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# **SCHEME OF ARRANGEMENT**

**UNDER SECTIONS 279 TO 283 AND 285 OF  
THE COMPANIES ACT, 2017**

**INVOLVING**

**WAVES SINGER PAKISTAN LIMITED**

**AND**

**SAMIN TEXTILES LIMITED**

**FOR**

**The separation / de-merger of certain assets, liabilities, obligations, contracts and undertaking from Waves Singer Pakistan Limited and merger / amalgamation of the same with and into Samin Textiles Limited along with all ancillary matters.**

## **SCHEME OF ARRANGEMENT**

### **UNDER SECTIONS 279 TO 283 AND 285 OF COMPANIES ACT, 2017**

#### **BETWEEN**

**WAVES SINGER PAKISTAN LIMITED**, a public limited company, incorporated and existing under the laws of Pakistan and having its registered office at 9-KM, Multan Road, Lahore, Pakistan (hereinafter referred to as “**WSPL**”, which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

#### **AND**

**SAMIN TEXTILES LIMITED**, a public limited company, incorporated and existing under the laws of Pakistan and having its registered office at 15/3 Block A, Model Town, Lahore (hereinafter referred to as “**SMTM**”, which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns).

#### **RECITALS**

**WHEREAS** by this Scheme of Arrangement (“**Scheme**”), it is *inter alia* proposed that:

1. The undertaking, comprising the Assets, Liabilities and Obligations, of WSPL which is a company that is engaged in the business of manufacturing, assembly and sale of domestic consumer appliances, owns real estate for potential development and is the holding company of two wholly owned subsidiaries. WSPL shall be split into 02 (two) separate segments i.e. the Demerged Undertaking (comprising of the manufacturing, assembly and wholesale of domestic consumer appliances and other light engineering products) and the Continuing Undertaking (comprising of the other remaining business segments of WSPL).
2. The segment comprising all the Assets, Liabilities, and Obligations pertaining to the Demerged Undertaking shall be carved out of WSPL and, as at the Effective Date, stand merged with, transferred to, vested in, and be assumed by SMTM.
3. As consideration for the above, it is proposed that Inter-group Payable shall be payable to WSPL by SMTM and SMTM Shares shall be issued to WSPL and shareholders of WSPL, each in accordance with this Scheme.
4. Furthermore, as a consequence of the above and as part of this Scheme, the share capital of SMTM and equity of each of WSPL and SMTM shall be revised in accordance with this Scheme with SMTM becoming a subsidiary of WSPL.
5. Upon the merger and transfer of the Demerged Undertaking to SMTM in the manner prescribed under this Scheme, WSPL shall continue to own and operate the Continuing Undertaking while the Demerged Undertaking shall vest in SMTM, and each shall continue to exist as independent companies without either company being dissolved or wound up.
6. This Scheme, if approved by the requisite majority of respective shareholders of WSPL and SMTM, along with the requisite majority of creditors (as may be applicable), and sanctioned by the Court by an order passed in this respect, is to be binding on WSPL and SMTM along with all

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the shareholders, creditors, employees, customers, contracting parties, government and regulatory authorities, bodies and departments of or with respect to WSPL and SMTM (as applicable) respectively.

## **BENEFITS OF THIS SCHEME**

### **A. Commercial Arrangement between WSPL and SMTM and their respective shareholders**

The Demerger shall allow the companies to effectuate the commercial arrangement envisaged by the parties, including WSPL, SMTM and their respective shareholders, through the provisions of sections 279 to 283 and 285 of the Act.

### **B. Specialization**

Apart from being the holding company of two wholly owned subsidiaries, the existing business of WSPL can be categorized under two (02) broad and separate heads i.e. (i) manufacturing, assembly and wholesale of domestic consumer appliances and other light engineering products, and carrying out ancillary activities thereto; (ii) owning real estate for potential development.

Since each of the aforementioned business segments are different from one another, it is prudent and beneficial to separate these segments so that the same can be managed, operated and developed independently and effectively. At the same time such specialization is expected to allow each company to improve the products / services offered, allowing them to become leading suppliers / service providers, resulting in greater revenue. Furthermore, by separating the business segments (as contemplated in this Scheme), the individual companies shall have unique identities and a more focussed business and customer base. At the same time, as a consequence of the arrangement, SMTM shall become a subsidiary of WSPL.

### **C. Objectives of Long Term Growth and Expansion**

Separation of the different undertakings and assets of WSPL and merger of the Demerged Undertaking with and into SMTM will allow the management of each company to focus on the business segment sought to be carried out by the respective company, resulting in better performance of the same. At the same time the respective managements shall be able to apply their skills and experience towards the long-term growth of their respective companies and even expand the businesses to services which are relevant to their applicable fields.

### **D. Strategic Benefits – Holding Company**

The Scheme would allow the WSPL to act as a holding company in respect of SMTM and accordingly, enable WPSL to oversee, supervise and control the business / direction of SMTM, while the management of SMTM can operate and manage the business of SMTM on a regular /day-to-day basis. This structure would result in the businesses being managed and carried out in a more effective manner, thus benefiting the members of the group entities.

### **E. Reducing risk of Diseconomies of Scale**

By demerging, WSPL shall reduce the risk of diseconomies of scale associated with WSPL's growth. In any event, the Demerger will reduce the communication costs, increase the efficiency and reduce business costs.

**F. Increased Focus & Better management of Holding Company**

The Scheme shall allow better asset management and better distribution of assets. This will result in an increased focus on businesses at the holding company level, while minimizing the risks and inefficiencies associated with operating multiple businesses through the same management team. It will also facilitate in business growth, raising additional capital and providing for better management along with specialized focus for each of the respective business segments.

**G. Cost Savings**

The Demerger would enable the companies and its shareholders to save costs under the applicable laws while effectuating the envisaged arrangement.

**H. Effect on SMTM**

SMTM, a public listed company, has been placed on the defaulters' segment of Pakistan Stock Exchange (PSX) from November 03, 2020 till date vide notice from PSX dated November 02, 2020 due to breach of Clause 5.11.1 (b) of Pakistan Stock Exchange Limited Regulations i.e. SMTM having suspended its commercial production / business operations in its principal line of business for a continuous period of one year. While SMTM remains placed on the defaulters' segment of PSX, the trading of SMTM shares is presently ongoing and has not been suspended.

The arrangement contemplated in this Scheme is in furtherance of the additional options, apart from SMTM's original business revival plan, that the board of SMTM instructed the management of SMTM to explore to fast track its revival and remove the cause of SMTM's placement on the defaulters' segment of PSX. Upon Scheme Completion, SMTM would have absorbed and taken in a business undertaking (i.e. the Demerged Undertaking) which has been continuously profitable for five (05) years after the present management assumed control of this business in WSPL in 2016. This will result in SMTM getting a running profitable commercial business. Thus, the cause for placement on defaulters' segment counter would stand addressed and the implementation of the Scheme would serve to revive the business operations of SMTM and consequently benefit the shareholders of SMTM and WSPL.

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

## **ARTICLE 1**

### **DEFINITIONS**

1.1. In this Scheme, unless the subject or context otherwise requires, the following expression shall bear the meanings specified below:

**“Act”** means Companies Act, 2017;

**“Annexure A”** contains the WSPL Split Balance Sheet;

**“Annexure B”** contains the SMTM Balance Sheet;

**“Annexure C”** lists the members of the Board of Directors of WSPL;

**“Annexure D”** lists the members of the Board of Directors of SMTM;

**“Annexure E”** is the annexure attached hereto which contains the details of the Retained Employees;

**“Annexure F”** contains, *inter alia*, the details of the SMTM Shares to be issued to WSPL and shareholders of WSPL in terms of this Scheme;

**“Annexure G”** contains the details of the finance facilities to be transferred to the Demerged Undertaking which are to be assumed by and vested in SMTM;

**“Annexure H”** contains the details of the finance facilities to be retained in the Continuing Undertaking;

**“Annexure I”** contains the details of the Security over current Assets;

**“Annexure J”** contains the details of Security over fixed Assets other than immovable properties;

**“Annexure K”** contains the details of the new charges over fixed Assets (other than immovable properties) comprised in the Demerged Undertaking which are to be assumed by and vested in SMTM;

**“Annexure L”** contains the details of Security over immovable properties other than retail outlets;

**“Annexure M”** contains the details of the new charges over immovable properties comprised in the Demerged Undertaking which are to be assumed by and vested in SMTM;;

**“Annexure N”** contains the details of the exclusive mortgage over the retail outlets comprised in the Continuing Undertaking;

**“Annexure O”** contains the details of the shareholdings of the Directors of WSPL and SMTM in the said companies;

**“Annexure P”** is the annexure attached hereto which contains the details of the New Factory Premises;

**“Annexure Q”** is the annexure attached hereto which contains the details of the Existing Factory Land;

**“Annexure R”** is the annexure attached hereto containing the Report;

**“Assets”** mean assets, properties, rights, titles and interests of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes the rights, benefits and interests connected with the business of a company, properties held on trust and benefit of securities obtained from Customers, benefits, powers, rights, authorities, privileges, Contracts, government consents, tax refunds / credits, tax exemptions (including holding period of such assets and liabilities along with all the rights attached and accrued thereto), sanctions and authorizations, including all registrations, licenses, Claims, no objection certificates / letters, permits, categories, entitlements, sanctions, permissions and benefits relating to the business / company, trademarks, patents, copyrights, licenses, liberties, secret processes, know-how and confidential information belonging / pertaining to a company. Without in any way limiting or prejudicing the generality of the foregoing, it is hereby clarified that the assets shall include:

