

Ref: AMML/PSX/2022

04 April, 2022

Mr. Wasim A. Sattar,  
Senior Manager- Listing Department,  
Pakistan Stock Exchange Limited  
Stock Exchange Building, Stock Exchange Road, Karachi

**SUBJECT: Disclosure of Material Information – Merger of Awwal Modaraba with and into Awwal Corporate Restructuring Company Limited**

Dear Sir,

Please refer your letter No: C-567-595 on the subject, we are enclosing the following documents as required:-

1. Draft Scheme of Arrangement for merger of Awwal Modaraba with and into Awwal Corporate Restructuring Company Limited duly approved by the Board of Directors subject to the approval of the High Court of Sindh.
2. Auditors' certificate for Swap Ratio of the proposed merger.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,



Misbah Asjad  
Company Secretary

**Copy To:**

1. The Executive Director/HOD, ,Offsite-II Department, ,Supervision Division,  
Securities & Exchange Commission of Pakistan, 63, NIC Building, Jinnah Avenue, Islamabad
2. The Director, Securities Market Division,  
Securities & Exchange Commission of Pakistan, 63, NIC Building, Jinnah Avenue, Islamabad
3. The Registrar Modaraba Companies & Modaraba,  
Securities & Exchange Commission of Pakistan, 63, NIC Building, Jinnah Avenue, Islamabad

# **SCHEME OF ARRANGEMENT**

UNDER SECTION 279 TO 283 AND 285 (if applicable) OF THE  
COMPANIES ACT, 2017

FOR

## **AMALGAMATION**

OF

**M/S. AWWAL MODARABA**

**(MANAGED BY M/S. AWWAL MODARABA MANAGEMENT LIMITED)**

WITH AND INTO

**M/S. AWWAL CORPORATE RESTRUCTURING COMPANY LIMITED**

### **DRAFTED BY:**

**S & B Durrani Law Associates**  
House No.5-A/II/II, Phase-II-Ext.,  
Sunset Lane, DHA, Karachi.  
Contacts Nos.35874083-84-03212433780-1  
Email:[durraniawassociates@hotmail.com](mailto:durraniawassociates@hotmail.com)



## SCHEME OF ARRANGEMENT

UNDER SECTIONS 279, 280, 281, 282 and 283 AND 285 (if applicable) READ WITH SECTION 505 AND SRO 840(I) OF AUGUST 17, 2017 OF THE COMPANIES ACT XIX of 2017 (Hereinafter referred to as the "ACT")

ENTERED INTO BY AND BETWEEN

- 1) **M/s. Awwal Modaraba Management Limited**, a licensed Modaraba, functioning under the laws of Pakistan, having its Head Office at 3<sup>th</sup> Floor, Horizon Vista, Plot No. Commercial 10, Block No. 4, Scheme No.5, Clifton, Karachi, being duly appointed Management Company of the Awwal Modaraba (Hereinafter called "**AMML**", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns) of the FIRST PART;
- 2) **M/s. Awwal Modaraba**, a Modaraba institution, functioning under the laws of Pakistan, having its Head Office at 3<sup>th</sup> Floor, Horizon Vista, Plot No. Commercial 10, Block No. 4, Scheme No.5, Clifton, Karachi, (Hereinafter called "**AM/Awwal**", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns) of the SECOND PART;
- 3) **M/s. Awwal Corporate Restructuring Company Limited**, a public limited company, functioning under the laws of Pakistan, having its Head Office at Horizon Vista, Plot No. Commercial 10, Block No. 4, Scheme No. 5, Clifton, Karachi, (Hereinafter called "**ACRCL**", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns) of the THIRD PART;

*(The AM may hereinafter referred to as "**Modaraba**", the ACRCL may hereinafter referred to as "**Company**" whereas the AMML may be referred to as "**Management Company**" and each party collectively may be referred to as "**Parties**";)*



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## **RECITALS**

**WHEREAS** it is proposed that the entire undertaking comprising of all of the Assets, Liabilities and Obligations (as hereinafter defined) of AM at the Effective Date (as hereinafter defined) shall stand transferred to and be vested in and assumed by ACRCL and Awwal Modaraba shall be dissolved without winding-up;

**AND WHEREAS** as on the Effective Date, ACRCL will have the sole rights to manage the post merged/amalgamated Company;

**AND WHEREAS** the Registrar Modarabas, Securities and Exchange Commission of Pakistan has granted approval for the proposed amalgamation of AM with and into ACRCL;

