



## VENTURES

February 16, 2024

**The General Manager,**  
Pakistan Stock Exchange Limited,  
Stock Exchange Building, Stock Exchange Road,  
Karachi.

**Subject: Material Information**

Dear Sir,

This is further to our earlier letter regarding the decision of the Board towards proposed merger of the Company with and into Digital Custodian Company Limited, subject to completion of relevant formalities.

We are pleased to attach herewith the Order of the Honorable Lahore High Court, Lahore dated February 15, 2024 in the C.O. No. 9649/2024, directing the Companies to hold Extra Ordinary General Meetings through Court appointed Co-Chairmen.

Please inform the TRE Certificate Holders of your Exchange accordingly.

For and on behalf of  
**LSE Ventures Limited:**

  
\_\_\_\_\_  
Company Secretary



Copy to: The Executive Director/HOD, Offsite-II Department, Supervision Division, Securities and Exchange Commission of Pakistan, NIC Building, Blue Area, Islamabad.

**LSE Ventures Limited**

LSE Plaza | 19-Khayaban-e-Aiwan-e-Iqbal | Lahore - 54000 | Pakistan

Tel: +92 42 36368000-4 | Email: info@lse.com.pk | website: www.lse.com.pk

ORDER SHEET  
**IN THE LAHORE HIGH COURT**  
**LAHORE.**  
**JUDICIAL DEPARTMENT**

Case No: C.O No.9649/2024.

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16/02/24

**In the matter of**  
**Digital Custodian Company Limited etc.**

S. No. of order/ Proceeding	Date of order/ proceeding	Order with signature of Judge, and that of parties or counsel, where necessary.
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15.02.2024. Mr. Wasif Majeed, Advocate for the petitioners.

This is a joint application under section 279 read with sections 280 to 283 and 285(8) of the Companies Act, 2017 (Act) and all other enabling provisions of law for sanction of the Scheme of Arrangements between petitioner No.1 and petitioner No.2. According to scheme of arrangements proposed, such of undertakings, assets, business and investments of petitioner No.2 that are specified in the Schedule of the Scheme be transferred to the petitioner No.1.

2. Under section 279(1) of the Act read with Rules 55 and 61 of the Companies (Court) Rules, 1997 (Rules), the petitioners are directed to hold Extra Ordinary Meetings within the month of March/April, 2024.

3. M/s. Chaudhary Azlan Mehboob, Advocate (Cell No.0333-8136061) & Mr. Ahmad Hassan Butt, Advocate (Cell No.0321-5955111) are appointed as Chairmen for the aforesaid meetings. The petitioners are directed to issue notices

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of the said meetings through public advertisement in two national newspapers namely "Daily Nawa-e-Waqt" and "Dawn" besides fulfilling other statutory formalities for holding Extra Ordinary General Meetings under the law. The Chairmen shall submit their report to the Court within seven days of the holding of the meetings.

4. Office is directed that once report of the Chairmen is filed, notices in the main petition be issued through proclamation in the newspaper namely "Daily Dawn", "Business Recorder" and "Daily Jang" under Rule 61 of the Companies (Court) Rules, 1997, at the expenses of the petitioners regarding the hearing of the petition on 07.05.2024.

5. In addition to the above proclamation, notices shall also be issued for 07.05.2024 to the Securities & Exchange Commission of Pakistan, Competition Commission of Pakistan, Islamabad and the creditors of the petitioners.

6. The Chairmen/Local Commissions shall be paid fee in the sum of Rs.2,00,000/- each for conducting the above two meetings and filing of the consolidated report before this Court before the next date of hearing.

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Authorized under Article 87 of  
Qanun-e-Shahadat Order 1984

16/08/24

M.Ajmal

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Lahore Court, Lahore

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11/11/24  
(Abid Aziz Sheikh)  
Judge

**ORDER SHEET  
IN THE LAHORE HIGH COURT  
LAHORE.  
JUDICIAL DEPARTMENT**


C.O.No.9649/2024

**Digital Custodian Company Limited Vs. LSE Ventures Limited**

S. No. of order/ proceeding	Date of order/ proceeding	Order with signature of Judge, and that of parties or counsel, where necessary.
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14.2.2024. Mr. Faisal Mehmood, Advocate/vice counsel for the petitioner.  
Hafiz Talha, Advocate for SECP.

