

Presented on.....08/03/2023

IN THE HONOURABLE HIGH COURT OF SINDH AT KARACHI  
Suit No. 318 of 2023

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MUHAMMAD AYUB TAREEN AND OTHERS.....PLAINTIFFS

VERSUS

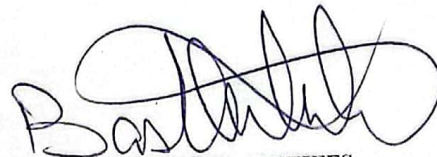
JS BANK LIMITED & OTHERS.....DEFENDANTS

CMA No 3788/23

APPLICATION UNDER ORDER 39 RULE 1 & 2 READ WITH SECTIONS 94  
AND 151 OF THE CODE OF CIVIL PROCEDURE, 1908.

For the reasons set out in the accompanying affidavit, it is hereby humbly prayed that the Honourable High Court of Sindh may be pleased to restrain the JS Group, particularly the JS Bank and JSCL, from acquiring the majority shareholding/ controlling shareholding in the Defendant No. 3, and from taking any further actions in pursuance of JS Bank's Public Announcement of Intention to Acquire at least 51 % shares and control of Bank Islami Pakistan Ltd vide Letter dated 15.11.2022 till the next date of hearing.

The said application is made in the interest of justice and fair play.



ADVOCATE FOR THE PLAINTIFFS

KARACHI

DATED:



IN THE HONOURABLE HIGH COURT OF SINDH AT KARACHI  
Suit No. 318 of 2023

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MUHAMMAD AYUB TAREEN AND OTHERS.....PLAINTIFFS

VERSUS

JS BANK LIMITED & OTHERS.....DEFENDANTS

AFFIDAVIT IN SUPPORT OF APPLICATION UNDER ORDER 39 RULE 1 & 2  
READ WITH SECTIONS 94 AND 151 OF THE CODE OF CIVIL PROCEDURE,  
1908.

I, Muhammad Ayub Tareen, son of Muhammad Akram Khan Tareen, Muslim, adult, holding CNIC No.42301-7520098-1, resident of Apartment No. 504, Block A, Creek Vista, Phase 8, DHA, Karachi, do hereby state on oath as under, do hereby state on oath as under:

1. I am the Plaintiff No. 1 and the attorney of the Plaintiffs No. 1 and 2 in the instant suit, hence, I am well conversant with the facts and peculiarities of the instant case.
2. The accompanying application has been drafted and filed under my explicit instructions, and for the sake of brevity the contents of the suit and the accompanying application may be read as part and parcel of this Affidavit.
3. The Plaintiffs No. 1, 2 and 3 are the shareholders of the Defendant No. 3, and have a keen interest in the affairs of the Defendant No. 3. The Plaintiff No. 4 is a public limited unlisted company, which is the management company of the AKD Opportunity Fund, AKD Islamic Stock Fund and Golden Arrow Stock Fund (open-end unit trust schemes), and it holds 4,001,299 shares in the Defendant No. 3 through the said funds.
4. The Defendant No. 1 (herein after referred to as 'JS Bank') is a public listed company, which is a licensed banking company under the Banking Companies Ordinance, 1962 (herein after referred to as the 'BCO'), whereas the Defendant No. 2 (herein after referred to as 'JSCL') is primarily an investment company in financial services and also makes long term investments in growing companies in Pakistan. JSCL is one of the founders/ sponsors of the Defendant No. 3 and retains a significant shareholding in the Defendant No. 3. The Defendant No. 3 is an Islamic banking company under the BCO, whereas the Defendant No. 4 (herein after referred to as 'Mr. Jahangir Siddiqui') is a part of and the ultimate beneficiary and owner of the JS Group (as mentioned in the next paragraph). The Defendant No. 5 is the State Bank of Pakistan, whose permission and approvals

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are required for acquisition of controlling shares in any banking company (herein after referred to as the 'SBP'), whereas the Defendant No. 6 is the Securities and Exchange Commission of Pakistan (herein after referred to as the 'SECP'), which was established under the Securities and Exchange Ordinance, 1969.