**AND WHEREAS** this Scheme if sanctioned by the Hon'ble Court by an order passed in this behalf, is to be binding on AMML, AM, its Certificate Holders, ACRCL and its Shareholders;

## **OBJECTIVES OF THIS SCHEME**

The principal object of this Scheme of Arrangement is to give effect to Amalgamate AM with and into ACRCL by transferring to, merging with and vesting in ACRCL the whole of AM, including all Assets, Liabilities and Obligations of AM, as of the Effective Date, against the allotment and issue of ACRCL Shares to the Certificate Holders of AM based on the Swap Ratio as mentioned in the Swap Report, and merging/dissolving AM without winding-up.

It is also hereby clarified that although all of the above steps will take place on the same date and shall be deemed to be effective as of the Effective Date.

## **BENEFITS OF THIS SCHEME**

### **Increased market reach and business potential**

Core expertise of the team working for AM is distressed asset financing and revival of business through customized advisory/financing/re-profiling solutions to the clients. However, revival business in AM was carried out in a more restricted manner as banks were reluctant to offload their infected portfolios and/or were not willing to take write-offs due to regulatory constraints as well as potential issues of investigative agencies. As per the State Bank of Pakistan's guidelines for Transfer and Assignment of Non-Performing Assets to Corporate Restructuring Companies, the aforementioned constraints have been



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removed which will allow ACRC to operate in a significantly bigger market with a greater potential to structure the revival transactions.

### **Specialised business and Regulatory compliance**

Due to different nature of distressed assets and delinquent clients, non-performance/delayed performance of these assets do not attract provisioning in the Corporate Restructuring Companies as opposed to the issues faced in AM due to provisioning requirements as per Prudential Regulation for Modarabas.

### **Single Corporate and Tax Reporting**

The Amalgamation will make single corporate and tax reporting possible for the merged/amalgamated entity. It will entail elimination of maintenance of separate records for business operations, marketing, legal, administrative, secretarial and other records under the various laws resulting in duplication of work and higher costs of human resource and operations.

***NOW THEREFORE***, this Scheme is presented as follows:

#### **ARTICLE 1**

#### **DEFINITIONS**

Unless the context requires otherwise, all capitalized terms in this Scheme shall have the meanings assigned to them below:

- 1.01 "Amalgamation" is defined in Section 4.01.
- 1.02 "Annexure A" is the annexure attached hereto that lists the name of each of the members of board of directors of AMML.
- 1.03 "Annexure B" is the annexure attached hereto that lists the name of each of the members of board of directors of ACRC.
- 1.04 "Annexure C" is the annexure attached hereto that contains the Special Purpose audited accounts of Awwal Modaraba for the half year ended December 31, 2021.
- 1.05 "Annexure D" is the annexure attached hereto that contains the Auditors Certificate dated February 01, 2022 of Capital Injection into ACRC.



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- 1.06 **"Annexure E"** is the annexure attached hereto that lists the particulars of each of certificate holders of AM.
- 1.07 **"Annexure F"** is the annexure attached hereto that lists the particulars of each of shareholders of ACRCL.
- 1.08 **"Annexure H"** is the annexure attached hereto that contains the Swap Report.
- 1.09 **"Assets"** mean assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes properties held on trust and benefit of securities obtained from Customers, benefits, powers, rights, authorities, privileges, contracts, Government consents, sanctions and authorizations, including all registrations, licenses, permits, categories, entitlements, sanctions, permissions and benefits relating to the business, all trademarks, patents, copyrights, licenses, liberties, secret processes, know-how and confidential information. Without in any way limiting or prejudicing the generality of the foregoing, Assets shall include: **(a)** all properties, immovable and movable, real, Corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever's situated belonging to Modaraba; **(b)** all choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, lease receivables, reserve funds, revenue balances, investments, loans, advances, guarantees, deposits, prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the ownership, possession, power or control of Modaraba, whether legal or beneficial, whether within or out of Pakistan, and all books of accounts, registers, records and all other documents of whatever nature relating thereto; **(c)** all the connections and facilities for telecommunications, electricity and other installations, owned by, leased or licensed to Modaraba; **(d)** the Contingent Claims and proceeds realized from the Liquidation of the Contingent Claims.
- 1.10 **"AMML"** is defined in the Preamble.
- 1.11 **"AM"** is defined in the Preamble.
- 1.12 **"ACRCL"** is defined in the Preamble.
- 1.13 **"Modaraba Certificate"** means as defined in the Modaraba Ordinance;



