



NOTICE OF EXTRAORDINARY GENERAL MEETING

SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION

BY AND BETWEEN

1. DIGITAL CUSTODIAN COMPANY LIMITED AND ITS MEMBERS

AND

2. LSE FINANCIAL SERVICES LIMITED AND ITS MEMBERS

AND

3. LSE FINANCIAL SERVICES LIMITED (AND ITS MEMBERS) AND DIGITAL CUSTODIAN COMPANY LIMITED (AND ITS MEMBERS)

(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 283 AND ALL OTHER ENABLING PROVISIONS OF THE COMPANIES ACT, 2017)

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**LSE FINANCIAL SERVICES LIMITED
NOTICE OF EXTRAORDINARY GENERAL MEETING
FOR THE APPROVAL OF THE SCHEME OF COMPROMISES, ARRANGEMENTS AND RECONSTRUCTION**

In compliance with the order of the Honorable Lahore High Court, Lahore, passed in Civil Original No. 75382/2024, this notice, duly approved by the following joint chairmen of the meeting, is hereby given for the convening of the Extraordinary General Meeting (EOGM) of the shareholders of LSE Financial Services Limited (**LSEFSL**/the Company) will be held on Saturday, 28th day December, 2024, at 10:00 AM at the registered office of the Company i.e. The Exchange Hub, LSE Plaza, 19-Kashmir Egerton Road, Lahore, to transact the following special business:

AGENDA ITEM No. 1: To consider and if deemed fit adopt, approve and pass, by way of special resolution, the Scheme of Compromises, Arrangement and Reconstruction as attached with this agenda item, and pass the following resolution:

“RESOLVED THAT the draft of the Scheme of Compromises, Arrangement and Reconstruction, as attached with this agenda item, by and between and for the following (in terms of the provisions of Sections 279 to 283 and all other enabling provisions of the Companies Act, 2017), be and is hereby approved, enabling the reconstitution/ reconstruction of the share capital and reserves and the transfer of the designated assets and liabilities, responsibilities and functions for the administration of the statutory funds of the following companies involved in the Scheme:

- Digital Custodian Company Limited and its Members, and
- LSE Financial Services Limited and its Members; and
- LSE Financial Services Limited (and Its Members) and Digital Custodian Company Limited (and its members)

RESOLVED FURTHER THAT the approval of the shareholders, be and is also hereby granted, to the terms and conditions as set out in the draft Scheme including the approvals and authorizations as given in Schedule-5 of the Scheme, and

RESOLVED FURTHER THAT the approval be and is hereby also accorded for the implementation of the Scheme, upon its sanction by the honorable Lahore High Court subject to any changes, modifications, additions and directions as ordered by the honorable Lahore High Court, and

RESOLVED FURTHER THAT the Chief Executive or the Company Secretary of **LSE Financial Services/Digital Custodian Company Limited**, be and is hereby singly authorized to sign, submit or present necessary applications, petitions, supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned Scheme of

Arrangement to the competent authorities including but not limited to the honorable Lahore High Court, the Securities and Exchange Commission of Pakistan, the Competition Commission of Pakistan, etc., if required.”

Issued after the approval of the following Joint Chairmen of the meeting, appointed by the Honorable Lahore High Court, Lahore vide order dated December 02, 2024:

1. **Mr. Salah Umar Awan, Advocate, and**
2. **Barrister Kamal Ali Khan, Advocate**



Inam Ullah
Company Secretary
December 5th, 2024
Lahore

Notes:

1. The detailed explanatory statement accompanying the notice to the members is attached herewith.
2. The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from Saturday, December 21st, 2024 to Saturday December 28th, 2024 (both days inclusive).
3. The transfers received at the close of business on Friday, December 20, 2024, will be treated in time for the purpose of participation and voting at the EOGM at the following address of the share registrar:

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, Main Shakra-e-Faisal, Karachi 74400, Pakistan
Tel No: 0800 23275 | Email: info@cdcsrsl.com | Web Site: www.cdcsrsl.com

4. Interested shareholders may inspect/procure the Copies of the Scheme, the statement u/s 281 of the Companies Act, 2017, any recent annual/quarterly accounts along with all published information or otherwise s of the above referred companies, during the business hours on any working day from the registered office of the Company, from the date of publication of this Notice till the conclusion of the Extra-Ordinary General Meeting.

