



FIRST TREET MANUFACTURING MODARABA

Packaging Solutions Corrugation

Managed by: Treet Holdings Limited NTN : 2551646-9 Sales Tax No. 03-02-4819-105-55

HEAD OFFICE: 72-B Industrial Area Kot Lakhpat, Lahore - 54770, Pakistan.

Ph : +92 (42) 35830881, 35122296, 35865907, Fax: +92 (42) 35114127 & 35215825

E-mail: info@treetonline.com URL : www.treetonline.com

FACTORY: 22-KM, Ferozepur Road, Rohi Nala Kacha Tibba, Lahore. E-mail: info@paksol.com.pk www.paksol.com.pk

Dated: January 25, 2022

The General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building,
Karachi.

Subject: Scheme of Arrangement regarding de-merger of Battery Division of First Treet Manufacturing Modaraba (FTMM)

Dear Sir,

Reference to the above mentioned subject, please note that Board approval regarding demerger of Battery division was accorded by the Management Company of First Treet Manufacturing Modaraba back in April 2019. However, fulfilment of all legal and regulatory requirements i.e., fetching NOCs from Banks took time, now we are in a position that the Petition has been filed before the Honorable High Court of Lahore; for the de-merger of Battery Division of the FTMM.

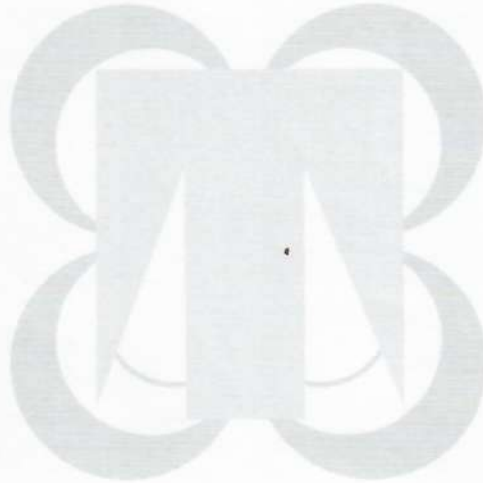
Accordingly, please find enclosed herewith the Scheme of Arrangement for TRE Certificate Holders. We will intimate, the Certificate Holders about the outcome of the Petition, as and when any "Judgement and/or Order" is passed by the Honorable High Court of Lahore.

Thanks Regards,

For First Treet Manufacturing Modaraba (FTMM)
Managed by Treet Holdings Limited



Zunaira Dar
Head of Legal and Company Secretary



TREET GROUP OF COMPANIES

SCHEME OF ARRANGEMENT

BETWEEN

**(1) FIRST TREET MANUFACTURING MODARABA
(AND ITS CERTIFICATE HOLDERS)**

AND

**(2) TREET BATTERY LIMITED
(AND ITS MEMBERS)**

**(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 282
AND ALL OTHER ENABLING PROVISIONS
OF THE COMPANIES ACT, 2017)**

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PREAMBLE

FIRST TREET MANUFACTURING MODARABA

BACKGROUND

FIRST TREET MANUFACTURING MODARABA (hereinafter referred to as "FTMM") was incorporated as a Modaraba under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and managed by Treet Holdings Limited. Its registered office is situated at 72-B Industrial Area, Kotlakhpat, Lahore. The ownership and management of FTMM is specified in Article 2 (I).

TREET BATTERY LIMITED

BACKGROUND

TREET BATTERY LIMITED (hereinafter referred to as "TBL") was incorporated on February 22, 2019 as a public company limited by shares under the provisions of the Companies Act, 2017. Its registered office is situated at 72-B Industrial Area, Kotlakhpat, Lahore. The ownership and management of TBL is specified in Article 2 (II).