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- 1.14 **"Certificate Holders"** means holders of Modaraba Certificates as defined in the Modaraba Ordinance.
- 1.15 **"Dissenting Certificate Holders"** means the certificate holders who disapproves or objects to sanction of the Scheme;
- 1.16 **"Shareholder"** means as defined in the Companies Act, 2017.
- 1.17 **"Certificate Holders of AM"** means the persons that are the registered modaraba certificate holders of AM.
- 1.18 **"Shareholders of ACRCL"** means the persons that are the registered shareholders of ACRCL.
- 1.19 **"Claim"** means claim, counter-claim, demand or cause of action and includes a Contingent Claim.
- 1.20 **"Contract"** means any contract including Ijarah, musharika and morabaha, other agreement/contract(s), deed(s), instrument(s), letter(s) or undertaking(s) of every description whatsoever, creating any obligations enforceable against the parties.
- 1.21 **"Court"** means the High Court of Sindh at Karachi.
- 1.22 **"Customer"** means any person having entered into a transaction, arrangement or other dealing with ACRCL and AM.
- 1.23 **"Contingent Claims"** means any potential Claim that the Modaraba may have against any person prior to the Effective Date which may not be disclosed or reflected as part of their Assets on their books or records.
- 1.24 **"Effective Date"** is defined in Article 5.
- 1.25 **"Existing"** means existing, outstanding or in force immediately prior to the Effective Date.
- 1.26 **"Liabilities and/or Obligations"** includes all borrowings, liabilities, duties, commitments and obligations of every description (whether present or future, actual or contingent) arising out of any Contract or otherwise whatsoever and the term "Liabilities" and/or "Obligations" are used interchangeably and/or in conjunction with each other.



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- 1.27 **"Liquidation"** means the release, compromise, satisfaction, settlement or reduction to judgment of any Claim by a competent court of law.
- 1.28 **"Modaraba Ordinance"** means the Modaraba Companies and Modaraba (Floatation & Control) Ordinance, 1980.
- 1.29 **"Act"** is defined in the preamble.
- 1.30 **"Scheme"** means this Scheme of Arrangement in its present form with any modification thereof or addition thereto approved or condition imposed by the Court.
- 1.31 **"Security" or "Securities"** means interest, right or title in and to any and all mortgages, pledges or charges (whether legal, registered or equitable), debentures, bill of exchange, promissory note, guarantees, lien (Whether the actual or constructive), hypothecation, assignment by way of security, right of set-off, undertaking or other means of securing payment or discharge of any liabilities and obligations.
- 1.32 **"Swap Report"** means the documents dated March\_09, 2022, issued by Crowe Hussain Chaudhury & Co. Chartered Accountants (a member of Crowe Global), attached hereto as Annexure H, containing, inter alia, the Swap ratio.

## **ARTICLE 2**

### **THE CAPITAL**

#### **2.01 Capital of AM:**

The authorized Modaraba capital of AM is Rs.1,000,000,000/- (Rupees One Billion Only) divided into 100,000,000/- (One Hundred Million) Modaraba Certificates of Rs.10/- (Rupees Ten Only) each, out of which, 100,000,000/- (One Hundred Million) of Rs.10/- (Rupees Ten Only) each are currently issued modaraba certificates and fully paid up.

#### **2.02 Capital of ACRCL:**

The authorized capital of ACRCL is Rs.10,000,000/- (Rupees Ten Million Only) divided into 1,000,000/- (One Million) shares of Rs.10/- (Rupees Ten Only) each,



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out of which, 1,000,000/- (One Million) of Rs.10/- (Rupees Ten Only) each are currently issued shares and fully paid up.

The authorized capital of ACRL is to be increased by Rs.150,000,000/- (Rupees One Hundred and Fifty Million) before the date of allotment of shares by ACRL in lieu of cancelled Modaraba Certificates.

### 2.03 Authorized Share Capital After Merger:

Consequent upon the Scheme becoming effective, the authorized Modaraba capital of AM of Rs.1, 000,000,000/- (Rupees One Billion Only) shall stand merged and combined with the authorized share capital of ACRL of Rs.160,000,000/- (Rupees One Hundred and Sixty Million Only). Consequently, the merged authorized share capital of ACRL shall stand increased to Rs.1,160,000,000/- (Rupees One Billion, One Hundred and Sixty Million only) divided into 116,000,000/- (One Hundred and Sixteen Million) shares of Rs.10/- (Rupees Ten Only) each.