5. Mr. Jahangir Siddiqui is the ultimate beneficiary and owner of a number of companies and entities that are collectively known as the 'JS Group'. The said JS Group consists of more than twenty-one such companies, including the JSCL (Mr. Jahangir Siddiqui retains effective control by virtue of a stake of 73.79% in the shareholding of JSCL) and JS Bank (Mr. Jahangir Siddiqui retains effective control by virtue of a stake of 55.51% in the shareholding of JS Bank). The list of declared companies within the JS Group, and Mr. Jahangir Siddiqui's control therein, are as follows:

Serial Number	Company Name	Control/ Shareholding (%)
1	JS Holdings (Private Limited)	100
2	Jahangir Siddiqui Securities Services Limited	100
3	Jahangir Siddiqui & Sons Limited	100
4	JS Lands (Private) Limited	99.9
5	SPM (Private) Limited	100
6	The Eastern Express Company (Private) Limited	100
7	Techno Ideas (Private) Limited	100
8	Augusta (Private) Limited	100
9	Energy Exploration Limited	100
10	<b>Jahangir Siddiqui &amp; Co. Limited</b>	<b>73.79</b>
11	<b>JS Bank Limited</b>	<b>55.51</b>
12	JS infocom Limited	73.79
13	JS International Limited	73.79
14	JS Investments Limited	46.94
15	JS Global Capital Limited	51.57
16	Quality Energy Solution (Private) Limited	73.79
17	Khairpur Solar Power (Private) Limited	73.79
18	Energy Infrastructure Holding (Private) Limited	73.79
19	Quality 1 Petroleum (Private) Limited	73.79
20	JS Petroleum Limited	37.63
21	JS Engineering Investments 1 (Private) Limited	73.79

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6. Within the aforementioned JS Group, JSCL retains 973,307,324 shares in JS Bank, and as such, owns 75.02% of the total shareholding therein. Hence, JSCL controls the board and management of JS Bank, which is a subsidiary thereof. As at 31.12.2021, JSCL retained a shareholding of 235,684,306 in the Defendant No. 3, which was the equivalent of 21.26% of the total shareholding thereof. JSCL, to date, retains such shareholding. In the month of October 2022, JS Bank sought and obtained permission from the SBP for the purchase 86,316,954 shares of the Defendant No. 3 from Emirates NBD Bank PJSC. Accordingly, upon purchase of the said shares, JS Bank obtained a shareholding equivalent to 7.79% of the total shareholding of the Defendant No. 3. Such acquisition, in and of itself, is illegal and unlawful.

7. Thereafter, on 15.11.2022, JS Bank made a public announcement of its intention to acquire more than 51% of the voting shares of the Defendant No. 3. This public announcement of intention was also disclosed on 16.11.2022 to the Pakistan Stock Exchange and the Securities and Exchange Commission of Pakistan. In such public announcement of intention to acquire more than 51% shares and control of the Defendant No. 3, JS Bank has listed itself as the acquirer, whereas JSCL has been shown as the entity acting in concert with it. It has also disclosed that Mr. Jahangir Siddiqui is the ultimate acquirer upon such acquisition. This is the case as Mr. Jahangir Siddiqui has a controlling interest in JS Bank as well as JSCL. Furthermore, and importantly, it had also been disclosed that JS Bank "is a scheduled and licensed bank which operates in the conventional market and banking business since December 31, 2006". On the very same day, that is, 15.11.2022, the President/ CEO of JS Bank sent an email to all of its employees, confidently announcing JS Bank's intention to acquire control of the Defendant No. 3. In the said email, the said President/ CEO stated,

I am pleased to share that JS Bank Limited ("JSBL") intends to acquire a controlling interest in BankIslami Limited ("BIPL") subject to all corporate and regulatory approvals and compliances with applicable laws.

....

Post acquisition, BIPL will become a subsidiary of JS Bank Limited and will continue to operate as a separate legal entity providing Islamic banking services as it does today.