Objective and Benefits

The principal object of this Scheme of Arrangement, formulated pursuant to the provisions of Sections 279 to 282 of the Act, is to provide for segregation of certain assets and businesses of FTMM along with respective liabilities and share premium allocated for such assets and business and to transfer these assets and business to TBL (as more particularly provided herein below)

The benefits of the Scheme of Arrangement, shall include but are not limited to the following:

1. De-bundling of business unit and exploration of value
2. Requirement of International Market
3. Additional Funds Raising
4. Value creation for the Modaraba Certificate Holders
5. Voting Rights for existing Modaraba Certificate Holders



ARTICLE-1 - DEFINITIONS

DEFINITIONS

- (I) In this Scheme of Arrangement (including the preamble hereto), the following expressions shall bear the meanings specified against them below:
- (a) **“Act”** means the Companies Act, 2017;
 - (b) **“Battery Project”** means Lead Acid Battery Project (on 40acre of land) in M-3 Industrial City, FIEDMC, Faisalabad;
 - (c) **“Battery Project Employees”** means all employees of FTMM-Battery who are employed directly or through contractor) wholly and/or principally for the purposes of the Battery Project and who have on or before the Sanction Date signed letters agreeing to accept employment with TBL in lieu of their employment with FTMM with effect from the Sanction Date;
 - (d) **“Battery Undertaking and Business”** means the assets, undertaking, business, liabilities of the Battery Project (including share premium allocated for the Battery Project) as more particularly described in Schedule 1 hereto;
 - (e) **“Court”** means the Lahore High Court, Lahore or any other court of competent jurisdiction for the time being having jurisdiction under Sections 279 to 282 of the Companies Act, 2017 in connection with this Scheme;
 - (f) **“FTMM”** or **“Transferor”** means First Treet Manufacturing Modaraba, a Modaraba incorporated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and having its registered office at 72-B Industrial Area, Kotlakhpat, Lahore.
 - (g) **“Effective Date”** means 00:00 hours on January 01, 2019;
 - (h) **“Retained Assets and Undertakings”** means the assets, undertakings, liabilities and obligations of FTMM that are retained by it under this Scheme;
 - (i) **“Rs.”** shall mean “Rupees”, being the legal tender money of the Islamic Republic of Pakistan;
 - (j) **“Sanction Date”** has the meaning ascribed thereto in Article 6 (I)(iv), being the day on which this Scheme becomes operative;
 - (k) **“Scheme”** means this Scheme of Arrangement in its present form with any modification thereof or addition hereto approved by the Court;



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- (l) **“TBL” or “Transferee”** means Treet Battery Limited, a private limited company incorporated under the Act and having its registered office at 72-B Industrial Area, Kotlakhpat, Lahore.
- (m) **“THL” or the “Modaraba Management Company”** means Treet Holdings Limited, a company incorporated under the laws of Pakistan and having its registered office at 72-B Industrial Area, Kotlakhpat, Lahore.

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ARTICLE-2 – SHARE CAPITAL AND MANAGEMENT

I. FIRST TREET MANUFACTURING MODARABA

The issued, subscribed and paid up certificate capital of FTMM as of Effective Date is Rs. 1,955,999,940/- divided into 195,599,994 certificates of Rs. 10/- each.

(a) The pattern of certificate holding of FTMM, as of the Effective Date, is as follows:

Categories of Certificate Holders	No. of Certificates Holders*	Certificates Held	% Holding
Syed Sheharyar Ali	1	21,447	0.01%
Individuals	194	4,658,785	2.38%
Investment Companies	4	151,500	0.08%
Treet Corporation Limited	4	170,851,700	87.35%
Treet Holdings Limited	1	19,590,562	10.02%
Others	9	326,000	0.17%
	213	195,599,994	100.00%

*based on no. of accounts in CDC / folios

(b) The total number of certificate holders of FTMM, as of the Effective Date is 213.