- (i) All properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company, including buildings, offices and structures, as well as equity, stocks, debentures, bonds, rights under futures, options, derivative contracts, commodities etc. (and all rights associated therewith);
- (ii) all plant, machinery, equipment, furniture and fixtures, computer hardware and software, software applications and licenses, motor vehicles, office equipment, appliances, and accessories, spare parts and tools;
- (iii) all stock-in-trade, inventory, stocks of fuels, raw materials, ingredients, packaging, office and laboratory supplies, engineering spares, consumable stores, work-in-progress and finished goods;
- (iv) all legal and/or beneficial interests including, without limitation statutory, contractual and/or regulatory rights, titles, permissions, concessions, privileges, sanctions, approvals, licenses, and registrations;
- (v) all benefits and rights under Contracts including rights under or relating to Contracts of employment, Contracts of insurance, personal services or consultancy;
- (vi) all data, information, records, instruments, documents of title, market statistics, marketing surveys and reports, marketing research, advertising or other promotional material and information, accounting (including management account records) financial data whether in hard copy or in computer held form (including, for avoidance of doubt, such media as microfilm and microfiche);

- (vii) all claims, choses-in-action, receivables, book trade and other debts or sums (including suppliers' credit notes) due, owing, accrued or payable (whether or not invoiced and whether or not immediately due or payable), advances, deposits, prepayments and other receivables, investments, cash in hand or at bank, bank balances, rights under loan documents and other agreements for financial facilities, letters of credit, guarantees, bonds and warranties;
- (viii) all connections, equipment, installations and facilities pertaining to telecommunications, water, gas, electricity, sewerage or other utilities, and other installations, owned by, leased or licensed to a company (including related deposits);
- (ix) all claims, petitions, suits, applications or appeals, filed before or pending with any court, authority, tribunal or regulatory body, whether in its original jurisdiction or appellate jurisdiction;
- (x) all intellectual property rights, whether registered or not, including trademarks, copyrights, patents, designs, trade secrets, technical data, processes and know-how, industrial and technical information, confidential information, drawings, formulations, technical reports, operating and testing procedures, instruction manuals, raw material or production specifications, results of research and development work, whether in hard copy or in computer held form (including, for the avoidance of doubt, such media as microfilm and microfiche);
- (xi) goodwill; revaluation surplus; share premium account; capital and revenue reserves,
- (xii) Tax credits, tax or other refunds; tax or tariff protections, remissions or exemptions and unadjusted tax receivables or losses; and
- (xiii) the Contingent Claims and proceeds realized from the Liquidation of the Contingent Claims;

**"Brand IP Retained"** means the intellectual property rights of WSPL and all titles, benefits and interests ancillary thereto, registered or otherwise, including, *inter alia*, any intellectual property rights associated with or connected to (i) any patents developed and copyrights held by WSPL; or (ii) the brand, logo, tradename and trademark of "Waves", excluding Brand IP Transferred;

**"Brand IP Transferred"** means the intellectual property rights of WSPL and all titles, benefits and interests ancillary thereto, registered or otherwise, to the extent of patents that are directly related to home appliances business (i.e. which shall form part of the Demerged Undertaking and are to be transferred under this Scheme to SMTM);

**"CDC"** means the Central Depository Company of Pakistan Limited;

**"CDS"** means the Central Depository System (an electronic book entry system for the recording and transfer of securities, established under the Central Depositories Act, 1997 and maintained by the CDC);

**"Claim"** means claim, counter-claim, demand or cause of action and includes a Contingent Claim;

**"Contingent Claim(s)"** means any potential Claim that a company may have against any person prior to the Effective Date which may not be disclosed or reflected as part of its Assets (except for, with respect to the Demerged Undertaking) on its books or records;



**“Continuing Undertaking”** means all the Assets (*along with the Brand IP Retained*), Liabilities and Obligations of WSPL which are to be retained in WSPL and not to be transferred to SMTM as part of the Demerged Undertaking, represented by the Continuing Undertaking Balance Sheet;

**“Continuing Undertaking Balance Sheet”** means the balance sheet of the Continuing Undertaking immediately prior to the Effective Date, as described in Column ‘C’ of the WSPL Balance Sheet illustrating the position after the Demerged Undertaking has been demerged from WSPL;

**“Contracts”** means any contracts, agreements, deeds, instruments, letters or undertakings of every description, creating any obligations or rights enforceable against the parties thereto, including any finance agreements;

**“Court”** means the Lahore High Court, Lahore;

**“Customer”** means any person having entered into a transaction, arrangement or other dealing with a company;

**“Demerged Undertaking”** means all of the Assets, Liabilities and Obligations of WSPL (excluding the Assets, Liabilities and Obligations of the Continuing Undertaking and the Brand IP Retained) which are to be demerged from WSPL and transferred to and vested in SMTM as part of the Demerged Undertaking, represented by the Column B of the WSPL Split Balance Sheet;

**“Demerger”** shall have the same meaning as prescribed thereto in Article 2.1.(i) of this Scheme;

**“Effective Date”** shall have the same meaning as prescribed thereto in Article 3.1. of this Scheme;

**“Existing”** means existing, outstanding or in force immediately prior to the Effective Date;

**“Existing Factory Land”** means the piece and parcel of land (excluding the fixtures attached to such land or permanently fastened to anything attached to such land and the superstructure / buildings presently built thereon) owned by WSPL, as more specifically identified in Annexure Q hereto, which shall be retained by WSPL in terms of this Scheme and on which the manufacturing and assembly unit of the Demerged Undertaking is presently situated;

**“Intra-group Payable”** means an amount equivalent to PKR 2,000,000,000/- (Pak Rupees Two Billion only) to be payable by SMTM to WSPL as partial consideration of the Demerger in terms of this Scheme;

**“Liabilities and 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 all Securities, and the term **“Liabilities”** and **“Obligations”** are used interchangeably and / or in conjunction with each other;

**“Liquidation”** means the release, compromise, satisfaction, settlement or reduction to judgment of any Claim by a competent court of law;

**“New Factory Premises”** means the piece and parcel of land owned by WSPL, as more specifically identified in Annexure P hereto, which is being transferred to SMTM in terms of this Scheme and on which the manufacturing and assembly unit of SMTM is presently contemplated to be situated;

**“Retained Employees”** mean all employees of WSPL who are employed wholly or principally for the purposes of the business segment pertaining to the Continuing Undertaking immediately prior to the Effective Date, including but not limited to those listed in Annexure E attached hereto;

**“Report”** means the share issuance letter dated December 15, 2021 issued by Yousuf Adil, Chartered Accountants, to the respective Board of Directors of WSPL and SMTM, attached hereto as Annexure R, stipulating, *inter alia*, valuations of the Demerged Undertaking, SMTM business and the SMTM Shares as well as calculations of the consideration to be paid by SMTM against the Demerger;

**“Scheme”** means this Scheme of Arrangement in its present form with any modifications thereof or additions thereto, approved by the Court and subject to any conditions imposed by the Court;

**“Scheme Completion”** has the same meaning as prescribed thereto in Article 3.1 of this Scheme;

**“Scheme Completion Date”** has the same meaning as prescribed thereto in Article 3.1 of this Scheme;

**“Security”** or **“Securities”** means interest, right or title in and to any and all mortgages, encumbrances or charges (whether legal or equitable), debentures, bill of exchange, promissory note, guarantee, lien, pledge (whether 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;

**“SMTM”** shall have the meaning as prescribed in the preamble above;

**“SMTM Shares”** means the ordinary shares having a par value of PKR 10/- (Pak Rupees Ten only) each in the share capital of SMTM;

**“SMTM Balance Sheet”** means the balance sheet of SMTM immediately prior to the Effective Date, as described in Annexure B;

**“WSPL”** shall have the meaning as prescribed in the Preamble above;

**“WSPL Shares”** mean the ordinary shares having a par value of PKR 10/- (Pak Rupees Ten) each in the share capital of WSPL; and

**“WSPL Split Balance Sheet”** is the split balance sheet of WSPL as of close of business on August 31, 2021, attached as Annexure A, detailing the break-ups of WSPL (inclusive of both the

Demerged Undertaking and the Continuing Undertaking), the Demerged Undertaking and the Continuing Undertaking.

## **ARTICLE 2**

### **OBJECTS OF THE SCHEME**

- 2.1. The principal object of this Scheme is to:
- (i) separate / demerge the Demerged Undertaking from WSPL and amalgamate the same with and into SMTM by transferring to and vesting in SMTM the whole of the Demerged Undertaking, including all Assets, Liabilities and Obligations of the Demerged Undertaking, as of the Effective Date, against the consideration described in Article 9, in accordance with the provisions of this Scheme (the “**Demerger**”); and
  - (ii) as a consequence of the Demerger, effect the change in the share capital of SMTM and equity of each of WSPL and SMTM as described in Article 9, in accordance with the provisions of this Scheme.
- 2.2. It is hereby clarified that although all of the above steps will take place by virtue of the sanction of the Scheme by the Court and completion of the formalities of Scheme Completion, the same shall be deemed to be effective as of the Effective Date.
- 2.3 The Continuing Undertaking shall not at any time be transferred to or vest in SMTM and the same shall remain part of WSPL.

## **ARTICLE 3**

### **EFFECTIVE DATE**

- 3.1. This Scheme shall become operative and bind WSPL and SMTM as soon as an order is passed by the Court under Sections 279 / 282 of the Act, sanctioning this Scheme and issuing other necessary directions / orders under Section 282 of the Act (hereinafter referred to as the “**Scheme Completion**” and such date referred to as “**Scheme Completion Date**”). When this Scheme becomes operative on the Scheme Completion Date, the Demerger, in accordance with this Scheme, will be treated as having effect from immediately after the end of business on August 31, 2021 or such other date as may be stated by the Court (hereinafter referred to as the “**Effective Date**”). Each company shall file a certified copy of the order passed by the Court with the Registrar of Companies, Lahore in accordance with Section 279 of the Act.
- 3.2 Accordingly, as of the Effective Date and thereafter, until the Demerged Undertaking is actually transferred to and vested in SMTM in terms of this Scheme, the business of WSPL, to the extent of the Demerged Undertaking, will be deemed to have been carried for and on account and for the benefit of SMTM.
- 3.3 Also, as of the Effective Date and thereafter, the business of WSPL, to the extent of the Continuing Undertaking, will be deemed to have been carried for and on account and for the benefit of WSPL.