5. PARTICIPATION IN THE EXTRAORDINARY GENERAL MEETING (EOGM)

In the light of COVID-19 situation in the Country, the Company has made the arrangement for the safety of the members attending the meeting physically. The relevant SOPs should be followed

strictly. All members entitled to attend and vote at this Meeting may appoint another person as his/her proxy to attend, speak and vote for him / her. Proxies in order to be effective must be received at the Registered Office of the Company **not less than 48 hours before the time of holding the meeting**. The CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan. Proxy form is available at the Company's website i.e., www.lse.com.pk.

6. ATTENDANCE OF MEETING

A member entitled to attend, speak and vote at the EOGM is entitled to appoint a proxy to attend, speak and vote instead of him/her. Proxies in order to be effective duly signed, filled and witnessed must be deposited at the Registered Office of the Company, along with the attested copies of valid Computerized National Identity Card (CNIC) or Passport, not less than 48 hours before the meeting.

CDC Account Holders will have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the SECP for attending the meeting.

Attendance in the meeting shall be on production of original CNIC or passport.

7. FOR ATTENDING THE MEETING

- a. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the Regulations, shall authenticate their identity by showing his/ her original National Identity Card ("CNIC") or original passport at the time of attending the meeting.
- b. In case of corporate entity, Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.

8. FOR APPOINTING PROXIES

- a. In case of individuals, the account holder or sub-account holder is and / or the person whose securities are in group account and their registration detail is uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
- b. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- e. In case of corporate entities, board of directors' resolution/ power of attorney with specimen signature of the nominee shall be submitted (unless provided earlier) along with the proxy form to Company.



9. CONSENT FOR VIDEO CONFERENCE

Pursuant to SECP's Circular No 10 dated 21 May 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit to registered address of the Company at least 10 days before the date of EOGM.

I/We _____ of _____, being member(s) of **LSE Financial Services Limited**, holder of _____ ordinary share(s) as per Register Folio No. _____ hereby opt for the video conference facility at _____.

10. E-VOTING & VOTING THROUGH POSTAL BALLOT

The shareholders are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 (the "Regulations"), amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan (SECP), wherein, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as Special Business.

Accordingly, shareholders of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in forthcoming EOGM to be held on December 28, 2024 at 10:00AM in accordance with the requirements and subject to the condition contained in the aforesaid Regulation.



DIGITAL CUSTODIAN COMPANY LIMITED
NOTICE OF EXTRAORDINARY GENERAL MEETING
FOR THE APPROVAL OF THE SCHEME OF COMPROMISES, ARRANGEMENTS AND RECONSTRUCTION

In compliance with the order of the Honorable Lahore High Court, Lahore, passed in Civil Original No. 75382/2024, this notice, duly approved by the following joint chairmen of the meeting, is hereby given for the convening of the Extraordinary General Meeting (EOGM) of the shareholders of Digital Custodian Company Limited (DCCL/the Company) will be held on Saturday, 28th day December, 2024, at 9:30 AM at the registered office of the Company i.e. The Exchange Hub, LSE Plaza, 19-Kashmir Egerton Road, Lahore, to transact the following special business:

AGENDA ITEM No. 1: To consider and if deemed fit adopt, approve and pass, by way of special resolution, the Scheme of Compromises, Arrangement and Reconstruction as attached with this agenda item, and pass the following resolution:

“RESOLVED THAT the draft of the Scheme of Compromises, Arrangement and Reconstruction, as attached with this agenda item, by and between and for the following (in terms of the provisions of Sections 279 to 283 and all other enabling provisions of the Companies Act, 2017), be and is hereby approved, enabling the reconstitution/ reconstruction of the share capital and reserves and the transfer of the designated assets and liabilities, responsibilities and functions for the administration of the statutory funds of the following companies involved in the Scheme:

- Digital Custodian Company Limited and its Members, and
- LSE Financial Services Limited and its Members; and
- LSE Financial Services Limited (and Its Members) and Digital Custodian Company Limited (and its members)

RESOLVED FURTHER THAT the approval of the shareholders, be and is also hereby granted, to the terms and conditions as set out in the draft Scheme including the approvals and authorizations as given in Schedule-5 of the Scheme, and

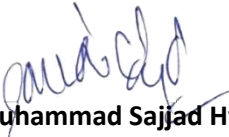
RESOLVED FURTHER THAT the approval be and is hereby also accorded for the implementation of the Scheme, upon its sanction by the honorable Lahore High Court subject to any changes, modifications, additions and directions as ordered by the honorable Lahore High Court, and

RESOLVED FURTHER THAT the Chief Executive or the Company Secretary of **LSE Financial Services/Digital Custodian Company Limited**, be and is hereby singly authorized to sign, submit or present necessary applications, petitions, supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned Scheme of

Arrangement to the competent authorities including but not limited to the honorable Lahore High Court, the Securities and Exchange Commission of Pakistan, the Competition Commission of Pakistan, etc., if required.”