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8. The aforementioned maneuvering by the JS Group follows earlier attempts by JSCL in the year 2015 to acquire the shareholding of Dubai Bank PJSC (which was subsequently acquired by Emirates NBD Bank PJSC) in the Defendant No. 3. The State Bank of Pakistan had refused to allow JSCL to complete such acquisition on account of a breach in the Founders Shareholder Agreement dated 19.09.2005 (herein after referred to as the 'Founders Shareholder Agreement'). As per

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clause 6.1 thereof, "no founding shareholder or any director of the Board (nominated to the Board by that Founding Shareholder) shall sell, transfer, assign, pledge, charge or otherwise dispose of any Share or any interest in any Share in BankIslami....". The only exception to such clause was Clause 6.2, which allowed sale to a 'bona fide third-party buyer' under certain circumstances and as per a defined modus operandi. As JSCL was a founding shareholder, as was Dubai Bank PJSC (succeeded by Emirates NBD Bank PJSC), the State Bank refused permission for the purchase of the said shares by JSCL on the basis of a breach of Clause 6 of the Founds Shareholder Agreement. Thereafter, having failed in its earlier designs and unlawful schemes, the JS Group is now attempting to do indirectly what it is barred by law to do directly. Furthermore, and in any case, in no manner, way, or form can JS Bank be described as a 'bona fide third party buyer', especially in light of it being a subsidiary of a founding shareholder hell bent on wresting control of the Defendant No. 3, and in light of JSCL's earlier attempt to secure control of the Defendant No.3 by purchasing the founders' shareholdings in violation of the law, amongst other things.

9. However, even such an attempt is in violation of the law. The relevant provision in the BCO regarding subsidiaries is Section 23. Section 23 states,

23. Restriction on the nature of subsidiary companies.--- (1) A banking company shall not form any subsidiary company except a subsidiary company formed for one or more of the following purposes, namely:-

....

(aa) The carrying on of banking business strictly in conformity with the injunction of Islam as laid down in the Holy Qur'an and Sunnah

(2) Save as provided in sub-section (1), not (sic) banking company shall hold shares in any company whether as a pledge, mortgage or absolute owner, of an amount exceeding thirty per cent of the paid-up share capital of that company or thirty per cent of its own paid-up share capital and reserves, whichever is less.

10. In relation to Islamic banking, the State Bank of Pakistan issued IBD Circular No. 02 of 2004 (herein after referred to as the 'IBD Circular'), which states,

All Banks.

  
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Dear Sirs,

**Minimum Shariah Regulatory Standards**

In order to promote Islamic Banking in Pakistan it has become necessary that Guidelines issued vide BPD Circular # 1 dated 1st January, 2003 be



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modified and a uniform policy pertaining to minimum Shariah regulatory standards for Islamic Banks, Islamic Banking Subsidiaries and Islamic Banking Branches be issued.

The minimum Shariah regulatory standards and the "Fit and Proper Criteria" framed for selection of the Shariah Advisor, duly approved by the SBP Shariah Board, have been incorporated in the Guidelines and are attached as annexure I, II, III and IV to this Circular. Banks carrying out Islamic banking operations should enforce the Fit and Proper Criteria positively by 30th June, 2004 or those who wish to start such operations as laid down in the guidelines should follow the instructions in both letter and spirit. Failure to comply with these instructions will result in penalty under the provisions of BCO. 1962.

Kindly acknowledge receipt.

11. The said IBD Circular was subsequently updated and revised vide IBD Circular No. 4/20. It provides for three methods of commencing Islamic banking, that is, (1) by setting up a scheduled Islamic Commercial Bank, (2) by existing scheduled commercial banks setting up their Islamic Banking Subsidiaries (as per Section 23 of the BCO), or (3) existing commercial banks establishing stand-alone branches for Islamic Banking.
12. In relation to setting up of a scheduled Islamic Commercial Bank, Annexure I of the IBD Circular specifically stated that "neither one person can be a Director in more than one financial institution nor one group should have more than one bank". IBD Circular No. 4 of 2020 also contains a similar provision. Such a restriction is also contained in the 'Fit and Proper Test' criteria delineated by the SBP in the Prudential Regulations for Corporate/ Commercial Banking (herein after referred to as the 'Prudential Regulations'), as well as other independently promulgated guidelines. Such Fit & Proper Test criteria, amongst other things, directly deals with cases in which acquisition of controlling shareholding is at play. The said provisions clearly state,

The "Fit and Proper Test" (FPT) is applicable on the sponsors (both individual & companies) who apply for a commercial banking licence, the investors acquiring strategic/ controlling stake in the banks/ DFIs, major shareholders of the banking companies and for the appointment of Directors, CEO, and Key Executives of the banks/ DFIs. The fitness & proper will be assessed on the following broad elements:

- a. Integrity, Honesty & Reputation
- b. Track Record
- c. Solvency & Integrity
- d. Qualification & Experience
- e. Conflict of Interest
- f. Others

2. First three elements are applicable to all categories of individuals, whereas the last three elements will be considered while assessing the FPT of Directors, CEO & Key Executives of banks/ DFIs. In addition to above

  
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requirements, sponsors and strategic investors are evaluated respectively in terms of "Guidelines & Criteria for setting up of a Commercial Bank" & "Criteria for Establishment of Islamic Commercial Banks" issued by SBP and Code of Corporate Governance issued by SECP.

