



16 March 2016

Mr. Muhamad Gufran,
Deputy General Manager,
Pakistan Stock Exchange Ltd.
(Formerly Karachi Stock Exchange Ltd.)
Stock Exchange Road,
Karachi.

ARCHROMA PAKISTAN LIMITED

1-A/1, Sector 20,
Korangi Industrial Area,
Karachi-74900 Pakistan.
Tel : +92-21- 35123261-70
Fax : +92-21-35032337

Material Information

Dear Sir,

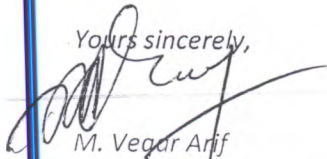
We refer to your letter No. C-194-A dated February 01, 2016 titled as above, we are pleased to submit the following:

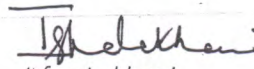
- 1, Enclosed Scheme of Amalgamation / Merger as approved by the Board of Directors of the Company .
2. The Scheme of Arrangement does not contemplate a swap of shares between the merger companies.

As regards documents listed as (i), (ii) and (iii) in your said letter, those will be submitted for your records upon the Scheme of Arrangement being sanctioned by the High Court of Sindh at Karachi.

As regards documents listed as (iv), (v) , (vi), (vii) in your said letter, those will not be required as the proposed Scheme of Arrangement does not contemplate allotment of shares of one merger company to the other or an increase in the paid up capital of the Company.

Yours sincerely,


M. Veqar Arif
Director & Secretary


Irfan Lakhani
Manager Corporate



Scheme of Arrangement

Under Sections 284 to 287 of the
Companies Ordinance, 1984

Between

Archroma Pakistan Limited
and its Members

and

Archroma Textiles Chemicals Pakistan (Pvt) Limited
and its Members

RIAA BARKER GILLETTE



SCHEME OF ARRANGEMENT

UNDER SECTIONS 284 TO 288 OF THE COMPANIES ORDINANCE, 1984
BETWEEN
ARCHROMA PAKISTAN LIMITED
AND ITS MEMBERS
AND
ARCHROMA TEXTILES CHEMICALS PAKISTAN (PVT) LIMITED
AND ITS MEMBERS
FOR

The merger of Archroma Textiles Chemicals Pakistan (Pvt) Limited into its holding company Archroma Pakistan Limited by vesting of the Textile Undertaking in Archroma Pakistan Limited and the dissolution of Archroma Textiles Chemicals Pakistan (Pvt) Limited .

ARTICLE 1 DEFINITIONS

In this Scheme of Arrangement, unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them below:

“Appointed Date” means the date from which this Scheme shall become operative viz., *01 January 2016* ;

“Assets” means all properties (whether movable or immovable); rights, titles and assets (whether tangible or intangible), privileges, powers, licenses, permissions, claims, and interests, including but not limited to;

- (a) all rights, title and interest in or to immovable properties, including buildings, offices and structures;
- (b) 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;
- (c) 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;
- (d) all legal and/or beneficial interests including, without limitation statutory, contractual and/or regulatory rights, titles, permissions, concessions, privileges, sanctions, approvals, licenses, and registrations,



- (e) all benefits and rights under contracts including rights under or relating to contracts of employment, personal services or consultancy;
- (f) 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);
- (g) 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;
- (h) all connections, equipments, installations and facilities pertaining to telecommunications, water, gas, electricity, sewerage or other utilities;
- (i) 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;
- (j) all intellectual property rights, whether registered or not, including trade marks, 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);
- (k) goodwill; revaluation surplus; share premium account; capital and revenue reserves,
- (l) Tax credits, Tax or other refunds; Tax or tariff protections, remissions or exemptions;



“Court”	means the High Court of Sindh at Karachi or any other court of competent jurisdiction for the time being having jurisdiction under Sections 284 to 288 of the Ordinance in connection with this Scheme;
“Encumbrances”	means any and all liens, charges, mortgages, pledges, hypothecation, assignments by way of security, security interests, claims and other encumbrances of whatever nature;
“Filing Date”	means the date on which the certified copy of the order of the Honourable High Court of Sindh at Karachi sanctioning this Scheme is filed with the Registrar of Companies, Karachi;
“Liabilities”	means all liabilities, duties and obligations of every kind, actual and contingent whether arising or payable under any agreement, statute, law or otherwise and whether pertaining to any Asset or otherwise, and all Encumbrances;
“Ordinance”	means the Companies Ordinance, 1984 (XLVII of 1984);
“Scheme”	means this Scheme of Arrangement in its present form with any modification thereof or addition thereto approved by the Court;
“Tax”	means all present and future taxes, including income tax, sales tax, stamp duties, octroi, customs or excise duty, registration charges, levies, deductions, imposts, and any other charges and withholdings whatsoever, together with any interest, mark-up or penalties payable in connection with any failure to pay or delay in paying any of the above;
“Textile Company”	means Archroma Textiles Chemicals Pakistan (Pvt) Limited, a company limited by shares incorporated in Pakistan under the name of BASF Pakistan Private Limited on 18 th January 1964 and subsequently renamed to Archroma Textiles Chemicals Pakistan (Pvt) Limited on 17 th August 2015. having its registered office at LX-10, LX-11 Landhi Industrial Area, Karachi;
“Textile Employees”	means all employees of Textile Company as at immediately prior to the Appointed Date;
“Textile Shares”	means fully paid-up ordinary shares of Rs. 10 each in the capital of Textile Company;