Issued after the approval of the following Joint Chairmen of the meeting, appointed by the Honorable Lahore High Court, Lahore vide order dated December 02, 2024:

1. **Mr. Salah Umar Awan, Advocate, and**
2. **Barrister Kamal Ali Khan, Advocate**



Muhammad Sajjad Hyder
Company Secretary
December 5th, 2024
Lahore

Notes:

1. The detailed explanatory statement accompanying the notice to the members is being sent along with the Notice of the Extra Ordinary General Meeting of the Company.
2. Copies of the Scheme, statement u/s 281 of the Companies Act, 2017, any recent annual/quarterly accounts along with all published information or otherwise s of the above referred companies, during the business hours on any working day from the registered office of the Company, from the date of publication of this Notice till the conclusion of the Extra-Ordinary General Meeting.

3. CLOSURE OF SHARE TRANSFER BOOKS

The share transfer Books of the Company shall remain closed from December 21, 2024 to December 28, 2024 (both days inclusive) for the purpose of attending Extraordinary General Meeting. Transfers received in order at the office of our Company Secretary, LSE Plaza, 19-Khayaban-e-Aiwan-Iqbal, Lahore at the close of business on December 20, 2024 will be considered in time to attend the EOGM.

4. PARTICIPATION IN THE EXTRAORDINARY GENERAL MEETING (EOGM)

In the light of COVID-19 situation in the Country, the Company has made the arrangement for the safety of the members attending the meeting physically. The relevant SOPs should be followed strictly. All members entitled to attend and vote at this Meeting may appoint another person as his/her proxy to attend, speak and vote for him / her. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. The CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan. Proxy form is available at the Company’s website i.e., www.lse.com.pk.

5. FOR ATTENDING THE MEETING

- a) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the Regulations, shall authenticate their identity by showing his/ her original National Identity Card (“CNIC”) or original passport at the time of attending the meeting.
- b) In case of corporate entity, Board of Directors’ resolution/ power of attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.

6. FOR APPOINTING PROXIES

- a) In case of individuals, the account holder or sub-account holder is and / or the person whose securities are in group account and their registration detail is uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
- b) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- c) Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- d) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- e) In case of corporate entities, board of directors’ resolution/ power of attorney with specimen signature of the nominee shall be submitted (unless provided earlier) along with the proxy form to Company.

7. CONSENT FOR VIDEO CONFERENCE

Pursuant to SECP’s Circular No 10 dated 21 May 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit to registered address of the Company at least 10 days before the date of EOGM.

I/We _____ of _____, being member(s) of Digital Custodian Company Limited holder _____ Ordinary share(s) as per Register Folio No. _____ hereby opt for video conference facility at _____.

CORPORATE INFORMATION

LSE FINANCIAL SERVICES LIMITED

Chairman	-	Mr. Habib Ur Rehman Gillani
Directors	-	Mr. Aftab Ahmad Chaudhry Mr. Muhammad Iqbal Mr. Amir Zia Ms. Aasiya Riaz Syed Jawad Ahmad Syed Muhammad Talib Rizvi Mr. Amjad Ali Khan Khattak Mr. Sohail Ahmed Awan Mr. Sani e Mehmood Ms. Huma Ejaz
Audit committee	-	Ms. Huma Ejaz - Chairperson Mr. Amir Zia - Member Mr. Muhammad Iqbal - Member
Registered office	-	The Exchange Hub, LSE Plaza, 19 Kashmir Egerton Road, Lahore. Tel No. +92 42 3636 8000-4 Email: info@lse.com.pk Web Site: www.lse.com.pk
External Auditors	-	Kreston Hyder Bhimji & Co. Chartered Accountants
Legal Advisors	-	Sayeed, Hafeez & Mirza Advocates
Share Registrar	-	CDC Share Registrar Services Limited CDC House, 99-B, Block B, S.M.C.H.S. Main Shakra-e-Faisal, Karachi 74400. Pakistan Tel No. 0800 23275 (CDCPL) Email: info@cdcsrsl.com Web Site: www.cdcsrsl.com
Chief Financial Officer	-	Mr. Sarmad Raheel
Company Secretary	-	Mr. Inam Ullah
Bankers	-	MCB Bank Limited Bank Al Habib Limited Habib Bank Limited Bank Al Falah Limited