- 3.4 The reserves including un-appropriated profits / losses of WSPL up to and immediately preceding the Effective Date, (i) to the extent allocated for the Demerged Undertaking, shall constitute and be treated as reserves / losses of a corresponding nature in SMTM; and (ii) to the extent allocated for the Continuing Undertaking, shall constitute and be treated as reserves / losses of a corresponding nature in WSPL and shall be accounted for on that basis in the respective books of account of SMTM and WSPL.

#### **ARTICLE 4**

##### **CAPITAL**

- 4.1. The authorized share capital of WSPL is PKR 3,000,000,000/- (Pak Rupees Three Billion only) divided into 300,000,000 (Three Hundred Million) shares of PKR 10/- (Pak Rupees Ten only) each, out of which 281,406,200 (Two Hundred Eight One Million Four Hundred Six Thousand Two Hundred) shares have been issued, fully subscribed to and paid up.
- 4.2. It is hereby clarified that consequent upon the Scheme becoming effective, the authorized share capital and the paid-up capital of WSPL shall remain unchanged.
- 4.3. The authorized share capital of SMTM is PKR 300,000,000/- (Pak Rupees Three Hundred Million only) divided into 30,000,000 (Thirty Million) ordinary shares of PKR 10/- (Pak Rupees Ten only) out of which 26,728,000 (Twenty Six Million Seven Hundred Twenty Eight Thousand) shares have been issued, fully subscribed to and paid up.
- 4.4. Upon the sanction of this Scheme, and subject to payment of the requisite fee, the authorized share capital of SMTM shall stand enhanced to PKR 4,250,000,000/- (Pak Rupees Four Billion Two Hundred and Fifty Million only) divided into 425,000,000 (Four Hundred Twenty Five Million) shares of PKR 10/- (Pak Rupees Ten only) each, and accordingly the Memorandum and Articles of Association of SMTM shall stand amended. Approval of the shareholders of SMTM to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of SMTM to the alteration of the Memorandum and Articles of Association of SMTM for the increase of the authorized share capital of SMTM to PKR 4,250,000,000/- (Pak Rupees Four Billion Two Hundred and Fifty Million only) as required in terms of the Act.

#### **ARTICLE 5**

##### **BOARD OF DIRECTORS**

- 5.1. The present directors of WSPL are listed in Annexure C attached hereto.
- 5.2. The present directors of SMTM are listed in Annexure D attached hereto.
- 5.3. The directors of each of WSPL and SMTM are expected to continue as the directors after the Demerger / Scheme Completion Date, subject to their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the casual vacancies thus created.

- 5.4. All the directors of WSPL and SMTM have interest in the Demerger to the extent of their respective shareholdings in WSPL and SMTM. The effect of this Scheme on the interest of these directors does not differ from the respective interests of the shareholders of WSPL and SMTM, except to the extent stipulated herein.

## **ARTICLE 6**

### **DEMERGER**

#### **6.1. General Description**

- (i) As of the Effective Date, the entire Demerged Undertaking shall be demerged / separated from WSPL and amalgamated with, stand transferred to and vested in SMTM upon the terms and conditions set forth in this Scheme, without any further act, deed, matter or thing, process or procedure.
- (ii) Upon the sanction of the Scheme, SMTM shall be able to carry out the business with respect to the Demerged Undertaking and shall be entitled to all the rights and the benefits thereof.
- (iii) The Continuing Undertaking shall be retained by WSPL.
- (iv) In consideration of the Demerger, the Intra-group Payable shall be payable by SMTM to WSPL and SMTM shall allot and issue SMTM Shares to WSPL and to the shareholders of WSPL in accordance with Article 9 below.
- (v) As a consequence of the Demerger, the share capital of SMTM and equity of each of WSPL and SMTM shall be as stated in Article 9 below.

#### **6.2. Transfer of the Assets**

- (i) As of the Effective Date, all the Assets comprised in the Demerged Undertaking (which shall, for the avoidance of doubt, include the Brand IP Transferred but exclude the Brand IP Retained), shall immediately without any conveyance or transfer and without any further act or deed be vested in and become the undertaking and Assets of SMTM, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by WSPL prior to the Demerger. Notwithstanding the foregoing, it is clarified that with respect to the financing arrangements being availed by WSPL:
  - (a) a specific portion thereof, as identified in Annexure G hereto, shall be separated and transferred to, stand vested in and be assumed by SMTM;
  - (b) the remaining portion thereof, including those identified in Annexure H attached hereto, shall remain with WSPL as part of the Continuing Undertaking.
- (ii) Since the Liabilities and Obligations with respect to certain creditors of WSPL shall partially and/or completely be transferred to and stand vested in SMTM (as part of the Demerged Undertaking), the transfer of Assets comprised in the Demerged Undertaking in accordance with this Scheme shall be subject to the specific

mortgages, charges or other encumbrances subsisting thereon with respect to those facilities forming part of the Demerged Undertaking (in accordance with Article 6.2(i) above), in the manner prescribed in Article 6.10 below.

- (iii) The Transfer of Assets from WSPL to the Demerged Undertaking shall not include the transfer of the Brand IP Retained, the ownership of which shall remain with the Continuing Undertaking. On and from the Sanction of this Scheme (but with effect from the Effective Date), a limited license shall stand granted by WSPL to SMTM permitting SMTM to use the “Waves” brand, “Naam hi kaafi hai” trademark and copyright as well as other intellectual property related to the home appliances business being transferred to SMTM under a license arrangement on such terms as may be agreed between WSPL and SMTM.

### **6.3. Transfer of Liabilities and Obligations**

As of the Effective Date, all the Liabilities and Obligations, to the extent relevant to the Demerged Undertaking, specifically the Liabilities and Obligations towards the creditors of the Demerged Undertaking, shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of SMTM, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

### **6.4. SMTM’s Right to Execute Deeds**

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

### **6.5. References to Assets and Liabilities and Obligations**

Any reference in this Scheme to Assets or Liabilities and Obligations comprised in the Demerged Undertaking is a reference to Assets or Liabilities and Obligations comprised in the Demerged Undertaking (and as determined in terms of this Scheme) to which WSPL 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 Obligations and Liabilities are situated or arise and whether or not capable of being transferred or assigned to or by WSPL under any applicable law or instrument.

### **6.6. Assets held in Trust, etc.**

Any Asset comprised in the Demerged Undertaking which immediately before the Effective Date was held by WSPL as trustee 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, as of the Effective Date, be held by SMTM in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

### **6.7. Contracts**

Every Contract to which WSPL is a party, which pertains to the Demerged Undertaking and to the extent the same is wholly / partially transferred to SMTM in terms hereof, shall have effect as of the Effective Date as if:

- (i) To the extent such Contract is being transferred, SMTM had been a party thereto instead of WSPL; and
- (ii) For any reference (however worded and whether express or implied) to WSPL therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to SMTM.

#### **6.8 Instructions**

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to WSPL in writing or otherwise (pertaining to the Demerged Undertaking) shall have effect, as of the Effective Date, as if given to SMTM.

#### **6.9. Financing Facilities and Arrangements**

- (i) With respect to the Liabilities and Obligations of WSPL pertaining to the secured creditors of WSPL as at the Effective Date, including all financing facilities and arrangements being availed by WSPL:
  - (a) a specific portion thereof, as identified in Annexure G hereto, shall be separated and transferred to, stand vested in and be assumed by SMTM as part of the Demerged Undertaking along with the relevant Securities over the Assets comprised in the Demerged Undertaking in accordance with and in the manner set out in Article 6.10 below;
  - (b) the remaining portion thereof, including the outstanding facility amounts identified in Annexure H attached hereto, shall remain with WSPL as part of the Continuing Undertaking along with the relevant Securities over the Assets comprised in the Continuing Undertaking in the accordance with and in the manner set out in Article 6.10 below.
- (ii) Notwithstanding anything contained in this Scheme, in the event any financing facilities / arrangements are availed by WSPL with respect to the Demerged Undertaking only on or after the Effective Date, which shall appear in the books and accounts of the Demerged Undertaking (as prescribed under Article 10.1. below), the same shall, as a consequence of this Scheme, stand transferred to, vested in and assumed by SMTM (as part of the Demerged Undertaking) along with relevant Securities created / granted by WSPL in relation to such financing arrangements over the Assets comprised in the Demerged Undertaking.
- (iii) Notwithstanding anything contained in this Scheme, in the event any financing facilities / arrangements are availed by WSPL with respect to the Continuing Undertaking only on or after the Effective Date, which shall appear in the books and accounts of the Continuing Undertaking (as prescribed under Article 10.1. below), the same shall, as a consequence of this Scheme, be retained by WSPL (as part of the Continuing Undertaking), along with relevant Securities created / granted by WSPL in

relation to such financing arrangements over the Assets comprised in the Continuing Undertaking.