7. ... The strategic investors contemplating to acquire strategic/ controlling stake are required to seek prior approval from SBP either directly or through the concerned department/ Ministry of Government executing strategic sale transaction of the bank as required and provided in the transaction structure.

13. The relevant provision of the 'Criteria for Establishment of Islamic Commercial Banks' restraining one group from having two banking licenses is already mentioned above (contained in Annexure I of the IBD Circular and IBD Circular No. 4/20). As per the 'Guidelines & Criteria for setting up a Commercial Bank', "a group, as defined in the Prudential Regulations, shall not be eligible to own more than one commercial bank". The term 'Group' has been defined in the Prudential Regulations as follows:

21. Group means persons, whether natural or juridical, if one of them or his dependent family members or its subsidiary, have control or hold substantial ownership interest (as defined in these regulations) over the other.

"Substantial ownership/ affiliation" means beneficial shareholding of more than 25% by a person and/ or by his dependent family members, which will include his/ her spouse, dependent lineal ascendants and descendants and dependent brothers and sisters. However, the shareholding in or by the Government owned entities and financial institutions will not constitute substantial ownership/ affiliation, for the purpose of these regulations."

14. The various companies of Mr. Jahangir Siddiqui, as mentioned in paragraph 3 above, along with the Defendant No. 4, in consideration of the above principles, would qualify as a 'Group' within the definition thereof in the Prudential Regulations as well as the 'Fit & Proper Test' criteria delineated by the SBP. As such, the bar in having more than one banking license would apply thereto. Therefore, in terms of the above, JS Group, and in particular, JS Bank and JSCL, are restricted from setting up a new Islamic banking company or acquiring an existing Islamic bank.

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15. With that said, the IBD Circular does highlight two methods by which JSCL and JS Bank could legitimately enter into the Islamic Banking business. Firstly, the JS Group may form a newly incorporated subsidiary company in terms of Section 23 of the BCO. Annexure II of the IBD Circular and IBD Circular No. 4/20 details the criteria for existing commercial banks to form Islamic banking subsidiaries, and as is apparent there from, Section 23, Annexure II of the IBD Circular and



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IBD Circular No. 4/20 envision the creation of an altogether new subsidiary company which shall undertake Islamic banking (rather than the conversion of existing Islamic banking company into a subsidiary of another existing commercial bank). Secondly, and in the alternative, the JS Group may also set up stand-alone Islamic banking branches of JS Bank itself. Annexures III of the IBD Circular details the criteria for creating stand-alone Islamic banking branches of existing commercial banks.

16. However, admittedly, the Defendants have not claimed, nor do they seek to enter the Islamic banking business via the aforementioned permitted methods mentioned in paragraph 13. The Defendants No. 1 and 2 do not seek to form/ incorporate a new subsidiary company for purposes of conducting Islamic banking, nor does JS Bank seek to establish stand-alone branches for Islamic banking.

17. In fact, it is admitted that the JS Group is seeking to acquire control of the Defendant No. 3 through acquisition of shares. Amongst other things, this is apparent from the email of JS Bank's President/ CEO to his staff on 15.11.2022, wherein he unequivocally stated that JS Bank intends to acquire controlling shares in the Defendant No. 3 and convert it into its subsidiary. In relation to this, as mentioned above, a group already maintaining a banking license would be barred from acquiring control in another company which also maintains such a license.

18. It is worthy to note that the aforementioned restrictions stipulated by the State Bank of Pakistan have been put in place for good reason. The overall policy of the State Bank of Pakistan, as well as the legislation in question, is to ensure that no individual or group is able to dampen competition and increase its own influence in the banking sector at the cost of efficiency and contest, which would in essence increase any group's ability to manipulate and influence the same. The Guidelines and Criteria for setting up a Commercial Bank elucidated by the State Bank of Pakistan alludes to such concerns when it states in paragraph 3 therein,

3. The financial sector in Pakistan was opened to private sector (both for local and foreign investment) in 1989 as a part of Federal Government's policy of deregulation and privatization of financial sector. Till the end of the year 1994, a good number of commercial banks and NBFC's were given authorization/ licence to commence business. Thereafter, in order to consolidate and strengthen the banking sector, as a first step, a moratorium was placed on setting up of commercial banks owned 100% by the local sponsors, which is still continuing.

