



**Securities & Exchange Commission of Pakistan
Specialized Companies Division**

ORDER UNDER SECTION 282 (L) OF THE COMPANIES ORDINANCE, 1984

Subject: SANCTION OF SCHEME OF AMALGAMATION OF M/S UNIVERSAL LEASING CORPORATION LIMITED WITH AND INTO CRESCENT LEASING CORPORATION LTD. UNDER SECTION 282 L OF THE COMPANIES ORDINANCE, 1984

1. M/s. Crescent Leasing Corporation Limited (CLCL), a non-banking finance company limited by shares and incorporated under the Companies Ordinance, 1984, and M/s. Universal Leasing Corporation limited (ULCL) a non-banking finance company limited by shares and incorporated under the Companies Ordinance, 1984 (the "Ordinance"), have submitted joint application to the Securities and Exchange Commission of Pakistan (the "Commission") for sanction of Scheme of Amalgamation (the "Scheme") for amalgamation of ULCL with and into CLCL pursuant to the provisions of Section 282L of the Ordinance.
2. The principal object of the Scheme is to effect amalgamation of ULCL by transfer to and vesting in CLCL, of the whole of the Undertaking of ULCL at the effective date, against allotment of fully paid ordinary shares of CLCL to the shareholders of ULCL in lieu of the shares of ULCL held by them, in accordance with a swap ratio of 1:2.44 shares i-e., one share of CLCL will be issued against 2.44 shares of ULCL. ULCL shall be dissolved without going into winding up, in accordance with and subject to the procedure for amalgamation provided under Section 282L of the Ordinance.
3. Extra Ordinary General Meeting of the shareholders of ULCL under section 159 of the Ordinance was held on August 27, 2007 for approval of the Scheme. Two shareholders of ULCL namely Asian Stock Fund Limited and Safeway Mutual fund Limited collectively holding 9.25% shares of ULCL dissented to the Scheme in the EOGM on the ground that they were not getting the fair price of their investment. However, ULCL and CLCL have subsequently informed SECP that the two dissenting shareholders have



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withdrawn their dissent to the Scheme. In this respect, they have provided certified copies of the letters received from the two dissenting shareholders withdrawing their dissent to the Scheme. The requisite majority of the shareholders of ULCL as required by Section 282 L of the Ordinance i.e. two thirds in value of the shareholders present either in person or by proxy approved the Scheme by resolving that ULCL be amalgamated into CLCL in accordance with the Scheme of Amalgamation under section 282L of the Ordinance with effect from such date as may be approved by the Commission.

4. Extra Ordinary General Meeting of the shareholders of CLCL under section 159 of the Ordinance was held on August 27, 2007 for approval of the Scheme. The shareholders representing 86.51% of the issued capital of CLCL attended the EOGM and unanimously voted in favour of the Scheme.
5. In support of the Scheme, ULCL and CLCL have submitted the following information and documents: -
 - i. Scheme of Arrangement approved by the shareholders;
 - ii. Copies of Notices of Extraordinary General Meetings of shareholders of CLCL and ULCL accompanied by the Scheme and statement under section 160(1)(b) of the Ordinance;
 - iii. Certified true copies of minutes and resolutions of EOGMs of both the Companies;
 - iv. Copy of the Master Agreement between the merging companies;
 - v. NOCs from Creditors of both the companies;
 - vi. Confirmation from the Legal Advisors of both the NBFCs that the procedures as laid down in law have been duly complied with and no other provisions of the Ordinance have been violated;
 - vii. Affidavits from both the NBFCs that no other provisions of the Ordinance have been violated during the merger process;
 - viii. Amalgamated balance sheet along with notes and statement of equity as of January 01, 2007;
 - ix. Auditor's certificate regarding calculation of SWAP ratio; and
 - x. Copies of Memorandum and Articles of Association of both the companies.
6. The Commission has considered and examined the joint application for amalgamation along with the required information/documents submitted by



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CLCL and ULCL in terms of section 282 L of the Ordinance including the Swap ratio of 1:2.44 shares i-e., one share of CLCL will be issued against 2.44 shares of ULCL.

7. In view of the foregoing and compliance of the requisite legal formalities, the amalgamation scheme submitted by CLCL and ULCL is hereby sanctioned by the Commission in terms of Section 282 L of the Ordinance subject to the following conditions and those imposed hereafter:
- i. The Scheme sanctioned by the Commission shall be effective from the date of this order i-e., 25th of February 2008.
 - ii. At the Effective Date, the entire Undertaking of ULCL shall be amalgamated with, transferred to, vest in and belong to CLCL.
 - iii. At the Effective Date, all the Assets of ULCL shall immediately, without any further act or deed, be vested in, transferred to, belong to and become the undertaking and assets of CLCL, and CLCL shall have, hold and enjoy the Assets in its own right as fully as the same were possessed, held and enjoyed by ULCL prior to the Amalgamation but transfer of Assets shall be subject to all mortgages, charges or other encumbrances subsisting thereon, if any;
 - iv. At the Effective Date, all Contracts, deeds, bonds, agreements, arrangements and other instruments (including all tenancies, leases, licenses and other assurances in favour of ULCL or powers or authorities granted by or to it) of whatsoever nature to which ULCL is a party or to the benefit of which the ULCL may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall, without any further act, instrument or deed, be in full force and effect in favour of or against the CLCL, as the case may be, and may be enforced as fully and effectually as if, in lieu of ULCL, CLCL had been a party or beneficiary or obligee thereto.
 - v. At the Effective Date, all the Liabilities and Obligations of ULCL, subject to any agreement for rescheduling/restructuring terms agreed by the Customers and Creditors of ULCL, shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of CLCL, which shall pay, undertake, satisfy, discharge and perform, when due, all of the Liabilities and Obligations in the respective terms thereof.



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- vi. As of the Effective Date, the terms of this Scheme shall be binding on ULCL and CLCL, on all the shareholders of CLCL, shareholders of ULCL, Customers and the Creditors of ULCL, Customers and the Creditors of CLCL and on any other person having any right or liability in relation to either of them.
- vii. ULCL shall be dissolved, without winding up, on the date on which the shares of CLCL are allotted to the shareholders of ULCL in terms of SWAP Raito as given in the Scheme.
- viii. CLCL and ULCL shall adhere to the provisions of the Ordinance and NBFC Rules till the date, the Scheme would become effective.
- ix. Subsequent to merger, CLCL shall comply with the requirements of the prevailing regulatory framework and shall obtain all the necessary approvals required and update the Commission accordingly.

In case, subsequent to sanctioning of the Scheme by the Commission, any fact is found to have been misrepresented to the Commission by the amalgamating entities, the Commission shall have the right to take any appropriate measures as it deems fit, which include but shall not be confined to the cancellation of license of the merged NBFC.

Akif Saeed
Executive Director
Specialized Companies Division

DATED: February 25, 2008