Learned principal counsel for the petitioner is busy before another bench of this Court. Relist for 15.2.2024.

  
(ABID AZIZ SHEIKH)  
JUDGE.

Rizwan

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*[Handwritten signature]*  
16/02/24

C.O No. 9649 /2024

In the matter of;

1. **Digital Custodian Company Limited** having its registered office at 508, 5<sup>th</sup> Floor, LSE Plaza, 19-Khayaban-Aiwan-e-Iqbal, Lahore through its Company Secretary;

And

2. **LSE Ventures Limited** having its registered office at LSE Plaza, 19-Khayaban-e-Aiwan-Iqbal, Lahore through its Chief Executive Officer.

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PETITION UNDER SECTIONS 279, 280, 282, 283 READ WITH 285 (8) OF THE COMPANIES ACT, 2017 AND ALL OTHER ENABLING PROVISIONS OF LAW FOR SANCTIONING OF SCHEME OF COMPROMISE, ARRANGEMENT AND RECONSTRUCTION FOR AMALGAMATION/MERGER

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Respectfully;

**Preliminary Information**

1. That the Petitioner No. 1 (hereinafter 'DCCL'), was incorporated in Pakistan on February 12, 1992, as a private limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company converted its status from Private Limited Company to Unlisted Public Limited Company on June 19, 2009. The principal objects of the Company are to act as trustee of investment trust schemes, voluntary pension schemes, to provide custodian services and to act as transfer agent/share registrar of securities of listed and unlisted companies. DCCL can also act as custodian to provide independent asset holding services. After change in the sponsors of the company, it has acquired many other valuable license/permissions/registrations for the expansion of its business activities.

2. That the Petitioner No. 2 (hereinafter 'LSEVL') was incorporated under the Companies Act, 2017 with the principal business of carrying out the business of making strategic & long-term investments and equity injection in other companies and undertakings in the form of equity, debentures, Sukuks, commercial papers, hybrid instruments, warrants and any other type of shares or securities. The Company has been incorporated to operate as a public limited Company. The company's shares were listed on PSX under an earlier scheme having been sanctioned by the honorable Lahore High Court accomplished through Scheme of Compromises, Arrangement and Reconstruction under Section 279 to 283 of the Companies Act, 2017.

**Reasons for merger of business and undertaking of LSEVL with and into LSEVL**

1. Combining the businesses of LSEVL with DCCL will lead to diversification of the existing income streams besides providing many newer business opportunities for the combined enterprise.

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2. The combined shareholders' equity of DCCL shall become Rs. 3.06 billion which will enable the surviving company (DCCL) to utilize its balance sheet strength for obtaining new licenses.
3. The proposed merger will provide a broader shareholders' base, which will be conducive for further fundraising from the capital market, as and when required.
4. The members of LSEVL shall also continue to benefit from the listing status as DCCL shall become listed upon the completion of the merger providing an easy entry and exit opportunity to the shareholders.
5. The merger will create long-term value for the investors of LSEVL, who mostly got their shares in 2012, i.e. upon the demutualization of the stock exchanges, but are yet to see the worth of their holding multiply in a meaningful manner. The Book value of LSEVL per share is Rs. 12.40 whereas its market value is Rs. 4.45 per share (as on January 25, 2024), which is much lower than its book value. Thus, after the merger and after adopting an operating business, the worth of the shares of the residual company is expected to increase. Furthermore, the shareholders of LSEVL shall also benefit in terms of increased allotment of shares/additional securities upon the merger.
6. The surviving entity's core business shall become regulated under the Securities Act and DCCL shall no longer operate under the burdensome NBFC regime.

Approval of the Scheme by the directors and authorization to file this petition

The Scheme has been duly approved by the board of directors of all two petitioner companies. They have authorized their respective officers to file this petition, appoint advocates and to do all acts necessary thereto through valid authorizations, which are appended herewith.

Summary of the Scheme

1. As per the Scheme, it is proposed that such of the undertakings, assets, businesses and investments of LSEVL that are specified in Schedule 1 of the

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Scheme) - be transferred to petitioner No. 1/DCCL along with all rights, interest, obligations and liabilities.