(c) FTMM is managed by the Modaraba Management Company. Shareholding and board composition of the Modaraba Management Company is as follows:

Shareholding of Modaraba Management Company



Treet Corporation Limited
Global Arts Limited
Directors

No. of Shares
61,101,708
10,003,000
32
71,104,740

Board of Directors of Modaraba Management Company

Dr. Niloufer Qasim Mahdi	Chairperson
Syed Shahid Ali	Chief Executive Officer
Syed Sheharyar Ali	Non-Executive Director
Mr. Imran Azim	Non-Executive Director
Dr. Salman Afridi	Non-Executive Director
Mr. Saulat Said	Non-Executive Director
Mr. Muhammad Shafique Anjum	Non-Executive Director
Mr. Munir Karim Bana	Non-Executive Director

II. TREET BATTERY LIMITED

The authorized, issued subscribed and paid up capital of TBL as of April 30, 2019 is as follows:

AUTHORISED	Rs.
1,000,000 ordinary shares @ Rs. 10.00 each	10,000,000
	=====
ISSUED, SUBSCRIBED AND PAID UP CAPITAL	
100,000 ordinary shares of Rs. 10/- each	1,000,000
	=====

(a) The pattern of shareholding of TBL, as of April 30, 2019, is as follows:

	Category of shareholders	Shares held	%
1	Treet Holdings Limited	99,996	100
2	Syed Shahid Ali	1	
3	Syed Sheharyar Ali	1	
4	Mr. Munir Karim Bana	1	
5	Mr. Rana Shakeel Shaukat	1	
	Total		100

(b) The total number of shareholders of TBL, as of April 30, 2019 is 05.



(c) The Board of Directors of TBL are as follows:

Syed Shahid Ali	Chairman/ Chief Executive Officer
Syed Sheharyar Ali	Non-Executive Director
Mr. Munir Karim Bana	Non-Executive Director
Mr. Rana Shakeel Shaukat	Non-Executive Director

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ARTICLE-3 – SCHEME OF ARRANGEMENT

GENERAL

- I. This Scheme of Arrangement has been formulated pursuant to the provisions of Sections 279 to 282 of the Act for the transfer and vesting of the Battery Undertaking and Business into TBL.

TRANSFER OF BATTERY UNDERTAKING AND BUSINESS INTO TBL

- II. The Battery Undertaking and Business shall transfer and vest in TBL in the following manner:
- (i) The Battery Undertaking and Business subsisting immediately preceding the Sanction Date shall, without further act or deed, matter or thing, process or procedure, be separated from FTMM and shall be transferred to and vested in TBL on the Sanction Date. The transfer and vesting of the Battery Undertaking and Business shall be free from all mortgages or charges or other encumbrances.
 - (ii) The separation from FTMM and transfer to and vesting in TBL of the Battery Undertaking and Business shall be treated as having taken effect from the Effective Date, and as from that time and until the Sanction Date, the Battery Undertaking and Business shall be deemed to have been owned and held for and on account and for the benefit of TBL and all profits, dividends, bonus shares, rights shares and entitlements accruing or arising to FTMM from or on account of the Battery Undertaking and Business shall be treated as profits, dividends, bonus shares, rights shares and entitlements (as applicable) accruing or arising to TBL.
 - (iii) During the period from the Effective Date till the Sanction Date, FTMM shall not sell, transfer or dispose of the Battery Undertaking and Business.

DETERMINATION OF BATTERY UNDERTAKING AND BUSINESS

- VII. (i) A balance sheet:
- a. has been prepared by FTMM (appended herewith as Schedule I) of the Battery Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of FTMM relating to the Battery Undertaking and Business, as reflected in the books of account of FTMM immediately preceding the Effective Date and which has been audited by the Auditors of FTMM, Kreston Hyder Bhimji & Co., Chartered Accountants;



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- b. shall be prepared by FTMM of the Battery Undertaking and Business, including, without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of FTMM relating to the Battery Undertaking and Business, as reflected in the books of account of FTMM as of the Sanction Date and which shall be audited by the Auditors of FTMM, Kreston Hyder Bhimji & Co., Chartered Accountants within sixty (60) days of the Sanction Date.
- (ii) The balance sheets mentioned in sub-clause (i) above have been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include notes setting out the methodology and assumptions used in identifying the Battery Undertaking and Business.