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As is abundantly clear from the above, the JS Group, and particularly JSCL and JS Bank, cannot acquire 51% of the shareholding of the Defendant No. 3, thereby converting the same into its subsidiary. Even otherwise if it is assumed for the sake of argument without conceding the same that it can in fact do so, even then, the JS Group does not meet the requirements of the Fit & Proper Test as prescribed by the State Bank of Pakistan as well as contained in the Prudential Regulations.



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As per the State Bank of Pakistan, any investor acquiring strategic/controlling stake in a bank shall have to meet the Fit & Proper Test, which includes the following broad elements:

- a. Integrity, Honesty & Reputation
- b. Track Record
- c. Qualification & Experience
- d. ...

19. However, the JS Group has been implicated in various enquiries and investigations pertaining to money laundering, rights share fraud, illegal investments, losses caused to government entities, and insider trading. Many of these enquires and cases are pending to date. The details of the some of the many investigations/enquiries against the JS Group and its members, including Mr. Jahangir Siddiqui himself, are detailed below:

- Cayman Islands Money Laundering Investigation: The Financial Monitoring Unit (FMU) of the Government of Pakistan received intelligence from the Cayman Islands about alleged money laundering activities by Mr. Jahangir Siddiqui and his son, Mr. Ali Jahangir Siddiqui. As per such intelligence, the SUN Trust (herein after referred to as the 'Trust') and Akamoto Holdings Limited (herein after referred to as the 'Company') were established in October 2011. The Trust was to be settled by Mr. Jahangir Siddiqui for the benefit of himself and his son, Ali Jahangir Siddiqui (100%). In December 2011, the said Company received an amount of USD 1.2 million from an account with Goldman Sachs, Zurich, in the name of the Riler Financial Corp (herein after referred to as 'Rilera'). The bank in question attempted to ask the settlor for details of Rilera, however, the same was declined by Goldman Sachs on the ground of confidentiality. It was also indicated by the bank in question that Rilera appeared to be owned by Mr. Ali Jahangir Siddiqui. The said intelligence suspected that Mr. Jahangir Siddiqui and his son were involved in money laundering and that the funds received into the Trust structure, in whole or in part, directly or indirectly related to the proceeds of crime. The FMU sent its report, along with the said intelligence, to the Federal Investigation Authority (herein after referred to as the 'FIA') and the SECP. The FIA has taken cognizance of the same and has issued various notices to the relevant parties in pursuance of the investigation in question. The SECP has also indicated that Mr. Jahangir Siddiqui and Mr. Ali Jahangir Siddiqui have possibly violated Section 452 of the Companies Act, 2017, and in relation to the same, necessary action is being taken.
- JS Bank violations of SBP/ SECP rules and regulations: Transparency International-Pakistan identified various illegalities by JS Bank and the inaction of the authorities in relation to the same. It was pointed out that JS Bank enhanced its paid-up capital so as to meet the minimum paid-up capital requirements of Rs. 10 billion via transfer of shares from JS Global Capital Limited and JS Investments Limited in violation of the law. It may also be noted that the SBP had previously issued a letter to the SECP identifying infractions by JS Bank vis a vis minority shareholders. and is quoted to have stated that the "bank has discouraged the participation of minority shareholders in the AGM". It went on to note various anomalies and manipulations in the records of JS Bank, and thereafter indicated that SECP is required to look into such violations and ensure compliance with the law.