Consequent upon the Scheme becoming effective, the issued, subscribed and paid up capital of AM of Rs. 1,000,000,000/- (Rupees One Billion Only), shall stand merged and combined with the currently issued, subscribed and paid up capital of ACRL of Rs.10,000,000/- (Rupees Ten Million Only) and which shall consequently stand increased to Rs. 1,150,973,243/- (Rupees One billion One Hundred Fifty Million Nine Hundred Seventy Three Thousand Two Hundred Forty Three only) divided into 115,097,324/- (One Hundred Fifteen Million Ninety Seven Thousand Three Hundred Twenty Four) shares of Rs.10/- each calculated at a swap ratio of 1.00 : 0.876 where such swap ratio is calculated on the basis of the Special Purpose audited accounts of AM for the half year ended December 31, 2021 and Auditor Certificate dated February 01, 2022 of ACRL.

### ARTICLE 3 DIRECTORS

#### 3.01 Directors of ACRL & AMML being Management Company of AM

The present directors are as listed in Annexure - A.



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### **3.02 Interest of the Directors, Certificate Holders and Shareholders**

All the directors, certificate holders and shareholders of AM, AMML and ACRCL have interest in the Amalgamation to the extent of their respective certificate holdings and shareholdings. The effect of the Scheme on the interest of these directors does not differ from respective interest of other Certificate Holders and Shareholders.

The directors are also interested to the extent of remuneration and fringe benefits as per the policies of Modaraba and Company.

## **ARTICLE 4** **THE AMALGAMATION**

### **4.01 General Description**

- a) At the Effective Date Modaraba, as a going concern, shall be amalgamated with and vest in ACRCL upon the terms and conditions set forth in this Scheme (the "Amalgamation") and the post amalgamated entity shall retain the name/become ACRCL;
- b) AMML, which is the current management company of AM, shall stand relieved from its management powers and functions over the AM;
- c) ACRCL shall be able to carry out all the business of merged / amalgamated Modaraba and shall be entitled to all the rights and the benefits thereof;
- d) AM shall stand dissolved, without winding up, on the date on which the shares of ACRCL are allotted to the Certificates Holders of AM or on such later date as the Court by order may prescribe.

### **4.02 Transfer of the Assets:**

At the Effective Date, all the Assets of Modaraba shall immediately without any conveyance, addendum, novation or transfer and without any further act or deed be vested in and become the undertaking and Assets of ACRCL, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by Modaraba prior to the Amalgamation but transfer of the Assets shall be subject to all mortgages, pledges, liens, charges or other encumbrances subsisting thereon (if any).



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**4.03 Transfer of Liabilities and Obligations:**

At the Effective Date, all the Liabilities and Obligations of Modaraba shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of ACRCL, which shall pay, undertake, satisfy, discharge and perform, when due, all of the Liabilities and Obligations.

**4.04 ACRCL's right to Execute Deeds:**

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and/or assumption of Liabilities may, if required, at any time be executed by officers of ACRCL authorized in this regard.

**4.05 References to Assets and Liabilities and Obligations:**

Any reference in this Scheme to Assets or Liabilities and Obligations of Modaraba and Company is a reference to Assets or Liabilities and Obligations to which Modaraba and Company is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such assets or liabilities are situated or arise and whether or not capable of being transferred or assigned to or by Modaraba and Company under any applicable law or instrument.

**4.06 Assets held in Trust, etc:**

Any Asset vested in Modaraba which immediately before the Effective Date was held by Modaraba as trustees or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate, of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, on and from the Effective Date, be held by ACRCL in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

**4.07 Contracts:**

Every Contract to which Modaraba respectively is the party shall have effect on and from the Effective Date as if:

- a) ACRCL had been a party thereto instead of AM; and
- b) For any reference (however worded and whether express or implied) to Modaraba therein shall stand substituted, as respects anything falling to be done on or after the Effective Date, to a reference to ACRCL.



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#### **4.08 Bank Accounts:**

Any account/s maintained by Modaraba with any Bank or Financial Institution shall, at the Effective Date, become account(s) between ACRCL and such Bank or Financial Institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of ACRCL to vary the conditions or incidents subject to which any account is kept.