DIGITAL CUSTODIAN COMPANY LIMITED

Chairman	-	Mr. Muhammad Iqbal
Chief Executive Officer	-	Mr. Aftab Ahmad Chaudhry
Directors	-	Ms. Maleeha Humayun Bangash Mr. Shoaib Mir Dr. Yusuf Zafar Syed Mukhtar Hussain Jaffery Mr. Farrukh Younas Khan Mr. Muhammad Khalid Farooq Qazi Mr. Muhammad Nasir Mirza Mr. Naseer Ahmad Akhtar
Audit committee	-	Ms. Maleeha Humayun Bangash - Chairperson Mr. Muhammad Iqbal - Member Mr. Muhammad Nasir Mirza - Member
Registered office	-	The Exchange Hub, LSE Plaza, 19 Kashmir Egerton Road, Lahore. Tel No. +92 42 3636 8000-4 Email: info@digitalcustodian.co Web Site: www.digitalcustodian.co
External Auditors	-	Kreston Hyder Bhimji & Co. Chartered Accountants
Legal Advisors	-	Lexium Attorneys at Law
Chief Financial Offer	-	Mr. Rashid Matin Khan
Company Secretary	-	Mr. Muhammad Sajjad Hyder



DETAILED EXPLANATORY STATEMENTS AND INFORMATION
ACCOMPANYING THE NOTICE TO THE MEMBERS
UNDER SECTIONS 281(1)(a) / 134(3) OF THE COMPANIES ACT, 2017

CORPORATE PROFILE:

LSE Financial Services Limited (LSEFSL) was originally incorporated as a company limited by guarantee with the name of Lahore Stock Exchange (Guarantee) Limited, or **LSE**, under the repealed Companies Act, 2013 (now the Companies Act, 2017) on October 5th, 1970.

The Company was re-registered as a public limited company by shares (unlisted) under the “Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012” on August 27, 2012. The Securities and Exchange Commission of Pakistan (SECP) vide its notification dated August 25, 2015, directed the integration of the stock exchanges in the country. Consequent to the approved scheme of integration of stock exchanges, the Company ceased its stock exchange operations on January 11, 2016, and was granted the license to operate as an investment finance services company under the name of LSE Financial Services Limited.

Under the “investment finance service” license, **LSEFSL** has to operate within the ambit defined by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (and related regulations under the Non-Banking Finance Companies and Notified Entities Regulations, 2008) that generally includes provision of finance, loans, guarantee, financial accommodation etc. Further, the license is also valid for undertaking leasing, housing finance services and discounting services without the requirement of obtaining separate licenses for each form of business under the NBFC rules and regulations.

Deeming the NBFC functions of the company as no more feasible, the shareholders of the Company, via the special resolutions, have decided to give up the NBFC character of the company in the Annual General Meeting of the company held on November 27th, 2024. The company has also filed Form 26 evidencing the passage of the relevant special resolutions, besides the submission of Form 4 for the certification of the adopted changes in the Memorandum of Association of the Company. Furthermore, the shareholders have also resolved to change the name of the company to LSE Enterprises, subject to availability and completion of the required formalities.

Digital Custodian Company Limited (DCCL), formerly MCB Financial Services Limited, was incorporated on February 12th, 1992, under the Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company. The Company converted its status to an unlisted Public Limited Company on June 19th, 2009. The Company is not registered/licensed as an NBFC and is subject to the eligibility requirements for registration under Circular No 4 of 2022. 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.

Being a licensed/ registered Custodian/Trust company, **DCCL** is bestowed with a statutory mandate for separately holding and accounting the clients/investors' assets away from the control of the fund managers/issuers and obligated to act as an independent supervisor for the security of the assets placed under its watch by the Investment Advisors, Debt Securities Issuers and Managers of the Specialized Funds/Discretionary Portfolios & Specially Managed Accounts. **DCCL** is the only Trustee Company which is also offering Digitized Shares Registry (Corporate Share Registrar) Services. In this way, **DCCL**, acts as the pioneer in the digital management and transfers of assets via its smart-ledgers technology by providing trustee, custodial, registry, and repository functions of a variety of assets defined in the NBFC Rules.