#### 6.10. Securities

- (i) The Security held immediately before the Effective Date by WSPL or by a nominee or agent of or trustee for WSPL with respect to the Demerged Undertaking as security for the payment or discharge of any liability and obligation of a Customer, shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for SMTM and be available to SMTM (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.
- (ii) In relation to any Security vested in SMTM in accordance with provisions of this Scheme and any liabilities and obligations thereby secured, SMTM shall be entitled to the rights and priorities to which WSPL would have been entitled if they had continued to hold the Security.
- (iii) The Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities (pertaining to the Demerged Undertaking) shall, as of the Effective Date, be available to SMTM (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, WSPL or, as the case may be, SMTM were secured thereby immediately before that time (to the extent applicable to the Demerged Undertaking and as specified in this Scheme).
- (iv) The Security granted / created by WSPL over the Assets comprised in the Demerged Undertaking and Continuing Undertaking (both fixed and current assets, as further detailed below) in favour of a creditor or otherwise held immediately before the Effective Date by a creditor of WSPL (or such creditor's nominee, agent or trustee) whether on a *pari passu*, exclusive, first or other ranking charge basis, as security for the payment or discharge of any Liability and Obligation of WSPL, with respect to the Demerged Undertaking and Continuing Undertaking, shall be treated in the manner set out below and, as of the Effective Date, take effect as follows:

##### Security over Current Assets (as further described in Annexure I)

- (a) the Liabilities and Obligations of WSPL in relation to the Security granted / created over the current Assets of WSPL shall, to the extent of the amounts specified in Column F of Annexure I, stand transferred to, vested in and assumed by SMTM as part of the Demerged Undertaking for the benefit of the corresponding secured creditors / financial institutions listed in Column B of Annexure I, without requiring any further act or deed;
- (b) the Liabilities and Obligations in relation to the Security granted / created over the current Assets of WSPL shall, to the extent of the amounts specified in Column E of Annexure I, remain vested in and retained by WSPL as part of the Continuing Undertaking for the benefit of the corresponding secured creditors / financial institutions listed in Column B of Annexure I;



Security over Fixed Assets other than Immovable Properties (as further described in Annexure J and Annexure K)

- (c) the Liabilities and Obligations of WSPL in relation to the Security granted / created over the fixed Assets (other than immovable properties) of WSPL shall, to the extent of the amounts specified in Column F of Annexure J, stand transferred to, vested in and assumed by SMTM as part of the Demerged Undertaking for the benefit of corresponding secured creditors / financial institutions listed in Column B of Annexure J, without requiring any further act or deed;
- (d) with respect to certain finance facilities pertaining to the Demerged Undertaking and being availed from the secured creditors / financial institutions listed in Column B of Annexure K, a new Security in the form of a first *pari passu* hypothecation charge shall stand created over the fixed Assets comprised in the Demerged Undertaking (to be assumed by SMTM), to the extent specified in Column F of Annexure K in favour of the corresponding secured creditors / financial institutions listed in Column B of Annexure K, without requiring any further act or deed;

Mortgages over Immovable Properties other than Retail Outlets (as further described in Annexure L and Annexure M)

- (e) a certain portion of the Liabilities and Obligations in relation to the Security / mortgage over the Existing Factory Land shall, to the extent of the amounts specified in Column E of the Annexure L, remain vested in WSPL as part of the Continuing Undertaking for the benefit of the corresponding secured creditors / financial institutions set out in Column B of Annexure L;
- (f) with respect to the Liabilities and Obligations of WSPL towards its secured creditors in relation to the Security / mortgage over the immovable properties of WSPL, which are not being retained by WSPL as part of the Continuing Undertaking or not being transferred to SMTM or otherwise assumed by SMTM (as part of the Demerged Undertaking), such Liabilities and Obligations of WSPL in respect of such Security / mortgage shall stand automatically released and discharged on the Scheme Completion Date, subject to Article 6.10(iv)(g) below;
- (g) in lieu of the release and discharge of the mortgage over the immovable properties comprised in the Continuing Undertaking of WSPL in terms of Article 6.10(iv)(f) above, such mortgage shall stand simultaneously and automatically replaced with a new Security in the form of a mortgage over the New Factory Premises comprised in the Demerged Undertaking (to be assumed by SMTM) for the benefit of the corresponding secured creditors / financial institutions set out in Column B of Annexure L for securing up to such amounts as set forth in Column F of Annexure L, without requiring any further act or deed;
- (h) with respect to certain finance facilities pertaining to the Demerged Undertaking and being availed from the financial institutions listed in Column B

of Annexure M, a new Security in the form of a first *pari passu* mortgage over the New Factory Premises comprised in the Demerged Undertaking (to be assumed by SMTM) shall stand created in favour of the corresponding secured creditors / financial institutions listed in Column B of Annexure M for securing up to such amounts as respectively set forth in Column F of Annexure M, without requiring any further act or deed;

*Exclusive Mortgage over Retail Outlets (as further described in Annexure N)*

- (i) the Liabilities and Obligations in relation to the exclusive Security created by way of mortgage over certain immovable properties of WSPL pertaining to its retail outlets shall, in the amounts specified in Column E of Annexure N, remain vested with WSPL as part of the Continuing Undertaking for the benefit of financial institution specified in Column B of Annexure N.
- (v) With respect to the Liabilities and Obligations of WSPL towards its secured creditors which stand transferred to SMTM (as part of the Demerged Undertaking) in accordance with Article 6.10(iv) above, such Securities will continue to remain operative and effective as Securities granted and created by SMTM in favour of its own creditors.
- (vi) With respect to the Liabilities and Obligations of WSPL towards its secured creditors, which are not being transferred to SMTM or otherwise being assumed by SMTM (as part of the Demerged Undertaking) in accordance with Article 6.10(iv) above, such Securities (granted / created by WSPL over the Assets comprised in the Demerged Undertaking) shall stand automatically released and discharged on the Scheme Completion Date.
- (vii) Subject to Article 6.9(iii) above, with respect to the Liabilities and Obligations of WSPL towards its secured creditors as of the Effective Date, which are not being transferred to SMTM and have not been retained by WSPL in accordance with Article 6.10(iv) above, such Securities (granted / created by WSPL over the Assets comprised in the Continuing Undertaking) shall stand automatically released and discharged on the Scheme Completion Date.

**6.11. Legal Proceedings**

Where by virtue of this Scheme any right, Claim or Liability of WSPL pertaining to the Demerged Undertaking, becomes a right, Claim or Liability of Ideas as of the Effective Date (including but not limited to the legal proceedings/matters stipulated in Note 18 of the audited special purpose financial statements of WSPL for the period ending August 31, 2021), SMTM 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 SMTM, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against WSPL with respect to the Demerged Undertaking may be continued by or against SMTM.

**6.12. Judgments**

Any judgment or award obtained by or against WSPL with respect to the Demerged Undertaking and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable by or against WSPL with respect to the Demerged Undertaking, become enforceable by or against SMTM.

**6.13. Evidence**

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against WSPL with respect to the Demerged Undertaking, shall be admissible in evidence in respect of the same matter for or against SMTM.

**6.14. Negotiable Instruments**

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, WSPL, or payable at any place of business of WSPL, whether so drawn, given, accepted or endorsed before, as of the Effective Date, with respect to matters comprising the Demerged Undertaking, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by SMTM, or were payable at the same place of business of SMTM.

**6.15. Custody of Documents**

The custody of any document, record or goods held by WSPL as bailee and duly recorded in their books that pass to WSPL under any Contract of bailment relating to any such document, record or goods, which pertain to the Demerged Undertaking, shall on that day become rights and obligations of SMTM.

**6.16. Authorizations**

Any authorizations / powers of attorney granted by WSPL to any persons with respect to matters pertaining to the Demerged Undertaking shall continue to subsist subsequent to the Demerger and shall be deemed to be authorizations / powers of attorney granted by SMTM to such persons, until or unless otherwise revoked or modified by SMTM.

**6.17. Employees**

- (i) On and from the sanction of this Scheme (but with effect from the Effective Date), all full time officers and employees (including workmen) of the Demerged Undertaking, other than the Retained Employees, shall become the employees of SMTM 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 services, on the basis of continuation of service, unless the employment of any such person(s) is terminated (including pursuant to resignation or otherwise) between the Effective Date and date of sanction of this Scheme.
- (ii) Furthermore, any full time officers and employees (including workmen) of WSPL who have been hired for the business / segment pertaining to the Demerged Undertaking on or after the Effective Date shall be recorded as such in the books of WSPL, and shall become the employees of SMTM from the date of sanction of this Scheme (but with

effect from the Effective Date) at the same level of remuneration and under the same terms and conditions of service which they were receiving.

- (iii) On the date of sanction of this Scheme, proportionate amounts of the provident fund, gratuity fund and pension fund relating to the employees of the Demerged Undertaking (as well as other employees falling within the ambit of (i) and (ii) above), except for the Retained Employees, shall be transferred from such fund and vest in the trustees of a similar fund established by SMTM for the benefit of its employees.

#### **6.18. New Factory Premises**

From the date of sanction of this Scheme (but with effect from the Effective Date), the New Factory Premises, as more specifically identified in Annexure P, shall stand transferred to and vested in SMTM.

The civil / construction works at New Factory Premises have been partially completed. The completion of all necessary works to enable commencement of manufacturing and production operations at the New Factory Premises (including shifting of plant and machinery comprised in the Demerged Undertaking from the Existing Factory Land to the New Factory Premises) is expected to be completed after the date of sanction of the Scheme. From the date of sanction of this Scheme (but with effect from the Effective Date) till commencement of manufacturing and production operations at the New Factory Premises, a right to use the Existing Factory Land shall stand granted by WPSL to SMTM for the purposes of conducting the business comprised in the Demerged Undertaking against the payment of such amount of rent as may be determined in line with the prevailing market rates / standards and/or in accordance with the rate determined in view of the valuation carried out by a valuator that may be appointed by WSPL and SMTM.