2. DCCL shall function exclusively and comply with all rules and regulations in force. Requisite changes in the Memorandum of Association of DCCL shall be made to accommodate the undertaking and business of LSEVL (as transferor) that will be transferred to DCCL (as transferee) besides changes for permission to acquire new licenses/registrations.
3. Upon the completion of merger / amalgamation through the intended Scheme, the LSEVL will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the issuance of shares, additional securities of DCCL to the registered members/shareholders of LSEVL.
4. Listing status of LSEVL shall be transferred to DCCL.
5. Share certificates issued to members of LSEVL shall be cancelled.
6. **The Boards of the merging companies have decided to use an Effective Swap Ratio which comprises of a Distribution ratio involving three equity components – namely, common shares allocation under basic swap ratio (of 0.606 i.e. 606 common/ ordinary shares of DCCL against every 1000 shares of LSEVL), adjusted shares allocation (of 490 shares to the shareholders of each of the merging companies), and additional securities allocation (of 20% of the post-merger capital of the merging companies comprising of class B – redeemable shares and Perpetual & Convertible Sukuks). The Effective SWAP ratio comes to 1.145 for the shareholders of LSEVL comprising of all securities.**
7. Thus, the Boards have decided to add premium to the basic SWAP ratio having been worked out by the Auditors, mainly due to the consideration for the quality of investments/ assets of the merging companies and the prospects for the future earning potential of the combined entity.
8. Authorized share capital of LSEVL shall be merged and reconstituted with the share capital of DCCL.

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FURTHER BENEFITS OF THE SCHEME

9. In addition to the objectives and advantages of the Scheme given above, DCCL shall be listed on PSX by virtue of merger of LSEVL (as a transferor) with and into DCCL (as a transferees).

10. Operational, administrative and strategic synergies will be available to DCCL if all operations (of DCCL and LSEVL) are combined in terms of costs, efficiency and fund raising; if required. The proposed merger will provide a broader shareholders' base which will be conducive in further fund raising, if required, from the capital market. The aforesaid Scheme is also in the interest of the members of the companies, the employees, consumers and all concerned, who will draw maximum gain out of it. Shareholders of LSEVL will get shares and additional securities of DCCL (as per effective SWAP ratio) which will carry pari-passu rights (including voting rights) and it is expected that trading volumes (at PSX) will be improved after the proposed merger which will provide liquidity and tradability to the shareholders/investors.

11. No prejudice shall be caused if the Scheme is sanctioned by this Honourable Court as prayed for. The sanctioning of the Scheme will be of great advantage to the petitioner companies, their shareholders and the general public. It would therefore be in the interest of justice that the instant Scheme be sanctioned by this Honorable Court.

Compliance with proviso to s. 279

12. The financial position of the petitioner companies has not materially altered since the respective dates stated in the financial statements appended herewith save changes made in the ordinary course of business. The audited accounts of the petitioner companies are appended herewith.

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13. The petitioner companies have disclosed all material facts in the Scheme and this petition including their latest financial position and the auditors' reports on the latest accounts.

14. No proceedings in relation to investigation into the affairs of the petitioner companies are pending against them under the Companies Act of 2017.

**Jurisdiction**

15. This Honourable Court is vested with the jurisdiction to entertain this petition in terms of section 285 (8) of the Companies Act, 2017 read with S.R.O No. 840(I)/2017 under which the powers of the Commission are to be exercised by the Company Bench of the High Court.

**PRAYER**

It is, therefore, respectfully prayed that this petition maybe accepted, this Honourable Court may be pleased to grant the following reliefs to the petitioner companies;

I. To order a meeting of the members of the petitioner companies at 19-LSE Plaza, Khayaban-e-Aiwan-Iqbal, Lahore, to be called, held and conducted in such manner as this Honourable Court may direct

II. To sanction the Scheme in toto and, if need be, pass such incidental, consequential and supplemental orders as are necessary to secure that the instant Scheme is fully and effectively carried out

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III. To give such directions in regard to any matter relevant to the Scheme as it may consider necessary for the proper working of the Scheme



*[Signature]*  
Petitioner 1:

*[Signature]*



Petitioner 2:

Through

*[Signature]*  
**WASIF MAJEED**  
LL.M (London)  
Advocate Supreme Court

**WALID IQBAL**  
LL.M (Harvard)  
Advocate High Court

**SHEIKH RAZA REHMAN**  
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