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ARTICLE-4 – SHARES

CONSIDERATION

- I. As consideration for transfer to and vesting of the Battery Undertaking and Business into TBL in terms of this Scheme, TBL shall allot **0.9984** ordinary share in TBL to the certificate holders of FTMM in respect of one (1) certificate in FTMM held by them, on the basis of net assets of the Battery Business and Undertaking as of the Effective Date as specified in this Scheme.
- II. All entitlements of registered certificate holders of FTMM shall be determined in the proportions as aforesaid. Fractional shares shall not be issued. All fractions less than a share shall be consolidated into whole shares which shall be disposed of by the Board of Directors of TBL.
- III. The allotment of ordinary shares of TBL in accordance with this Article 4 shall be made by TBL within thirty (30) days from the Sanction Date. The share certificates for such shares shall be made ready for delivery as soon as practicable thereafter and notice of their readiness for delivery shall be given in the manner specified in the Articles of Association of TBL.



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ARTICLE-5 – RIGHTS AND OBLIGATIONS OF TBL AND FTMM

RIGHTS AND OBLIGATIONS OF TBL IN RESPECT OF THE BATTERY UNDERTAKING AND BUSINESS

- I
- (i) All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against FTMM in respect of the Battery Undertaking and Business and pending before any court, tribunal, regulatory body or any other authority shall be treated as suits, appeals and legal proceedings by or against TBL and may be continued, prosecuted and enforced by or against TBL accordingly.
 - (ii) All taxes on income, including but not limited to, advance tax and withholding taxes, collected/deducted from the Effective Date till the Sanction Date in respect of the Battery Undertaking and Business shall, and be deemed to, be to the benefit and credit of TBL.
 - (iii) The capital reserves, revenue reserves, revaluation surpluses and accumulated profits and losses of FTMM as at the day preceding the Effective Date and immediately preceding the Sanction Date respectively, all as audited by Kreston Hyder Bhimji & Co., Chartered Accountants relating to the Battery Undertaking and Business, shall constitute and be treated as reserves and revaluation surpluses of a corresponding nature in TBL and shall be accounted on that basis in the books of account of TBL and the capital reserves, revenue reserves and revaluation surplus of FTMM shall correspondingly stand reduced and shall be accounted on that basis in the books of account of FTMM.
 - (iv) On and from the Sanction Date, TBL will take in its employment all Battery Project Employees on the terms and conditions applicable to them in FTMM immediately preceding the Sanction Date, including those relating to entitlements arising upon termination of service, payment of provident fund, gratuity, redundancy, superannuation, pension and post-retirement medical facilities as applicable and with the benefit of past service in FTMM.

RETENTION OF ASSETS AND OBLIGATIONS BY FTMM

- II
- (i) The Retained Assets and Undertakings shall remain the assets, undertakings, liabilities and obligations of FTMM and shall not be transferred to or vested in TBL.
 - (ii) As regards any debts or liabilities retained by FTMM and in respect of which the creditors concerned were provided a security interest over any

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of the Battery Undertaking and Business being transferred to and vesting in TBL, the securities thus held by such creditors shall on and from the Sanction Date stand released by them to the extent and for the purposes of those debts and liabilities and if required by such creditors, the aforementioned securities shall be substituted by securities of a similar nature which FTMM shall provide over assets being retained by it.

- (iii) On and from the Sanction Date, FTMM shall stand released and discharged from all obligations to pay and discharge all debts and liabilities and to perform all obligations transferred to and vested in TBL under this Scheme.