#### **6.19. Plant, Machinery and Other Fixtures at the Existing Factory Land**

From the date of sanction of this Scheme (but with effect from the Effective Date), the plant, machinery and other fixtures present on the Existing Factory Land shall stand transferred to and vested in SMTM. It being clarified that the Existing Factory Land, as more specifically identified in Annexure Q, shall remain with the Continuing Undertaking.

#### **6.20 Clarification**

The provisions contained in Articles 6.2 to 6.19 above are without prejudice to the generality of any other provisions in this Scheme, but subject to any specific provisions in this Scheme which expressly has a contrary effect.

### **ARTICLE 7**

#### **CERTAIN OBLIGATIONS AND REPRESENTATIONS**

- 7.1. Upon the Demerger, SMTM shall take all necessary and expedient steps to properly and efficiently manage the entire business pertaining to the Demerged Undertaking and affairs thereof, and shall operate and promote its entire business and affairs in the normal course.

- 7.2. As of the Scheme Completion Date (but with effect from Effective Date), SMTM shall undertake, pay, satisfy, discharge, perform and fulfill the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of WSPL with respect to the Demerged Undertaking.

## **ARTICLE 8**

### **THE SCHEME'S EFFECT**

- 8.1. The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 3 above.
- 8.2. The execution 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 WSPL and / or SMTM except in terms of this Scheme.
- 8.3. As of the Scheme Completion Date (but with effect from the Effective Date), the terms of this Scheme shall be binding on WSPL and SMTM and also on all the respective shareholders of WSPL and SMTM, the Customers of each of WSPL and SMTM, the creditors of each of WSPL and SMTM, and on any other person having any right or liability in relation to either of them.

## **ARTICLE 9**

### **CONSIDERATION FOR THE DEMERGER, CHANGES TO SHARE CAPITAL AND EQUITY, AND RELATED MATTERS**

- 9.1. As consideration for the Demerger and the Demerged Undertaking vesting in SMTM from WSPL, SMTM shall:
- (i) allot and issue an aggregate of 56,281,240 (Fifty Six Million Two Hundred Eighty One Thousand Two Hundred Forty) SMTM Shares to shareholders of WSPL, credited as fully paid up, at par, in the swap ratio of twenty (20) SMTM Shares to be issued for every one hundred (100) WSPL Shares held by WSPL shareholders;
  - (ii) allot and issue an aggregate of 199,724,956 (One Hundred Ninety Nine Million Seven Hundred Twenty Four Thousand Nine Hundred Fifty Six) SMTM Shares to WSPL, credited as fully paid up, at par; and
  - (iii) be liable to pay an amount of PKR 2,000,000,000 (Pak Rupees Two Billion Only) to WSPL,

as detailed in Annexure F attached hereto and each as approved by the Board of Directors of each of WSPL and SMTM based on the (A) audited special purpose financial statements of WSPL and SMTM for the period ending August 31, 2021 and (B) valuations and calculations under

Scenario I as stated in the Report, in each case subject to the provisions of Article 9 appearing herein below.

- 9.2. As part of the arrangement hereunder, subsequent to the Scheme Completion Date, but prior to the issuance / allotment of SMTM Shares to WSPL and the shareholders of WSPL in accordance with Article 9.1 above, SMTM's issued and paid-up share capital will stand reduced by way of cancellation of SMTM Shares in the ratio of 125 SMTM Shares cancelled for every 225 SMTM Shares held by each shareholder of SMTM. Consequently the issued and paid up share capital of SMTM shall stand reduced:
- (a) by PKR 148,488,890/- (Pak Rupees One Hundred Forty Eight Million Four Hundred Eighty Eight Thousand Eight Hundred Ninety onyl) represented by cancellation of 14,848,889 (Fourteen Million Eight Thousand Forty Eight Hundred Eighty Nine) SMTM Shares; and
  - (b) from PKR 267,280,000/- (Pak Rupees Two Hundred Sixty Seven Million Two Hundred Eighty Thousand only) comprising 26,728,000 (Twenty Six Million Seven Hundred Twenty Eight) SMTM Shares to PKR 118,791,110/- (Pak Rupees One Hundred Eighteen Million Seven Hundred Ninety One Thousand One Hundred Ten only) represented by 11,879,111 (Eleven Million Eight Hundred Seventy Nine Thousand One Hundred Eleven) SMTM Shares which are not to be cancelled.
- 9.3. Simultaneously with the aforementioned reduction in the issued and paid-up share capital of SMTM, a total of 256,006,196 (Two Hundred Fifty Six Million Six Thousand One Hundred Ninety Six) SMTM Shares will be issued to WSPL Shareholders and WSPL respectively as set out in Article 9.1 (i) and (ii) above with each SMTM Share having a par value of PKR 10 (Pak Rupees Ten). Consequently, the paid-up and issued share capital of SMTM shall stand increased by PKR 2,560,061,960/- (Pak Rupees Two Billion Five Hundred Sixty Million Sixty One Thousand Nine Hundred Sixty only).
- 9.4. After completion of the actions under Article 9.2 and 9.3 above, the issued and paid-up share capital of SMTM shall stand increased to PKR 2,678,853,070 (Pak Rupees Two Billion Six Hundred Seventy Eight Million Eight Hundred Fifty Three Thousand Seventy only) comprising of 267,885,307 (Two Hundred Sixty Seven Million Eight Hundred Eighty Five Thousand Three Hundred Seven) SMTM Shares having par value of PKR 10 (Pak Rupees Ten) each.
- 9.5. The proposed cancellation of SMTM Shares, corresponding reduction in the issued and paid-up share capital of SMTM and issuance of SMTM Shares as per Article 9.1 above shall serve to achieve an optimal capital base of the SMTM after Scheme Completion which shall: (i) be reasonably close to the amount of the existing issued and paid-up share capital of WSPL (*from which the Demerged Undertaking will be carved-out of*); and (ii) help avoid issuance of a significantly higher number of SMTM Shares and lower book value per SMTM Share.
- 9.6. The amount of PKR 2,000,000,000/- (Pak Rupees Two Billion Only) payable by SMTM to WSPL as per Article 9.1 (iii) shall be treated as an Intra-group Payable by SMTM to WSPL and intra-group receivable of WSPL from SMTM. No profit/mark-up shall accrue on such outstanding amount if the said amount is settled by SMTM within two (2) years of the sanction of this Scheme. However, if any portion remains outstanding after two (2) years of the sanction of this Scheme, SMTM shall be liable to pay a profit/mark-up on the outstanding amount to WSPL, on a quarterly basis in arrears. The rate of profit/mark-up shall be determined by the Boards of

Directors of each of WSPL and SMTM at the relevant time, provided that such profit/mark-up rate shall not be less than the rate prescribed under applicable law.

- 9.7. In addition to the entries required to reflect the accounting treatment for the actions described above, as a consequence of the Demerger, the books of accounts of each of SMTM and WSPL shall be updated to record the necessary fair value accounting entries in the books of accounts of SMTM and WSPL in accordance with the accounting standards applicable to them and applicable laws.
- 9.8. The number of SMTM Shares to be issued in the manner prescribed above, along with the ascertainment of the Demerged Undertaking have been approved by the Board of Directors of each of WSPL and SMTM, and have been determined on the basis of the (i) special audited accounts of WSPL and SMTM for the period ended August 31, 2021 and (ii) valuations and calculations under Scenario I as stated in the Report.
- 9.9. The effect of the above arrangement is that WSPL including shareholders of WSPL shall receive valid consideration for the Demerger and the arrangements contemplated under this Scheme and, at the same time, the shareholders of SMTM will benefit from the Demerged Undertaking being vested and assumed by SMTM as the Demerged Undertaking has been profitable for every single year since the new management of WSPL, in relation to the Demerged Undertaking, took over.
- 9.10. Within thirty (30) days of the sanction of this Scheme, the Board of Directors of SMTM shall initiate the legal and procedural formalities to give effect to the cancellation of SMTM Shares as contemplated above, including the giving of requisite notices, record date/book closure dates of the register of SMTM members for determining the respective number of SMTM Shares to be cancelled for the relevant SMTM Shareholder and the procedure to be adopted in consultation with PSX, CDC, the share registrar, etc. and subject to applicable rules and regulations.
- 9.11. Within sixty (60) days of the sanction of this Scheme, the Board of Directors of SMTM and WSPL shall initiate the legal and procedural formalities to give effect to the issuance and allotment of SMTM Shares as contemplated above to WSPL and WSPL Shareholders, including the giving of requisite notices, record date/book closure dates of the register of WSPL members for determining the respective entitlement of number of SMTM Shares to be issued to the relevant WSPL Shareholder and the procedure to be adopted in consultation with PSX, CDC, the share registrar, etc. and subject to applicable rules and regulations.
- 9.12. The allotment and issuance of SMTM Shares to WSPL and WSPL Shareholders (in accordance with the provisions of this Article 9) shall be made by SMTM within forty five (45) days of the date on which the cancellation of SMTM Shares (as per Article 9.2 above) has been made.
- 9.13. Notwithstanding the above, the treatment of all fractions less than an SMTM Share, resulting from the contemplated capital reduction and share cancellation of each SMTM Shareholder in the ratio specified in Article 9.2 above, or, resulting from the contemplated issuance of new SMTM Shares in the manner specified in Article 9.3 above, based on entitlement of the relevant shareholders on the relevant book closure/record date for such transactions shall be determined by the Board of Directors of SMTM in accordance with applicable laws.

## *Draft*

- 9.14. Approval of the shareholders of SMTM and WSPL to this Scheme shall also include and constitute an approval by way of special resolution from the respective shareholders of SMTM and WSPL for each of the above actions, including without limitation, reduction in the issued and paid up share capital of SMTM in the manner stipulated herein.
- 9.15. The SMTM Shares, issued and allotted to WSPL and shareholders of WSPL in accordance with the provisions of this Scheme shall, in all respect, rank *pari passu* with the ordinary shares of SMTM and shall be entitled to all dividends declared by SMTM after the Effective Date.

