has been asserted that the rearrangement/bifurcation will (a) result in better, efficient and economical management, control and running of the businesses and further development and growth of the businesses of the petitioner companies, specifically the business of Islamic banking, (b) allow a focused strategy in operations of the petitioners undertakings along with providing scope for independent collaboration and expansion without committing the existing organization in its entirety and creating enhanced value for their shareholders (c) allow petitioner No. 2 to harness and capitalize on the phenomenal opportunities of Islamic banking business, in Pakistan; the same will facilitate as well as expand Islamic banking operations within Pakistan, in accordance with the applicable rules and regulations of the State Bank of Pakistan, (d) will result in increased value for shareholders inasmuch as all the Companies would have their own distinct characteristics and would offer different investment profiles.

11. As none of the stakeholders, creditors, shareholders of petitioner No.1 and petitioner No.2 and other interested parties have raised any objection to the Scheme, this petition is allowed and the Scheme is hereby sanctioned which shall form part of this order as Schedule 'A'. The Scheme shall take effect in accordance with section 284 (3) of the Ordinance. In consequence thereof, it is further ordered in terms of section 287 of the Ordinance as follows:

- a. that with effect from September 30<sup>th</sup>, 2015 the entire operation of the Islamic Banking Group of MCB Bank Limited with all its assets (including without limitation the immoveable properties as specified in Schedule-B hereto), rights, privileges, benefits of Government consents, sanctions, authorization,

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licenses, operations, liabilities mentioned in the scheme be transferred without further act or deal to MCB Islamic Bank Limited pursuant to section 287 (2) of the Ordinance subject to the payment of stamp duty in terms of the ratio of PLD 2015 Lahore 632 titled In the matter of Fatima Sugar Mills Limited through Company Secretary and others. In accordance with Article 27-A of the first schedule of Stamp Act, 1899, the stamp duty is chargeable at the rate of 3% of the value of the property. In respect of the transfer of immovable properties situated in the Province of Punjab as mentioned in Schedule-B, the stamp duty amounting to Rs.64,116,387/- is payable. Similarly, as per Article 23 (b) of the First Schedule to the Stamp Act, 1899 stamp duty at the rate of Rs.100/- per motor vehicle is chargeable for the transfer of vehicle to petitioner No.2. Furthermore, in respect of the transfer of immovable properties situated in the province of Sindh as mentioned in Schedule-B the stamp duty shall be paid in terms of the applicable law and the rates within a period of one month from the date of this order.

- b. The petitioner No.2 shall within 30 days after the date of issue of certified copy of this order cause the delivery thereof to the Registrar of companies for registration.

S.D.  
(Shams Mehmood Mirza)  
Judge

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Authorized Under Article 87 of  
Qanun-e-Shahadat Order, 1987

"Schedule...B"

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PROPERTIES IN PROVINCE OF PUNJAB

S.No.	Detail of Property	Land Area	DC Rate per Marla [PKR]	Stamp Duty as per DC Rate [PKR]
1.	668-I, Block A, People Colony No.1, Faisalabad	01 Kanal 10 Marlas 250 Sq.Ft.	454,000/-	14,037,279/-
2.	Z-339, Phase-III, DHA, Lahore	08 Marlas	2,450,000/-	19,600,000/-
3.	Shahbaz Plaza, Bank Road, Saddar, Rawalpindi	1095 Sq.Ft.	3,105,000/-	12,499,908/-
4.	87-E, Madina Heights, Maulana Shaukat Ali Road, Johar Town, Lahore	1,829 Sq. Ft.	1,080,000/-	8,779,200/-
5.	11-Satlij Block, Moon Market, Allama Iqbal Town, Lahore	01 Kanal	460,000/-	9,200,000/-
Total				64,116,387/-

Properties in Province of Sindh

S.No.	Detail of Property	Land Area	DC Rate per Sq.Ft. [PKR]	Stamp duty as per DC Rate [PKR]
1.	Shop No. 4 & 5, Nice Trade Orbit, Shahr-e-Faisal, Karachi.	1,595 Sq.Ft.	4,600/-	7,337,000/-
2.	Shop No.6 & 7, Ground Floor, River View Apartment, Thandi Sarak, Hyderabad.	2,226 Sq.Ft.	383/33	853,293/-
3.	Plot No. LM-10, Block - 10/A, Main Rashid Minhas Road, Karachi	1,044 Sq.Ft.	4,600/-	4,802,400/-
Total				12,992,693/-

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Shamz Mehmood Mirza  
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