“Textile Undertaking”^E means all Assets (with all existing Encumbrances thereon) and Liabilities of the Textile Company.

The headings and marginal notes are inserted for convenience and shall not affect the construction of this Scheme.



ARTICLE 2 CAPITAL OF APL

The authorised share capital of Archroma Pakistan Limited ("APL") is PKR 500,000,000 divided into 50,000,000 ordinary shares of PKR. 10 each of which 34,117,881 ordinary shares of the aggregate nominal value of PKR. 341,178,810 are issued and fully paid and the remainder are unissued.

ARTICLE 3 THE TEXTILE COMPANY

The Textile Company was incorporated on 18 January 1964 as a private limited company and is registered at Karachi with an initial authorised share capital of Rs. 250,000,000 divided into 25,000,000 ordinary shares of Rs. 10 each of which 8,845,200 ordinary shares are issued and fully paid and the remainder are unissued. The Textile Company has 2 members one of whom is employee of APL who holds one issued share of the Textile Company where as APL holds the remaining 8,845,199 issued shares of the Textile Company. The Textile Company has never traded and has no Assets and Liabilities other than those resulting from its incorporation and issued share capital.

ARTICLE 4 OBJECT OF THE SCHEME

The principal object of this Scheme is to provide for the merger of the Textile Company into APL by:

- (i) the transfer to, and vesting in APL, of the Textile Undertaking, against the cancellation of ordinary shares of the Textile Company held by APL; and
- (ii) the dissolution, without winding up, of the Textile Company.

ARTICLE 5 EFFECTIVENESS OF SCHEME

- 5.1 This Scheme shall become effective as soon as a certified copy of the order of the Court under Section 284 of the Ordinance sanctioning this Scheme is filed with the Registrar of Companies, Securities and Exchange Commission of Pakistan, Karachi.
- 5.2 As and from the Appointed Date, the Textile Undertaking shall be transferred to and vested in APL, and the Textile Company shall dissolved, without being wound up.



ARTICLE 6
TRANSFER OF ASSETS AND LIABILITIES

- 6.1 As and from the Appointed Date, the Textile Undertaking shall be transferred to and vest in, or be deemed to be transferred to and vested in, APL.
- 6.2 In so far as any of the Assets which form part of the Textile Undertaking are subject to any Encumbrance immediately prior to the Appointed Date, such Assets shall be deemed to have been transferred to APL on the Appointed Date subject to such Encumbrances.
- 6.3 APL shall be deemed, without any further act, deed, matter or thing, to have created, on the Appointed Date, all such Encumbrances on the Assets of the Textile Undertaking which are transferred to APL from the Textile Company on the Appointed Date by virtue of the approval of this Scheme by the Court.
- 6.4 Upon the transfer of the Textile Undertaking to APL from the Textile Company on the Appointed Date, the charges recorded in the register of charges, if any, of the Textile Company in respect of the Encumbrances on any of the Assets comprising the Textile Undertaking shall be released and discharged simultaneously with the registration of the same charges by APL under Section 122 of the Ordinance in respect of the same Encumbrances on the Assets comprising the Textile Undertaking in the same amount and for the benefit of the same charge-holders .
- 6.5 All Liabilities of the Textile Company which form part of the Textile Undertaking on or before the Appointed Date shall, as from the Appointed Date, be deemed to become and be assumed by APL, as the Liabilities of APL.
- 6.6 As from the Appointed Date, simultaneously with the assumption by APL of the Liabilities forming part of the Textile Undertaking, the Textile Company shall stand released from all obligations in respect of such Liabilities.