### **ARTICLE 10**

#### **BOOKS AND ACCOUNTS**

- 10.1. On and from the Effective Date, WSPL shall maintain separate books and accounts with respect to the Demerged Undertaking and the Continuing Undertaking. The same shall be based on the separation of Assets, Liabilities and Obligations determined in accordance with this Scheme.
- 10.2. It is clarified that any Assets acquired subsequent to the Effective Date, including by import and purchase, which are for the purposes of, or attributable to, the Demerged Undertaking, and are recorded in such manner in the separate books and accounts being maintained, shall form part of the Demerged Undertaking irrespective of the fact that the import / purchase may have been routed through letters of credit issued / opened in the name of WSPL.

### **ARTICLE 11**

#### **CHANGE OF NAME OF WSPL**

- 11.1 Unless the process of such change of name of WSPL is otherwise separately completed by WSPL and such change becomes effective in accordance with the Act and other applicable laws prior to the Scheme Completion Date, the name of WSPL shall stand changed / altered from "Waves Singer Pakistan Limited" to "Waves Corporation Limited" upon the sanction of this Scheme to reflect the broader scope of business activities that is contemplated to be overseen by WSPL after the Demerger.
- 11.2 Without prejudice to the provisions of Article 11.1 above, WSPL shall fulfill any documentary formalities / requirements for the change of its name. Approval of this Scheme by the shareholders of WSPL shall also include and constitute an approval by way of special resolution for the change of WSPL's name.

### **ARTICLE 12**

#### **CHANGE OF NAME, PRINCIPAL LINE OF BUSINESS AND FINANCIAL YEAR OF SMTM**

- 12.1 Upon the sanction of this Scheme:



- (i) the name of SMTM shall stand changed / altered from “Samin Textiles Limited” to “Waves Home Appliances Limited” to more accurately reflect the nature of activities being undertaken by SMTM after the Demerger;
- (ii) the principal line of business of SMTM shall also stand changed / altered to include the manufacturing, assembly and wholesale of domestic consumer appliances and other light engineering products to give full effect to the purposes of this Scheme; and
- (iii) in accordance with Section 229 of the Companies Act, the financial year of SMTM shall stand revised to be from the first day of January of each year to the last day of December of such year to bring the same in line with the financial year of WSPL, the prospective holding company of SMTM.

12.2 Without prejudice to the provisions of Article 12.1 above, SMTM shall fulfill any documentary formalities / requirements for the change of its name, principal line of business and financial year. Approval of this Scheme by the shareholders of SMTM shall also include and constitute an approval by way of special resolution for the change of SMTM’s name and change to its principal line of business.

## **ARTICLE 13**

### **GENERAL**

#### **13.1. Modifications by the Court**

This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of WSPL and SMTM respectively may consent to any modifications or additions to this Scheme or to any conditions which the Court may think fit. In case of any difficulty in implementation of any aspect of this Scheme, clarifications, directions and / or approval may be obtained from the Court. Notwithstanding the above, in the event that the terms of this Scheme are not approved by the shareholders and / or creditors of WSPL and / or SMTM (as applicable) in its entirety and / or the Scheme, as approved by the respective companies, is modified by the Court, the Board of Directors of WSPL and / or SMTM shall be entitled to withdraw this Scheme (whether or not approval from the shareholders and creditors of the respective companies has been obtained).

#### **13.2. Headings**

Article 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.

#### **13.3. 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.

#### **13.4. Costs and expenses**

*Draft*

All costs, charges and expenses of WSPL and SMTM in respect of the preparation of this Scheme and carrying the same into effect (unless otherwise agreed) shall be borne equally between WSPL and SMTM.

13.5. **Annexures**

Notwithstanding anything to the contrary contained herein, all Annexures to this Scheme shall be subject to revision so as to reflect the position existing as of the Effective Date and all provisions contained herein shall be interpreted and construed accordingly.

Lahore, Dated: December 23, 2021.

\_\_\_\_\_  
For and on behalf of  
**WAVES SINGER PAKISTAN LIMITED**

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

\_\_\_\_\_  
For and on behalf of  
**SAMIN TEXTILES LIMITED**

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

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## ANNEXURE A

## WSPL Split Balance Sheet

As on August 31, 2021

Pak Rupees in Thousand

Particulars	WSPL	Demerged Undertaking (being carved out of WSPL)	Continuing Undertaking (remaining in WSPL)
	A	B	C = A – B
<b>Non Current Assets</b>			
Property, plant and equipment	5,594,420	(3,229,920)	2,364,500
Intangible assets and goodwill	2,879,080	(2,879,080)	-
Investment property	323,480	-	323,480
Investment in subsidiaries	501,000	-	501,000
Long term deposits	8,545	(8,545)	-
	9,306,525	(6,117,545)	3,188,980
<b>Current Assets</b>			
Stores, spares and loose tools	45,489	(45,489)	-
Stock-in-trade	2,759,383	(2,759,383)	-
Trade debts	6,078,825	(6,078,825)	-
Advances, deposits, prepayments & Rec.	557,270	(557,270)	-
Taxation – net	175,017	-	175,017
Cash and bank balances	127,162	-	127,162
	9,743,146	(9,440,967)	302,179
<b>Total Assets</b>	<b>19,049,671</b>	<b>(15,558,512)</b>	<b>3,491,159</b>
<b>Capital Equity</b>			
Issued, subscribed and paid-up capital	2,814,062	-	2,814,062
Share premium reserve	5,025,661	-	5,025,661
Capital reserve	5,000	-	5,000
Revenue reserve - unappropriated profit	2,183,745	(750,000)	1,433,745
Surplus on revaluation of property, plant and Equipment, net of tax	529,212	-	529,212
	10,557,680	(750,000)	9,807,680
<b>Non-Current Liabilities</b>			
Total long term loans -secured	1,426,956	(743,828)	683,128
Lease liabilities	70,434	(70,434)	-
Employee retirement benefits	14,447	(14,447)	-
Deferred tax liability – net	267,179	(267,179)	-
Deferred income	9,822	(9,822)	-
	1,788,838	(1,105,70)	683,128

*Draft*

**Current Liabilities**

Trade and other payables	1,512,346	(1,310,704)	201,642
Mark-up accrued on borrowings	140,946	(116,140)	24,806
Short term borrowings - secured	4,107,964	(3,758,804)	349,160
Loan from Sponsors	-	-	-
Unpaid dividend	1,197	-	1,197
Current portion of long term liabilities	940,700	(327,243)	613,457
	6,703,153	(5,512,891)	1,190,262
<b>Total Equities and Liabilities</b>	<b>19,049,671</b>	<b>(7,368,601)</b>	<b>11,681,070</b>

\* **Note:** The amounts appearing in Column C of this Annexure are subject to update for the purposes of recording the necessary fair value accounting entries in accordance with applicable laws and accounting standards after sanction of the Scheme.

## ANNEXURE B

## SMTM Balance Sheet

As on August 31, 2021

Pak Rupees in Thousand

Particulars	SMTM as of August 31, 2021
	A
<b>Current Assets</b>	
Trade debts	2,651
Tax Refunds Due from Government	-
Cash and bank balances	58
	2,709
Non-Current Assets held for sale	1,470
<b>Total Assets</b>	<b>4,179</b>
<b>Capital Equity</b>	
Issued, subscribed and paid-up capital	267,280
Sponsor Loan	113,855
Revenue reserve - unappropriated profit	(420,277)
	(39,141)
<b>Current Liabilities</b>	
Trade and other payables	43,153
Short term borrowings	-
Provision for taxation	168
	-
	43,320
<b>Total Equities and Liabilities</b>	<b>4,179</b>

## **ANNEXURE C**

### **LIST OF MEMBERS OF BOARD OF DIRECTORS OF WSPL**

**AS AT DECEMBER 23, 2021**

<b>Sr. No.</b>	<b>Name of Director</b>
1.	Mr. Muhammad Adnan Afaq
2.	Mr. Shoaib Dastgir
3.	Mr. Muhammad Zafar Hussain
4.	Mr. Moazzam Ahmad Khan
5.	Mr. Nadeem Mehmood Butt
6.	Mrs. Nighat Haroon Khan
7.	Mr. Haroon Ahmad Khan

## **ANNEXURE D**

### **LIST OF MEMBERS OF BOARD OF DIRECTORS OF SMTM**

**AS AT DECEMBER 23, 2021**

<b>Sr. No.</b>	<b>Name of Director</b>
1.	Mr. Mustafa Kamal Lodhi
2.	Mr. Abdul Hameed Sheikh
3.	Mr. Riaz Ahmad
4.	Mr. Zaheer Jamil
5.	Mrs. Shahida Shanaz
6.	Mr. Aamir Jamil
7.	Mr. Khalid Azeem



## ANNEXURE E

### Details of Retained Employees

Retained Employees				
Sr. No.	E-Card No.	Name	Department Name	Designation
1.	3606	Haroon Ahmad Khan	Corporate	Chief Executive Officer
2.	3432	Irfan Ahmad	Corporate	Executive Secretary
3.	3683	Arslan Shahid	Finance & Accounts	Chief Financial Officer
4.	3932	Usman Khalid	Internal Audit	Chief Internal Auditor
5.	3787	Wasif Ali Rana	Corporate Secretariat	Company Secretary
6.	3433	Naveed Farooq Dar	Administration	Manager Administration
7.	3576	Sajid Pervez Bajwa	Administration	Manager Admin & Legal Affairs
8.	3597	Zaheer Jamil	Finance & Accounts	Head Of Taxation
9.	3934	Muhammad Kamran	Finance & Accounts	Deputy Manager Finance
10.	3281	Imran Yousaf	Human Resource	Chief Human Resource Officer

## ANNEXURE F

### DETAILS OF SMTM SHARES TO BE ISSUED TO WSPL AND SHAREHOLDERS OF WSPL

#### Calculation of Share to be issued by SMTM

Consideration to be Paid	Amount (PKR)	Amount (PKR)
<b>(A) Intra-group Payable</b>		<b>2,000,000,000/-</b>
(B) Consideration to be paid by issuance of SMTM shares:		
- To WSPL (199,724,956 shares @ PKR 24.24/- per share)	4,841,332,933/-	
- To WSPL Shareholders (56,281,240 shares @ PKR 24.24/- per share)	1,365,231,811/-	
<b>(B) Total (256,006,196 shares @ PKR 24.24/- per share)</b>		<b>6,206,564,744/-</b>
<b>(C)= (A) + (B) Total Consideration</b>		<b>8,206,564,744/-</b>

**\*Note:** The amounts/values stated in this Annexure are derived from and based on the calculations and valuations set-out under Scenario I of the Report prepared by Yousuf Adil, Chartered Accountants.