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ARTICLE-6 – GENERAL PROVISIONS

SANCTION AND EFFECTIVENESS OF SCHEME

- I. (i) The respective Board of Directors of FTMM and TBL have approved the foregoing Scheme for submission to the Court. Consequent thereupon, a petition will be submitted to the Court for obtaining sanction of this Scheme formulated in terms of the provisions of Section 279 and all other enabling provisions of the Act and for an order under Section 282 of the Act for carrying the Scheme into effect.
- (ii) The respective Board of Directors of FTMM and TBL may, in their absolute discretion, consent jointly on behalf of all concerned to any modifications or additions or alterations to this Scheme or to any conditions which the Court may think fit to impose and may give such directions as they may consider necessary to settle any questions or difficulty arising under this Scheme or in regard to its implementation or in any matter connected therewith.
- (iii) This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve and this Scheme, with such modification or addition, if any, also subject to any conditions, which the Court may impose.
- (iv) The provisions of this Scheme shall become binding and operative on the date (the "**Sanction Date**") that a certified copy of the order or orders of the Court under Section 279 of the Act, sanctioning this Scheme and making any necessary provisions under Section 282 of the Act shall have been filed with the Registrar of Companies, Securities and Exchange Commission of Pakistan Lahore.
- (v) Notwithstanding that the Scheme becomes binding and operative on the Sanction Date, the separation from FTMM, and transfer to and vesting in TBL, of the Battery Undertaking and Business shall be deemed to have taken place on the Effective Date and shall be treated accordingly, as per the provisions of this Scheme.
- (vi) Except as expressly otherwise stated herein, following the Sanction Date, the Battery Undertaking and Business shall be recorded in the books of account of TBL at the respective values appearing in the books of account of FTMM on the date preceding the Effective Date.
- (vii) Each of FTMM and TBL shall take all actions and execute all formalities considered by their respective Board of Directors necessary and expedient to properly and smoothly cause the transfer and vesting of the Battery Undertaking



and Business in the manner stated herein, and shall carry out and execute this Scheme pursuant to and in accordance with the order of the Court.

- (viii) Without prejudice to the generality of the foregoing, the respective Board of Directors of FTMM and TBL may generally or with regard to any specific issue or matter related to the execution and implementation of the Scheme, upon its due approval by the Court, authorize any person(s) or committee of persons to carry out such acts, deeds and things as may be deemed, from time to time, expedient and necessary for a proper and smooth implementation of the Scheme.
- II. As of the Sanction Date, the terms of this Scheme shall be binding on each of FTMM and TBL and all their respective share/certificate holders, members, employees, debtors and creditors and any person having any right or liability in relation to them.
- III. This Scheme shall become null and void subject to the following and in that event, no rights and liabilities shall accrue to or be incurred in terms of this Scheme:
- a) if the Scheme is not approved by the requisite majority of certificate holders and members of any of FTMM and TBL;
- b) if sanction of the Court in respect of this Scheme is not obtained by such date (if any) as may be mutually agreed by the respective Board of Directors of the Modaraba Management Company and TBL.
- IV. After the Sanction Date the shares of TBL shall be technically listed on the Pakistan Stock Exchange in accordance with applicable rules and regulations.

MISCELLANEOUS

- (i) This Scheme shall be governed by and be construed in accordance with the substantive and procedural laws of Pakistan.
- (ii) Section headings are solely for convenience of reference, and shall not affect the meaning or interpretation of this Scheme or any of its provisions.
- (iii) All costs, charges and expenses incurred in connection with the preparation of this Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental thereto in pursuance of this Scheme and the transfer to and vesting in the TBL of the Battery Undertaking and Business shall be borne and paid by TBL, for transfer to, and vesting in, TBL of the Battery Undertaking and Business.
- (iv) The transfer, vesting and amalgamation of the Battery Undertaking and Business in terms of this Scheme shall not: (i) constitute any assignment,

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devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any contract; and (iv) give rise to any right of first refusal or pre-emptive right.