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- Fraudulent Right Share issuance by JSCL: In the year 2008, JSCL fraudulently issued 22,020,000 shares to foreign investors at a price of Rs. 475 per share (inclusive of premium amount of Rs. 465 per share) having total value of Rs. 10.459 billion. Through manipulations, the share price of JSCL was inflated to Rs. 1326 per share as on 31.01.2008, which subsequently fell to a low of Rs. 4 per share, and prior to the rights share issue, the price of JSCL was significantly inflated via the artificial creation of high turnovers by the JS Group so as to show a net high value of JSCL as well as to give an impression of liquidity. In this way, JS Group bought and sold shares at windfall profits and at the expense of various purchasers, including foreign investors. The said fraud was unearthed during an investigation in Case No. 231097/2015 by the National Accountability Bureau, which also issued a comprehensive report about the shocking activities of the JS Group.
- Azgard Nine Limited Share Market Fraud: SECP, on 05.11.2007, ordered a comprehensive investigation into JS Group's involvement in stock market manipulation and fraud into Azgard Nine Limited share trading in the year 2007 and 2008 (same period when JSCL share price was artificially increased and illegal approval of a right issue was solicited from SECP). SECP filed a criminal case against JS Group's companies and their abettors in the year 2013 praying the court to take cognizance of the acts committed by the accused in terms of Section 24 of the Securities and Exchange Ordinance, 1969, whereby the share price and volume of the Azgard Nine Limited shares were artificially increased through criminal manipulation in terms of Section 17 of the Securities and Exchange Ordinance, 1969.

20. In light of the above pending investigations and enquiries against the JS Group and its constituents, the same do not meet the Fit and Proper Test. Furthermore, the SBP, in the past, has refused to provide the JS Group, as well as its constituent parts, a NOC for purposes of a merger on this very basis: pending enquiries/ investigations. In the year 2013, JS Bank had sought for a NOC/ clearance from the SECP and State Bank of Pakistan for the merger of HSBC Bank Middle East Limited (HSBC) with JS Bank. The State Bank of Pakistan issued Letter dated 08.02.2013 to JS Bank, in which it refused to provide the NOC/ Clearance unless SECP provided its NOC:

2. In this regard, it is informed that we have come to know that Securities & Exchange Commission of Pakistan (SECP) is conducting an enquiry against companies belonging to the JS Group including JS Bank Ltd. for possible violation of the provisions of Securities and Exchange Ordinance, 1969.

3. Foregoing, it is advised that you may approach State Bank of Pakistan with your subject request after getting NOC/ clearance from SECP in this regard. SBP would process your request in terms of applicable laws, rules and on merit, after receipt of SECP's NOC.

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21. The SECP, vide Letter dated 21.02.2013, refused to provide such a NOC to JS Bank. The SECP, in such letter, stated,

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3 .... The SBP was informed that an enquiry is pending against few companies of JS Group for possible violation of section 17 of the Securities and Exchange Commission, 1969. Further, it may also be noted that proceedings in the matter of aforementioned enquiry has not yet concluded.

22. Similarly, in the year 2009, the JS Group had through JSCL approached the SBP for the acquisition of majority stake in the Royal Bank of Scotland Limited – RBS Pakistan, in light of which, the SBP had vide Letter dated 23.04.2009 sought for the comments of SECP regarding the JSCL, JS Group and their associated companies, in order to assess its fitness and propriety. However, the SECP vide Letter dated 27.04.2009, intimated to the SBP that it is conducting an enquiry into possible violations of the Securities and Exchange Ordinance, 1969, and contraventions of Listed Companies (Substantial Acquisition of Voting Shares & Takeovers) Ordinance, 2002, by the JS Group, and that its findings thus far indicated that certain companies and individuals associated with the JS Group may be in violations of the said laws.

23. Even otherwise, the Plaintiff No. 4 had submitted Complaint dated 27.07.2014 to the State Bank of Pakistan in relation to its concerns about JS Group acquiring a second bank, and the restrictions placed thereon by the law. Thereafter, a reminder was sent by the Plaintiff No. 4 on 28.02.2023. Such complaint has yet to be adjudicated upon by the State Bank of Pakistan, whereas the same was apparently forwarded to the National Accountability Bureau for purposes of its comments. In its comments, NAB stated,

9. That the fact that JS Group is effectively running two banks and has two banking licenses is not only in derogation of the licensing guidelines and circulars but also the spirit that was intended thereof which warrants necessary and immediate action. As per the complaint, the instant matter involves PKR 150 billion of public interest. Besides it also involves the credibility of the banking sector and State Bank of Pakistan. It is proposed that opinion of the banking expert may kindly be acquired if deemed appropriate please.