#### **4.09 Instructions:**

Any existing instruction, order, direction, mandate; power of attorney, authority, undertaking or consent given to Modaraba in writing (whether or not in relation to an account) shall have effect, on and from the Effective Date, as if given to ACRCL.

#### **4.10 Negotiable Instruments:**

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by Modaraba, or payable at any place of business of Modaraba, whether so drawn, given, accepted or endorsed before, on or after the Effective Date, shall have the same effect on and from the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by ACRCL or were payable at the same place of business of ACRCL.

#### **4.11 Custody of Documents:**

The custody of any document, record or goods held by Modaraba as bailee and duly recorded in its books, shall pass to ACRCL under any Contract of bailment relating to any such document, record or goods shall on that day become rights and obligations of ACRCL.

#### **4.12 Securities:**

- a) Any Security held immediately before the Effective Date by Modaraba or by nominee or agent of or trust for Modaraba as security for the payment or discharge of any liability and obligation of a customer shall, on and from the Effective Date be held by or as the case may require by that nominee, agent or trustee for ACRCL and be available to ACRCL (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability and obligation.





- b) In relation to any Security vested in ACRL in accordance with provisions of this Scheme and any liabilities and obligations thereby secured, ACRL shall be entitled to the rights and priorities to which Modaraba would have been entitled if they had continued to hold the Security.
- c) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities shall, on and from the Effective Date, be available to ACRL (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to, Modaraba or, as the case may be, ACRL were secured thereby immediately before that time.

#### **4.13 Legal Proceedings:**

Where by virtue of this Scheme any right, Claim or Liability of Modaraba, becomes a right, Claim or Liability of ACRL on and from the Effective Date, ACRL shall have the same rights, claims, powers and remedies (and in particular the same rights, claims and powers as to taking or resisting, legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of ACRL, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against Modaraba may be continued by or against ACRL.

#### **4.14 Judgments:**

Any judgment or award obtained by or against Modaraba and not, fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against Modaraba, become enforceable by or against ACRL. Accordingly, all the orders, judgements and/or any other orders for or against the Modaraba will accordingly be contested or defended by ACRL, as the case may be.

#### **4.15 Evidence:**

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against Modaraba shall be admissible in evidence in respect of the same matter for or against ACRL.



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**4.16 Clarification:**

The provisions contained in Sections 4.04 to 4.15 above are without prejudice to the generality of any other provisions in this Scheme, but subject to any provisions in this Scheme to the contrary effect.

**ARTICLE 5**  
**EFFECTIVE DATE**

- 5.01** This Scheme shall become operative as soon as certified copy of an order of the Court under Section 297 of the Act sanctioning the Scheme and making any necessary provisions under Section 282 of the Act have been filed with the Registrar of Companies, Karachi/Registrar Modarabas ("Completion Date"). When the Scheme becomes operative on the Completion Date, the Amalgamation in accordance with the Scheme will be treated as having effect from the close of business on December 31, 2021 or at such other date as may be stated by The Court ("Effective Date"). Accordingly, as from the Effective Date until the Assets and undertaking of Modaraba are actually transferred to and vested in ACRL on the Completion Date, the business of Modaraba will be deemed to have been carried on for and on account and for the benefit of ACRL. The reserves including un-appropriated profits/losses of Modaraba as at the Effective Date shall constitute and be treated as Reserves / losses of a corresponding nature in ACRL and shall be accounted for on that basis in the books of account of ACRL.

**ARTICLE 6**  
**CERTAIN OBLIGATIONS AND REPRESENTATIONS**

- 6.01** Upon the Amalgamation, ACRL shall take all necessary and expedient steps to properly and efficiently manage its entire businesses and affairs.
- 6.02** Upon the Amalgamation, ACRL shall operate and promote its entire business and affairs in the normal course.
- 6.03** As of the Effective Date, ACRL shall undertake, pay, satisfy, discharge, perform and fulfill the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of Modaraba.



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**ARTICLE 7**  
**SCHEME'S EFFECT**

- 7.01 The, provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 5 above.
- 7.02 The Amalgamation in terms of this Scheme shall not: (i) constitute any assignment, transfer, 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 or Security; and (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of any investment made by such person in Modaraba.
- 7.03 As of the Effective Date, the terms of this Scheme shall be binding on Modaraba and Company and also on all the Certificate Holders of AM and the Shareholders of ACRCL, Customers and on any other person having any right or Liability in relation to either of them.