**Authorized Representative
First Treet Manufacturing Modaraba**



**Authorized Representative
Treet Battery Limited**

Company Seal:



Company Seal:



SCHEDULE 1

Description of Battery Undertaking and Business

The Battery Undertaking and Business shall comprise the following:

- (a) the Battery Project as a going concern;
- (b) the assets and property of FTMM relating exclusively or primarily to Battery Project, including, without limitation, properties of all kinds and by whatever title held and whether movable or immovable or tangible or intangible, and without limiting the generality of the foregoing in particular:
 - (i) any warehousing and office facilities (including all related infrastructure) rented exclusively or primarily for the Battery Project, together with all rights, easements, privileges and advantages appurtenant thereto or for the benefit thereof;
 - (ii) share premium aggregating an amount of Rs. 1,952,870,000/- allocated for the purposes of the Battery Project;
 - (iii) all plant and equipment, spare parts, tools, motor vehicles, furniture, fixtures and fittings owned or leased exclusively or primarily for the Battery Project;
 - (iv) to the extent the same relate to the Battery Project, all stock-in-trade, inventory, stocks of fuels, raw materials, ingredients, packaging, office and laboratory supplies, engineering spares, consumable stores, work-in-progress, finished goods;
 - (v) to the extent the same relate to the Battery Project, all contracts which remain in whole or in part to be performed at the Sanction Date entered into by or subsisting in favour of FTMM, inclusive of all rights and obligations of FTMM arising thereunder;
 - (vi) to the extent the same relate to the Battery Project, all agreements, trusts, leases, conveyances, grants, instruments of transfer,



engagements, commitments and arrangements entered into by or subsisting in favour of FTMM, inclusive of all rights and obligations of FTMM arising thereunder;

- (vii) to the extent the same relate to the Battery Project, all historical and current documents, customer lists, product and supplier lists, catalogues, literature, employee records, documents of title, sales targets, sales statistics, market share statistics, marketing surveys and reports, marketing research and any advertising or other promotional materials and accounting (including management account records) and other financial data whether in hard copy or in computer held form (including, for avoidance of doubt, such media as microfilm and microfiche);
- (viii) to the extent the same relate to the Battery Project, all claims, book trade and other debts or sums (including suppliers' credit notes) due, owing, accrued or payable to FTMM (whether or not invoiced and whether or not immediately due or payable), advances, deposits, prepayments and other receivables, investments (both short term and long term, including without limitation, investments in shares, debentures, debt instruments and other securities), cash in hand and at bank, or other depositories;
- (c) the premises situated at M3-Industrial City, FIEDMC, Faisalabad;
- (d) the connections and facilities for telecommunication owned by, or leased or licensed to, FTMM and utilised by it for the Battery Project including telephones, telexes and facsimile and benefit of all payments and deposits made by FTMM in connection therewith;
- (e) the connections, meters and other installations owned by, or leased or licensed to, FTMM for the Battery Project for the supply of electricity, gas and water and the benefit of all payments and deposits made by FTMM in connection therewith;
- (f) all liabilities and obligations of FTMM relating exclusively or primarily to the Battery Project;
- (g) all amounts owing (whether or not due for payment) or payable by FTMM and which are unpaid at the Sanction Date in respect of the supply of goods, raw materials, utilities and services, (including, without limitation, credit notes granted and advances received from suppliers or customers) to the extent arising exclusively or primarily in the ordinary course of business in relation to, or in connection with or from the operations of the Battery Project;
- (h) the liabilities of FTMM on account of taxes, including income tax, sales tax, octroi, infrastructure cess, customs duty, excise duty, stamp duties, registration fees, levies, deductions, imposts, and any other charges and withholdings whatsoever, together with any interest, markup or penalties payable in



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connection with any failure to pay or delay in paying any of the above, to the extent they relate exclusively or primarily to the Battery Project, and the entitlements of FTMM to refunds, credits, advance payments or any other benefits in respect of any of the foregoing;