24. Thereafter, for reasons best known to the State Bank of Pakistan and NAB, no further action or progress has been witnessed in relation to the complaint in question. This is despite several attempts at contact and reminders by the Plaintiff No. 1. The Plaintiff No. 1 reserves the right to take appropriate action in relation to the same.

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Recently, on 13.01.2023, JSCL issued Letter dated 13.01.2023 to the Pakistan Stock Exchange therein announcing that JS Bank has expressed its interest in acquiring its shareholding in the Defendant No. 3. It may be noted that JSCL holds a controlling shareholding in JS Bank, which is a subsidiary thereof, and hence, it appears the whole exercise is in an apparent attempt to bypass the Founding



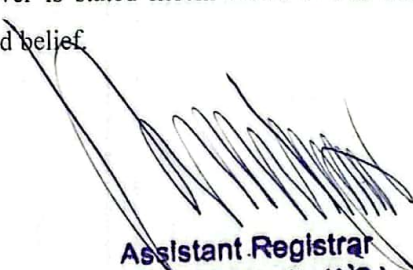
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Shareholders Agreement and the other provisions of the law. As noted above, such an acquisition would be against the mandate of the law.

26. Subsequently, on 23.02.2023, JSCL published a Notice in the newspaper for Extra Ordinary General Meeting of the company to be held on 16.03.2023. Agenda of such meeting was to pass a special resolution to sell the entire shareholding of JSCL in BIPL to JS Bank. What is most astonishing about such Notice is that the JSCL has blatantly stated therein that due to regulatory limitations it cannot acquire further shares of BIPL, as it already has a banking company (JSBL) as its subsidiary, hence, through a share swap arrangement it is selling its entire shareholding to JS Bank. Thereby admitting that is attempting to do indirectly what cannot be done directly under the law. In furtherance of the same, the JS Bank has recently issued the Letter dated 03.03.2023 to the General Manager, Pakistan Stock Exchange, disclosing that its board of directors have resolved to acquire 42.45% voting shares and control of BIPL from JSCL, other sponsors and shareholders of BIPL. Hence, the Plaintiffs have a prima facie case.

27. The balance of convenience lies in favour of the Plaintiffs in as much as the prejudice that shall be caused to the Plaintiffs if the application is denied far outweighs any adversity that may be faced by the Defendants in case of its allowance. Furthermore, the Plaintiffs shall suffer irreparable harm if the instant Application is not allowed in as much as the control of the Defendant No. 3 shall illegally vest with the JS Group, resulting in the disruption of its business and operations and the loss of investments of the Plaintiffs and other minority shareholders .

28. That whatsoever is stated herein above is true and correct to the best of my knowledge and belief

  
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**Karachi**

  
**DEPONENT**

IN THE HIGH COURT OF SINDH, KARACHI

Suit No: of 2023

Muhammad Ayub Tareen &  
Others  
S Bank Limited & Others

Plaintiff

VERSUS

Defendant

AFFIDAVIT IN SUPPORT OF APPLICATION U/O 39 RULE 1 & 2 R/W SECTIONS 94 &  
151 CPC

Muhammad Ayub Tareen Son of Muhammad Akram Khan Tareen,  
resident of Apartment No.504 Block A Creek Vista Phase 8 DHA  
Karachi., affirmed on oath before me at Karachi on this 06-Mar-  
2023 in the 'Identity Section' of this court.

(Muhammad Usman)

Assistant Registrar  
Affidavit & Identity (A.S.)  
High Court of Sindh  
Karachi

COMMISSIONER FOR TAKING AFFIDAVIT

Receipt

Tag  
ID:744170  
No. of  
Affidavit:2/4  
Cost  
received:  
Rs.200  
Entry Date:  
06-Mar-2023  
Printed on:  
06-Mar-2023 9:05 AM

Nadra Data

Name: محمد ايوب ترين  
Son Of: محمد اکرم خان ترين  
Address: مکان نمبر 504، محلہ کریک وسٹا فیز 8 ڈی ایچ  
اے، بلاک اے، کراچی جنوبی  
Remarks: Matched  
DOB: 04-10-1961 Expire Date:



Deponent



Signature

Personal Info.

CNIC  
42301-7520098-1  
Cell No  
0321636555  
Email

Verification Info.

☒ Photo Taken at I.S  
☒ Biometric / Verisys  
☒ Nadra Verified (FP)

e-Finger Print(at I.S)