## ANNEXURE G

**FINANCE FACILITIES TO BE TRANSFERRED TO THE DEMERGED  
UNDERTAKING TO BE ASSUMED BY AND VESTED IN SMTM**

Sr. No.	Bank Name	Outstanding Facility Amounts to be transferred to the Demerged Undertaking*
(A)	(B)	(C)
1.	Habib Bank Limited	86,149,645/-
2.	Faysal Bank Limited	58,320,491/-
3.	Al-Baraka Bank (Pakistan) Limited	547,037,532/-
4.	Bank of Khyber	467,089,884/-
5.	National Bank of Pakistan	514,421,544/-
6.	Silk Bank Limited	99,493,514/-
7.	Bank Alfalah Limited	385,906,625/-
8.	Askari bank Limited	204,592,121/-
9.	Samba Bank Limited	166,380,918/-
10.	Pak Oman Investment Company	300,000,000/-
11.	Sindh Bank Limited	1,029,973,462/-
12.	The Bank of Punjab	345,436,653/-
13.	Dubai Islamic Bank (Pakistan) Limited	295,809,686/-
14.	Pak Libya Holding Company	209,384,256/-
15.	Pak Brunei Investment Company	89,062,500/-
<b>TOTAL</b>		<b>4,799,058,831/-</b>

*\* These amounts have been rationalized to represent the total outstanding principal amounts of the finance facilities that have not been repaid / settled towards the corresponding financial institutions as of the Effective Date; and such rationalized outstanding principal amounts of the finance facilities shall stand vested in and assumed by SMTM (as part of the Demerged Undertaking) pursuant to the Demerger.*

**ANNEXURE H**

**FINANCE FACILITIES TO BE RETAINED IN THE CONTINUING UNDERTAKING**

Sr. No.	Name of Financial Institution	Outstanding Facility Amounts to be Retained in the Continuing Undertaking*  (PKR)
(A)	(B)	(C)
1.	Habib Metropolitan Bank Limited	124,159,801/-
2.	Sindh Bank Limited	468,425,247/-
3.	The Bank of Punjab	394,722,870/-
4.	Dubai Islamic Bank (Pakistan) Limited	300,000,000/-
5.	Pak Libya Holding Company	210,000,000/-
6.	Pak Brunei Investment Company	148,437,500/-
<b>TOTAL</b>		<b>1,645,745,418/-</b>

**\*Note:** These amounts have been rationalized to represent the total outstanding principal amounts of the finance facilities that have not been repaid / settled towards the corresponding financial institutions as of the Effective Date; and such rationalized outstanding principal amounts of the finance facilities shall remain vested in and retained by WSPL (as part of the Continuing Undertaking).

## ANNEXURE I

### SECURITY OVER CURRENT ASSETS

Sr. No.	Bank Name	Ranking of Charges	Existing Charges Registered on Current Assets of WSPL  (PKR)	Charges on Current Assets being retained on Current Assets of the Continuing Undertaking*  (PKR)	Charges on Current Assets to be transferred / registered on the Current Assets of SMTM including the Demerged Undertaking*  (PKR)
(A)	(B)	(C)	(D)	(E)	(F)
1.	Habib Bank Limited	1 <sup>st</sup> Pari Passu	169,466,667	-	53,333,333
2.	Faysal Bank Limited	1 <sup>st</sup> Pari Passu	286,666,667	-	286,666,667
3.	Sindh Bank Limited	1 <sup>st</sup> Pari Passu	2,200,000,000	-	2,200,000,000
4.	Al-Baraka Bank (Pakistan) Limited	1 <sup>st</sup> Pari Passu	640,334,000	-	534,000,000
5.	The Bank of Punjab	1 <sup>st</sup> Pari Passu	534,000,000	-	534,000,000
6.	Dubai Islamic Bank (Pakistan) Limited	1 <sup>st</sup> Pari Passu	266,666,667	-	133,333,334
7.	Bank of Khyber	1 <sup>st</sup> Pari Passu	533,333,333	-	533,333,333
8.	National Bank of Pakistan	1 <sup>st</sup> Pari Passu	773,333,333	-	666,666,667
9.	Silk Bank Limited	1 <sup>st</sup> Pari Passu	266,666,667	-	233,333,333
10.	Habib Metropolitan Bank Limited	1 <sup>st</sup> Pari Passu	500,000,000	-	167,000,000
11.	Bank Alfalah Limited	1 <sup>st</sup> Pari Passu	934,000,000	-	934,000,000
12.	Askari Bank Limited	1 <sup>st</sup> Pari Passu	574,000,000	-	534,000,000
13.	Samba Bank Limited	1 <sup>st</sup> Pari Passu	534,000,000	-	534,000,000
14.	Industrial Commercial Bank of China Limited	1 <sup>st</sup> Pari Passu	533,334,000	-	533,334,000
15.	Pak Brunei Investment Company	Ranking Charge	475,000,000	158,333,333	118,750,000

**\*Note:** These secured / charge amounts have been rationalized keeping in view (i) the principal amounts outstanding towards the relevant financial institutions as of the Effective Date; and (ii) Security being granted over other Assets pursuant to the Scheme, while ensuring that a security margin of 25% is maintained on an overall basis for each of the relevant financial institutions against the respective financing limits.

## ANNEXURE J

## SECURITY OVER FIXED ASSETS OTHER THAN IMMOVABLE PROPERTIES

Sr. No.	Name of Financial Institution	Type of Charge	Existing Charges on fixed assets (other than immovable properties) registered in WSPL (PKR)	Charges on fixed assets (other than immovable properties) to be retained in Continuing Undertaking* (PKR)	Charges on fixed assets (other than immovable properties) comprised in the Demerged Undertaking (to be assumed by SMTM)* (PKR)
(A)	(B)	(C)	(D)	(E)	(F)
1.	Sindh Bank Limited	1 <sup>st</sup> Pari Passu	1,267,000,000	-	1,116,377,997
2.	Bank of Punjab	1 <sup>st</sup> Pari Passu	527,000,000	-	-
3.	Dubai Islamic Bank	1 <sup>st</sup> Pari Passu	534,000,000	-	266,666,667
4.	Bank of Khyber	1 <sup>st</sup> Pari Passu	397,330,000	-	264,974,000
5.	Habib Metropolitan Bank Limited	1 <sup>st</sup> Pari Passu	134,000,000	-	-
6.	Pak Brunei Investment Company	1 <sup>st</sup> Pari Passu	475,000,000	-	118,750,000
7.	Pak Oman Investment Company Limited	1 <sup>st</sup> Pari Passu	400,000,000	-	375,000,000
8.	Pak Libya Holding Company Limited	1 <sup>st</sup> Pari Passu	664,000,000	-	253,418,356
9.	Al Baraka Bank (Pakistan) Limited	1 <sup>st</sup> Pari Passu	133,330,000	-	240,000,000

**\*Note:** These secured / charge amounts have been rationalized keeping in view (i) the principal amounts outstanding towards the relevant financial institutions as of the Effective Date; and (ii) Security being granted over other Assets pursuant to the Scheme, while ensuring that a security margin of 25% is maintained on an overall basis for each of the relevant financial institutions against the respective outstanding principal amounts.

## ANNEXURE K

**NEW CHARGES OVER FIXED ASSETS (OTHER THAN IMMOVABLE PROPERTIES) COMPRISED IN THE DEMERGED UNDERTAKING TO BE ASSUMED BY AND VESTED IN SMTM**

Sr. No.	Name of Financial Institution	Type of Charge	Existing Charges on fixed assets (other than immovable properties) registered in WSPL (PKR)	Charges on fixed assets (other than immovable properties) to be retained in Continuing Undertaking (PKR)	Charges on fixed assets (other than immovable properties) comprised in the Demerged Undertaking (to be assumed by SMTM)* (PKR)
(A)	(B)	(C)	(D)	(E)	(F)
1.	Silk Bank Limited	1 <sup>st</sup> Pari Passu	-	-	33,333,333
2.	Habib Bank Limited	1 <sup>st</sup> Pari Passu	-	-	116,133,333
3.	Askari Bank Limited	1 <sup>st</sup> Pari Passu	-	-	40,000,000
4.	National Bank of Pakistan	1 <sup>st</sup> Pari Passu	-	-	106,666,667

**\*Note:** These new charges have been granted for the purposes of ensuring that all financial institutions granting running finance facilities to WSPL with respect to the Demerged Undertaking are secured, as of the Effective Date, by way of charges on both fixed and current Assets comprised in the Demerged Undertaking.

Previously, the financial institutions listed in Column B were offered charges on current Assets only, however, by virtue of this Scheme, these financial institutions will also benefit, as of the Effective Date, from the charges over the fixed Assets comprised in the Demerged Undertaking.