- (i) cash in the bank and other accounts of FTMM maintained exclusively or primarily for or in connection with the Battery Project;
- (j) the capital reserves, revenue reserves, un-appropriated profits and losses, and revaluation surpluses of FTMM relating to the Battery Project;
- (k) the contracts of employment of the Battery Project Employees and all rights, obligations and liabilities of FTMM arising after the Effective Date under such contracts or otherwise in relation to the Battery Project Employees, including such liabilities payable on termination of service by way of gratuity, redundancy, superannuation, provident fund, pension or, post retirement medical facilities otherwise;
- (l) all other rights, powers, authorities and privileges of FTMM relating exclusively or primarily to the Battery Project, including, without limitation:
 - (i) all registrations, licences, permits, authorisations, sanctions, permissions and approvals issued or granted by any government, governmental department or agency, or any statutory, local authority or any municipal corporation to FTMM;
 - (ii) all concessions, entitlements duty and tax exemptions and remissions;
 - (iii) all credits and refunds on account of sales tax, customs duty, octroi and other duties, taxes, levies, fees, charges, or imposts paid on account of, or in connection with, the purchase, acquisition or import of plant machinery equipment, spares, raw and packing and other materials comprised in the Battery Project; and
 - (iv) rights against third parties (including sub-contracts and any retention of title rights).
- (m) all liabilities, including those relating to health, safety and environment, to the extent arising exclusively or primarily in the ordinary course of business in relation to or in connection with or from the operations of the Battery Project, arising as a result of FTMM's failure to comply with any relevant and legally enforceable corporate or other laws, rules, ordinances, or regulations prior to the Sanction Date;

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- (n) all liabilities, including those relating to health, safety and environment, to the extent arising exclusively or primarily in the ordinary course of business in relation to or in connection with or from the operations of the Battery Project, arising as a result of FTMM's failure to obtain any required relevant governmental or regulatory permit, licence, consent or other authorisation or renewal or variation thereof prior to the Sanction Date;
- (o) all liabilities, including those relating to health, safety and environment, to the extent arising exclusively or primarily in the ordinary course of business in relation to or in connection with or from the operations of the Battery Project, in respect of any breach of contract, tort, product liability or other claim relating to the period up to and including the Sanction Date, whether asserted by any creditor, customer, distributor, employee, government department or agency or any statutory or local authority, claimant or other party; and
- (p) any suit, action, arbitration, charge, governmental investigation, claim, litigation or proceedings, costs, demands and expenses relating to paragraphs (l) to (n) above.

BUT EXCLUDING all other undertakings and businesses, and all other properties, assets, rights, liabilities, obligations and debts of FTMM, and, without limiting the generality of the foregoing, the following:

- (A) all liabilities arising as a result of FTMM's failure to comply with any relevant and legally enforceable corporate or other laws, rules, ordinances, or regulations prior to the Sanction Date;
- (B) all liabilities arising as a result of FTMM's failure to obtain any required relevant governmental or regulatory permit, licence, consent or other authorisation or renewal or variation thereof prior to the Sanction Date;
- (C) all liabilities in respect of any breach of contract, tort, product liability or other claim relating to the period up to and including the Sanction Date, whether asserted by any creditor, customer, distributor, employee, government department or agency or any statutory or local authority, claimant or other party;
- (D) any suit, action, arbitration, charge, governmental investigation, claim, litigation or proceedings, costs, demands and expenses relating to paragraphs (A) to (C) above;
- (E) the benefits of any policies of insurance issued to or otherwise available to FTMM, save to the extent that cover extends to the Battery Project under such policies;
- (F) any non-operational provisions including, without limitation, provisions for corporate and income taxes (except any deferred tax asset or liability in respect of assets and liabilities of the Battery Undertaking and Business to be transferred to and vested in TBL under this Scheme) or dividends;

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(G) the capital reserves, revenue reserves, un-appropriated profits and losses and revaluation surpluses of FTMM except such portion thereof as relates to the Battery Undertaking and Business;

all of which shall remain with FTMM and shall continue to be dealt with by FTMM as its own undertakings, businesses, properties, assets, rights, liabilities, obligations and debts. Provided that the Battery Undertaking and Business shall be separated and transferred to TBL in terms of the other provisions of this Scheme and shall not remain with FTMM.