**ARTICLE 8**  
**CONSIDERATION AND RELATED MATTERS**

- 8.01 As consideration for the Amalgamation, ACRCL shall issue at par and allot 1.00 share(s) of ACRCL to persons who on a day to be fixed by the Directors of AMML and ACRCL after the Effective Date, are the Certificate Holders of Modaraba and such allotment shall be made on the following terms, namely, in respect of every 0.876 Modaraba certificate of Rs.10/-(Rupees Ten Only) each held by the Certificate Holder of Modaraba, there shall be allotted 1.00 share(s) of Rs.10/-(Rupees Ten Only) each of ACRCL i.e. on the swap ratio of 1.00 : 0.876 ("Swap Ratio") and all entitlement of the Certificate Holders of Modaraba shall be determined in the proportion aforesaid. Fractional shares shall not be issued.



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**8.02** The Swap Ratio has been determined on the basis of Special Purpose audited accounts of AM for the half year ended December 31, 2021 and Auditor Certificate dated February 01, 2022 of ACRL.

**8.03** At least seven days' notice shall be given to the Certificate Holders of Modaraba and Shareholders of the Company in the manner provided in the prospectus of Modaraba and Articles of Association of the Company, of the date fixed by the directors of AMML and ACRL by reference to which the Certificate Holders of Modaraba are to be determined for entitlement to the shares of ACRL. Such notice shall also specify the date by which the Certificate Holders of Modaraba holding Modaraba Certificates of Modaraba (in physical form) shall deliver to ACRL for cancellation of all Modaraba Certificates of Modaraba held by them and such Modaraba Certificates in original shall be delivered to ACRL on or before that date.

Those Modaraba certificates of Modaraba that have been inducted in the Central Depository System ("CDS") shall stand cancelled and shares of ACRL shall be directly credited by book entries in the CDS in lieu of the Modaraba certificates of Modaraba.

**8.04** The major sponsor i.e. Pak Brunei Investment Company Limited, being majority certificates holder of AM has expressly undertaken to buy the certificates from dissenting certificate holders (if any) at the rate higher of: (i) 12 months average daily price reported by PSX preceding the date of Board meeting for approval of swap ratio and Scheme; or (ii) Book Value per Certificate as per the audited accounts as at December 31, 2021.

**8.05** The allotment of the shares of ACRL shall be made by ACRL within 30 days from the date so notified.

**8.06** The shares of ACRL issued and allotted to the Certificate Holders of Modaraba shall in all respect, rank pari passu and value with the existing modaraba certificates of AM held by the Certificate Holders of AM and shall be entitled to all dividends declared after the Effective Date.



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- 8.07 Upon the allotment of shares of ACRL to the Certificate Holders of Modaraba in the manner aforesaid, all Modaraba certificates of Modaraba shall stand cancelled.
- 8.08 Subject to an order of the Court, Modaraba shall without winding up, stand dissolved from the date on which the shares of ACRL to be allotted by ACRL as above to the Certificate Holders of Modaraba have been so allotted.

**ARTICLE 9**  
**EMPLOYEES OF MODARABA**

- 9.01 All full time officers and employees (including workmen) of Modaraba shall become the employees of ACRL at the same level of remuneration and under the same terms and conditions of service, which they were receiving or as the case may be, by which they were governed, immediately before the Effective Date, including those relating to entitlements and benefits arising upon termination of service on the basis of continuation of service.

**ARTICLE 10**  
**GENERAL**

- 10.01 **Modifications by the High Court:** This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of AMML and ACRL may consent to any modifications or additions to this Scheme or to any conditions which the Court may think fit.
- 10.02 **Headings:** Section headings are not to be considered part of this Scheme, but are solely for convenience of reference, and shall not affect the meaning or interpretation of this Scheme or any of its provisions.



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**10.03 Severability:** If any provision of this Scheme is found to be unlawful and unenforceable by a competent Court of law; then to the fullest extent possible all of the remaining provisions of the Scheme shall remain in full force and effect.



**10.04 Costs and expenses:** All costs, charges and expenses of Modaraba and Company in respect of the preparation of this Scheme and carrying the same into effect shall be borne by Modaraba and ACRC equally.