## ANNEXURE L

SECURITY OVER IMMOVABLE PROPERTIES OTHER THAN RETAIL  
OUTLETS

Sr. No.	Name of Financial Institution	Type of Charge	Existing Charges on immovable properties registered in WSPL (PKR)	Charges on Existing Factory Land to be retained in Continuing Undertaking* (PKR)	New Charges on New Factory Premises comprised in the Demerged Undertaking (to be assumed by SMTM)* (PKR)
(A)	(B)	(C)	(D)	(E)	(F)
1.	Sindh Bank Limited	1 <sup>st</sup> Pari Passu	1,267,000,000/-	216,233,663/-	1,116,377,997/-
2.	Bank of Punjab	1 <sup>st</sup> Pari Passu	527,000,000/-	460,510,015/-	-
3.	Dubai Islamic Bank	1 <sup>st</sup> Pari Passu	534,000,000/-	400,000,000/-	266,666,667/-
4.	Bank of Khyber	1 <sup>st</sup> Pari Passu	397,330,000/-	-	264,974,000/-
5.	Habib Metropolitan Bank Limited	1 <sup>st</sup> Pari Passu	134,000,000/-	134,000,000/-	-
6.	Pak Brunei Investment Company Limited	1 <sup>st</sup> Pari Passu	475,000,000/-	158,333,333/-	118,750,000/-
7.	Pak Oman Investment Company Limited	1 <sup>st</sup> Pari Passu	400,000,000/-	-	375,000,000/-
8.	Pak Libya Holding Company Limited	1 <sup>st</sup> Pari Passu	664,000,000/-	260,000,000/-	253,418,356/-

**\*Note:** These secured / charge amounts have been rationalized keeping in view (i) the principal amounts outstanding towards the relevant financial institutions as of the Effective Date; and (ii) Security being granted over other Assets pursuant to the Scheme, while ensuring that a security margin of 25% is maintained on an overall basis for each of the relevant financial institutions against the respective outstanding principal amounts.



## ANNEXURE M

**NEW CHARGES OVER IMMOVABLE PROPERTIES COMPRISED IN THE  
DEMERGED UNDERTAKING TO BE ASSUMED BY AND VESTED IN  
SMTM**

Sr. No.	Name of Financial Institution	Type of Charge	Existing Charges on immovable properties registered in WSPL (PKR)	Charges on Immovable Properties to be retained in Continuing Undertaking (PKR)	New Charges on New Factory Premises comprised in the Demerged Undertaking (to be assumed by SMTM)* (PKR)
(A)	(B)	(C)	(D)	(E)	(F)
1	Al Baraka Bank (Pakistan) Limited	1 <sup>st</sup> Pari Passu	-	-	240,000,000
2.	Silk Bank Limited	1 <sup>st</sup> Pari Passu	-	-	33,333,333/-
3.	Habib Bank Limited	1 <sup>st</sup> Pari Passu	-	-	116,133,333/-
4.	Askari Bank Limited	1 <sup>st</sup> Pari Passu	-	-	40,000,000/-
5.	National Bank of Pakistan	1 <sup>st</sup> Pari Passu	-	-	106,666,667/-

**\*Note:** These new mortgages / charges have been granted for the purposes of ensuring that all financial institutions secured by way of charges on fixed assets (other than immovable properties) are also secured, as of the Effective Date, by way of mortgages over the immovable properties (i.e. the New Factory Premises) comprised in the Demerged Undertaking.

**ANNEXURE N**  
**EXCLUSIVE MORTGAGE OVER RETAIL OUTLETS**

<b>Sr. No.</b>	<b>Name of Financial Institution</b>	<b>Type of Charge</b>	<b>Exclusive Mortgage over Retail Outlets registered in WSPL  (PKR)</b>	<b>Exclusive Mortgage over Retail Outlets to be retained in Continuing Undertaking  (PKR)</b>
<b>(A)</b>	<b>(B)</b>	<b>(C)</b>	<b>(D)</b>	<b>(E)</b>
1.	Sindh Bank Limited	Exclusive Charge	300,000,000/-	300,000,000/-

## ANNEXURE O

### DETAILS OF THE SHAREHOLDINGS OF THE DIRECTORS OF WSPL AND SMTM IN WSPL AND SMTM RESPECTIVELY

#### Shareholding of Board of Directors of WSPL

Serial No.	Name of Director	Shares held
1.	Mr. Muhammad Adnan Afaq	50,750
2.	Mr. Shoaib Dastgir	50,750
3.	Mr. Muhammad Zafar Hussain	1,705
4.	Mr. Moazzam Ahmad Khan	1,825
5.	Mr. Nadeem Mehmood Butt	1,983
6.	Mrs. Nighat Haroon Khan	27,925,911
7.	Mr. Haroon Ahmad Khan	107,840,286

**Shareholding of Board of Directors of SMTM**

<b>Serial No.</b>	<b>Name of Director</b>	<b>Shares held</b>
1.	Mr. Mustafa Kamal Lodhi	500
2.	Mr. Abdul Hameed Sheikh	1,000
3.	Mr. Riaz Ahmad	1,000
4.	Mr. Zaheer Jamil	1,000
5.	Mrs. Shahida Shanaz	500
6.	Mr. Aamir Jamil	500
7.	Mr. Khalid Azeem	500

## ANNEXURE P

## Details of New Factory Premises

Sr. No.	Address	Khasra/Khewat No.	Inteqal/Waqyati No.	Sale deed / Transfer Letter No.	Unit of Measurement	
					Kanal	Marla
01.	Moza Mustafabad, Tehsil and District Kasur	1337	20948	3002	01	00
02.	Moza Mustafabad, Tehsil and District Kasur	661	921,985	7158	03	15
03.	Moza Mustafabad, Tehsil and District Kasur	664	1336	8851	04	00
04.	Moza Mustafabad, Tehsil and District Kasur	1337	1305	10411	04	12
05.	Moza Mustafabad, Tehsil and District Kasur	1228	996	6522	07	15
06.	Moza Mustafabad, Tehsil and District Kasur	1337	1333	9731	07	19
07.	Moza Mustafabad, Tehsil and District Kasur	661	1432	10468	09	04
08.	Moza Mustafabad, Tehsil and District Kasur	1337	1397	10513	11	02
09.	Moza Mustafabad, Tehsil and District Kasur	1337	677-679	2222	11	05
10.	Moza Mustafabad, Tehsil and District Kasur	1337	1337	10467	15	06
11.	Moza Mustafabad, Tehsil and District Kasur	1337	916	5132	29	17
12.	Moza Mustafabad, Tehsil and District Kasur	15,42,1337	614,615,636	2221	54	18
13.	Moza Mustafabad, Tehsil and District Kasur	1337	629,630,632	2223	106	18

## ANNEXURE Q

## Details of Existing Factory Land

Sr. No.	Address	Khasra/Khewat No.	Inteqal/Waqyati No.	Sale deed / Transfer Letter No.	Unit of Measurement	
					Kanal	Marla
01.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6637/1	27695	6734	02	00
02.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6617	38092	11509	01	15
03.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6649,6638,6635	38091	12068	03	02
04.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6627	39178	9450	00	10
05.	Moza Niazbaig, Tehsil and District Lahore	6611/3	39406	11409	00	1.139* <sup>1</sup>
06.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6630/9-19,6564/6-3,6967/6-18	39981	3263	05	05
07.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6625	42374	7786	00	07
08.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6618/3,6618,6619,6621/1,6614/2	43748	6557	04	15
09.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6625	43745	6347	00	04
10.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6603	44462	5242	01	14
11.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6588	44463	5088	01	03
12.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6588	44701	5186	00	08

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<sup>1</sup> 01 Marla and 139 Square Feet.

*Draft*

13.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6541,6598	44464	5241	00	17
14.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	5772	44854	9438	01	03
15.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6576	44910	9647	00	05
16.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6576	44911	9837	00	05
17.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6587	44856	9212	00	05
18.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6580	44852	9131	00	17
19.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6571	44853	9129	01	07
20.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6572	44855	9184	00	15
21.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6603	44137	2079	04	00
22.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6602	44460	3864	00	13
23.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6574	44461	3863	01	19
24.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6572	44465	3743	00	13
25.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6630	36109	10407	00	13
26.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6622	35781	10408	00	12
27.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6630	35863	11561	03	00
28.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6631	37644	10324	00	14

*Draft*

29.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	4791/1	18716	22015	01	07
30.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6616	33525	6548	01	09
31.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6620	33526	6549	00	17
32.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6651	33527	6550	01	01
33.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6649,6638,6635	50016	3212	01	08
34.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6637/2	82658	6937	00	06
35.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6637/2	82659	6889	00	07
36.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6637/2	82660	6813	00	07
37.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6643	82655	6915	00	07
38.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6643	82656	6907	00	07
39.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6643	82657	6895	00	05
40.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6643	81972	6911	00	06
41.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6610/2,6609/1,6611/3	81973	6812	00	05
42.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6614/1	81967	6909	00	05
43.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6614/1	81968	6910	00	08
44.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6614/1	81969	6906	00	08



*Draft*

45.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6614/1	81970	6908	00	08
46.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6614/1	81971	6811	00	08
47.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6638/5	26483	7818	01	19
48.	Hanjarwal, Moza Niazbaig, Tehsil and District Kasur	6612,6611/4,6614	31600	14332	06	13
49.	Dina Nath, Moza Rakh Sarai Cheemba, Tehsil Chunian and District Kasur	202	6186		08	09

*Draft*

**ANNEXURE R**

**REPORT ISSUED BY YOUSAF ADIL CHARTERED ACCOUNTANTS**

*[Report to be inserted]*