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SCHEDULE II

Balance Sheet

[Attached]



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Asset / Liabilities / Equity	Audited 31-12-2018	Audited 31-12-2018		Adjustment in Equity & Reserves	Balance Sheet after Restructuring		
	FTMM Consolidated	FTMM Battery Segment	FTMM-Residual Corrugation Segment & Soap Segment		FTMM-Residual Corrugation Segment & Soap Segment	Battery Segment	FTMM-Residual Corrugation Segment & Soap Segment
Property, plant and equipment	Rs. In 000	8,309,775	7,830,751	Rs. In 000	479,024	Rs. In 000	7,830,751
Long term advances/investment		1,044	-		1,044		1,044
Long term deposits		13,249	1,167		12,082		1,167
Stores and spares		87,639	4,510		83,129		83,129
Stock in trade		2,030,173	1,648,606		381,567		1,648,606
Trade debts		747,372	30,962		716,410		30,962
Advances, deposits, prepayments and other receivables		346,417	97,129		249,288		97,129
Tax refunds due from the Government - Advance Tax		95,293	-		95,293		-
Tax refunds due from the Government - Sales Tax		982,719	982,719		-		982,719
Cash and bank balances		156,261	40,437		115,824		40,437
Issued, subscribed and paid up certificate capital		(1,956,000)	-		(1,956,000)		-
Statutory reserve		(511,941)	-		(511,941)		-
Certificate premium		(1,952,870)	-		(1,952,870)		-
Surplus on revaluation of property, plant & equipment		(21,723)	-		(21,723)		-
Accumulated loss		1,393,952	1,338,480		55,472		-
Current maturity of liability against purchase of land		(28,213)	(28,213)		-		1,338,480
Retention money payable		(38,664)	(30,053)		(8,611)		(28,213)
Short term borrowings - Banks		(3,273,641)	(3,273,641)		-		(3,273,641)
Trade and other payables		(5,143,140)	(6,143,140)		-		(5,143,140)
Accrued profit on secured borrowings		(177,344)	(53,370)		(123,974)		(53,370)
Intra-Company Receivable/Payable		(60,358)	(60,358)		(60,358)		(60,358)
Share Capital - Treest Battery Limited	Note-1	-	(2,446,344)	1,952,870	(1,952,870)		(493,474)
				(1,952,870)			(1,952,870)

Note-1:

Treest Battery Limited	No. of Shares	Par Value
Shares to be issued to Certificateholders of First Treest Manufacturing Modaraba ur	195,287,000	1,952,870
	195,287,000	1,952,870

SWAP Ratio 0.99840
 9984 Share of Treest Battery Limited against Ten Thousand Certificates of First Treest Manufacturing Modaraba
 Pattern of Shareholding of First Treest Manufacturing Modaraba & Treest Battery Limited
 after Proposed Restructuring

	First Treest Manufacturing Modaraba	After Restructuring Treest Battery Limited
Syed Sheharyar Ali	21,447	21,412
Individuals	4,221,785	4,215,029
Investment Companies	115,500	115,315
Joint Stock Companies	100,000	99,839
Treest Corporation Limited	171,224,700	170,950,705
Treest Holdings Limited	19,590,562	19,559,213
Others	326,000	325,478
FTMM receivable from Battery converted to Equity	195,599,994	195,286,991



Treest Battery Limited	After Restructuring
Total Assets	Rs. In 000
External Liabilities	10,636,281
Payable to Treest Corporation Limited	(5,143,140)
Bank Borrowings	(493,474)
Net Assets	614,390
Share Capital	1,952,870
Accumulated Loss	(1,338,480)
Net Worth	614,390

M. MOHTASHIM AFTAB
 Group CFO

[Signature]