Karachi

Dated: March 11, 2022

   
For & on behalf of M/s. Awwal Modaraba Management Limited



   
For & on behalf of M/s. Awwal Modaraba



   
For & on behalf of M/s. Awwal Corporate Restructuring Company Limited





### LIST OF ANNEXURES

"Annexure A" - List of name of each of the members of board of directors of AMML.

"Annexure B" List of name of each of the members of board of directors of ACRL.

"Annexure C" - Special Purpose audited accounts of Awwal Modaraba for the half year ended December 31, 2021.

"Annexure D" - Auditors Certificate dated February 01, 2022 of Capital Injection into ACRL.

"Annexure E" - Particulars of each of certificate holders of AM.

"Annexure F" - Particulars of each of shareholders of ACRL.



*Handwritten signatures and initials in blue ink.*

## Annexure A

### LIST OF NAME OF EACH OF THE MEMBERS OF BOARD OF DIRECTORS OF AMML

- |                            |   |                                 |
|----------------------------|---|---------------------------------|
| 1. Mr. Khalid Aziz Mirza   | - | Chairman / Independent Director |
| 2. Ms. Ayesha Aziz         | - | Director                        |
| 3. Mr. Abdul Jaleel Shaikh | - | Director                        |
| 4. Mr. Shahid Ghaffar      | - | Independent Director            |
| 5. Mr. Saiyid Najam Rizvi  | - | Director                        |
| 6. Mr. Karim Hatim         | - | Chief Executive Officer         |





## Annexure B

### LIST OF NAME OF EACH OF THE MEMBERS OF BOARD OF DIRECTORS OF ACRL

- |                            |   |                                   |
|----------------------------|---|-----------------------------------|
| 1. Mr. Abdul Jaleel Shaikh | - | Chairman/ Director                |
| 2. Mr. Karim Hatim         | - | Director                          |
| 3. Saiyid Najam Rizvi      | - | Director/ Chief Executive Officer |



*Handwritten signatures and initials in blue ink.*

Annexure C

SPECIAL PURPOSE AUDITED ACCOUNTS OF AWWAL MODARABA  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021



*Handwritten signatures and initials:*  
- Top right: A signature that appears to be "Ran" or "Ran".  
- Middle right: A large, stylized signature or initial, possibly "Q".  
- Bottom right: A signature or initial that appears to be "AM".



Annexure D

AUDITORS CERTIFICATE DATED OF  
CAPITAL INJECTION INTO ACRCL



*Handwritten signature*

*Handwritten signature*

*Handwritten signature*

*Handwritten signature*

Annexure E

PARTICULARS OF EACH OF CERTIFICATE HOLDERS OF AM

*Signature*

*Signature*

*Signature*

*Signature*





Annexure F

PARTICULARS OF EACH OF SHAREHOLDERS OF ACRL

*[Handwritten signature]*

*[Handwritten initials]*



Annexure G

SWAP REPORT

As Attached





**Ref No:** AUD/2021-22/03/1243

11 March 2022

Mr. Karim Hatim  
The Chief Executive Officer  
Awwal Modaraba Management Limited  
6<sup>th</sup> Floor, Horizon Vista, Plot No. Commercial 10  
Block 4, Scheme No. 5, Clifton  
Karachi

**Sub: Proposed Acquisition of Awwal Modaraba by Awwal Corporate Restructuring Company Limited**

Dear Sir

We refer to our engagement letter dated November 01, 2021 whereby Crowe Hussain Chaudhury & Co. was engaged by you to carry out the captioned engagement.

**Scope of work and methodology**

We carried out the valuation of Awwal Modaraba and Awwal Corporate Restructuring Company Limited (ACRCL) as at December 31, 2021 in order to calculate the certificate swap ratio. We used half yearly audited financial statements of Awwal Modaraba and unaudited financial statements of ACRCL for the half year ended December 31, 2021.

Further, we were provided with other related information and explanations as and when required in order to carry out the valuation. We have not conducted verification of the information provided to us.

For the above mentioned exercise, we used generally accepted valuation methodology of Adjusted Net Asset Value (NAV) method.

### **Valuation results and conclusions**

The valuation results are depicted below:

<b>Valuation methodology</b>	<b>Awwal Modaraba</b>	<b>ACRC</b>
Net assets at fair value	11.4097	10.00

The swap ratio results are as follows under recommended method:

1.1409 certificate of ACRC against 1 certificate of Awwal Modaraba

Yours truly



**Crowe Hussain Chaudhury & Co.**