ARTICLE 7
SUBSTITUTION OF THE NAME OF APL INSTEAD OF TEXTILE COMPANY

As and from the Appointed Date in all contracts, deeds, bonds, documents, correspondence, records, agreements, and instruments of any nature whatsoever pertaining to the Textile Undertaking transferred to APL, all references to Textile Company shall be deemed to be a reference to APL, and all such contracts, deeds, bonds, documents, correspondence, records, agreements, and instruments shall be given effect accordingly.

**ARTICLE 8
EMPLOYEES**

- 8.1 All Textile Employees, shall as from the Appointed Date become the employees of APL on the same terms and conditions on which they were employed by the Textile Company immediately prior to the Appointed Date, without being required to be paid any terminal or other benefits (other than accrued salaries and wages) by the Textile Company.
- 8.2 The terms and conditions of service applicable to the Textile Employees, upon their transfer from the Textile Company to APL shall not in any way be less favorable to them than those applicable to them immediately prior to the transfer. The services of all Textile Employees with the Textile Company prior to the transfer of the Textile Undertaking to APL shall be taken into account for the purposes of all benefits to which such employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits.

**ARTICLE 9
LEGAL PROCEEDINGS**

- 9.1 All legal actions and legal proceedings of any nature whatsoever of the Textile Company pertaining to the Textile Undertaking, pending immediately prior to the Appointed Date, shall not abate, be discontinued or be in anyway prejudicially affected by reason of the transfer of the Textile Undertaking or anything contained in this Scheme. Such legal action and/or legal proceedings shall, as from the Appointed Date, be continued, prosecuted or enforced by or against APL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Textile Company if this Scheme had not been made.

**ARTICLE 10
LICENSES / PERMITS / APPROVALS**

- 10.1 All licenses, permits, quotas, rights, permissions, concessions, privileges, sanctions, approvals, licenses, exemptions, registrations and entitlements currently being enjoyed by the Textile Company in relation to the Textile Undertaking which are subsisting immediately prior to the Appointed Date, shall, with effect from the Appointed Date, stand vested in and become transferred to APL without any further act or deed, and shall be appropriately mutated by the relevant authorities in favour of APL.

- 10.2 APL shall file a copy of this Scheme and the order of the Court sanctioning the Scheme with the relevant authorities who shall give effect thereto.

ARTICLE 11

TAX

- 11.1 With effect from the Appointed Date, all Tax liabilities of the Textile Company relating to the Textile Undertaking under any law for the time being in force shall be the Tax liabilities of APL.
- 11.2 With effect from the Appointed Date all rights of Textile Company to refunds, credits, exemptions, advance payments or any other benefits in respect of any Tax relating to the Textile Undertaking shall stand transferred to APL.

ARTICLE 12

CONSIDERATION FOR THE ARRANGEMENT / CANCELLATION OF SHARES

- 12.1 In consideration for the transfer of the Textile Undertaking by the Textile Company to APL, as of the Appointed Date, all issued shares of the Textile Company issued to APL shall stand cancelled.
- 12.2 As from the Appointed Date, the Textile Company shall be deemed to have been dissolved without having been wound up.

ARTICLE 13

DETERMINATION OF THE VALUE OF THE TEXTILE UNDERTAKING

- 13.1 A balance sheet of the Textile Undertaking, as on the Appointed Date, shall be prepared by the Textile Company and audited by KPMG Taseer Hadi & Co in accordance with accounting principles generally accepted in Pakistan. Such balance sheet shall include notes setting out the methodology and assumptions used in identifying and determining the value, as on the Appointed Date, of the Assets and Liabilities of the Textile Undertaking.
- 13.2 The value of the Textile Shares held by APL on the Appointed Date shall be the net asset value of the Textile Undertaking as on the Appointed Date.

ARTICLE 14

SCHEME'S EFFECT

- 14.1 As and from the Filing Date, the provisions of this Scheme shall be effective and binding by operation of law.

- 14.2 The transfer of Assets and Liabilities in terms of this Scheme shall not: (i) constitute any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any applicable law including Tax law (other than as contemplated under Section 287 of the Ordinance); (ii) give rise to any forfeiture; and (iii) give rise to any right of first refusal or pre-emptive right to any person.
- 14.3 As of the Filing Date, the terms of this Scheme shall be binding on APL and Textile Company, all the shareholders and creditors of each of APL and Textile Company, and on any other person have any right or liability in relation to either of them.

ARTICLE 15
MISCELLANEOUS

- 5.1 This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve and this Scheme with such modification or addition, if any, is also subject to any conditions which the Court may impose.
- 5.2 If the Court requires APL and /or the Textile Company to consent to any modification to the Scheme, such consent may be given on behalf of APL and the Textile Company by the Chief Executive, Director or authorized person of respectively, of APL and the Textile Company.