BOARD MEETINGS AND APPROVALS

Companies	Board of Directors Meeting held on	
LSE Financial Services Limited	LSEFSL	November 30 th , 2024
Digital Custodian Company Limited	DCCL	November 30 th , 2024

The Board of Directors of the above-named companies/entities, in their respective meetings, have approved the Scheme of Compromises, Arrangement and Reconstruction, in terms of the provisions of Sections 279 to 283 and all other enabling provisions of the Companies Act, 2017) and recommended the same for subsequent approvals from the shareholders in their extraordinary general meeting.

CAPITAL STRUCTURE OF THE COMPANIES BEFORE AND AFTER THE SCHEME:

		Before the Scheme		After the Scheme	
		LSEFSL	DCCL	LSEFSL	DCCL
Shares Outstanding	Nos.	35,677,578	52,266,777	20,000,000	50,000,000
Authorized Share Capital	Nos.	111,900,000	60,000,000	42,900,000	129,000,000
Par/ Nominal Value	Rs./Share	10.00	10.00	10.00	10.00
Book Value	Rs./Share	12.72	11.48	8.19	10.23

OBJECTIVE, BENEFITS & RISK FACTORS OF THE SCHEME:

Objectives:

1. Reorganization, regrouping and repositioning of **LSEFSL** as a regular public listed company (after the approval of the surrender of the NBFC license by the shareholders of the company during its Annual General Meeting held on November 27, 2024).
2. Reconstitution and reconstruction of the share capital and reserves (capital reserves, revenue reserves and other reserves) of both the companies, i.e. **LSEFSL** and **DCCL**.
3. Transfer of the designated liabilities from **LSEFSL** to **DCCL**.
4. Distribution of the designated assets, i.e. the shares of **DCCL** and **LSE Capital Limited (LSECL)** held by **LSEFSL** to its own shareholders.
5. Distribution of shares of **LSEFSL** held by **DCCL** to the shareholders of **DCCL**.
6. Consequential listing of **DCCL** at PSX as a result of the distribution of its shares to **2,993** shareholders of **LSEFSL**, an already listed company.
7. Transfer of the responsibility and the functions of the administration of the statutory funds including the roles and responsibilities related to the secretariat functions of the funds committee (and litigations connected therewith) being performed by **LSEFSL** to **DCCL**, an associated operating company of the LSE family, which being a licensed trustee/custodian company already provides independent third party handling and oversight services of the funds of the domestic mutual and REIT funds industries.
8. Continuance of the operations of both the companies (**LSEFSL** and **DCCL**) as going concern companies after the Scheme.

Benefits

1. Shareholders of **LSEFSL** shall benefit from the distribution of the designated assets held by **LSEFSL**, i.e. the shares of **DCCL** and **LSECL**, both of which shall become freely tradable on PSX.
2. Shareholders of **DCCL** will get the shares of **LSEFSL** as per Distribution Ratio.
3. **DCCL** shareholders shall also benefit because of the company becoming a public listed company as a consequence of the Scheme.
4. **LSEFSL** shareholders will continue to benefit from the liquidity of its shares as a public listed company, with somewhat broader mandate and possibilities for the expansion of its business either on stand-alone basis or after another Scheme of Arrangement.
5. By becoming an independent listed entity, **DCCL** will have the opportunity to raise additional funds from its shareholders, if required.
6. **DCCL** shall become owned by a diversified set of shareholders which will improve its corporate governance and internal control environment.

Risk Factors and Mitigation

1. The Scheme is not yet approved by the shareholders of any of the companies. If not approved, then the companies would continue to exist and operate in their present structures and fields.
2. The Scheme is not approved/sanctioned by the Honorable Lahore High Court, Lahore. The Scheme may be approved with some modifications, changes, directions and observations which would be required to be followed by both the companies.
3. Once the Scheme is approved by the Honorable Court, the listing may not be allowed or delayed. In this event, DCCL shall continue as an unlisted company.
4. Upon any delay in the approval of the Scheme, or even after the approval of the Scheme, the share price of the shares of **LSEFSL** and/or **DCCL** (after listing on PSX) may show volatility. The direction of any price movement is beyond the control of the companies, and they would not be able to adopt any mitigation process.

OTHER MATTERS:

1. Interest of Directors:

The Directors are interested in the resolutions to the extent of their common directorships and their respective shareholdings in each of the companies as mentioned in the list of shareholders and as mentioned in the Scheme.

2. Effect on the Secured Creditors

There is no secured liability exist in **DCCL and/or LSEFSL**, thus there will be no adverse effect on the Secured Creditors.

3. Possible Purchase of Share by any other Company not involved in the Scheme:

The Scheme envisages the possible placement/distribution/sale of shares of LSEFSL or DCCL by the persons/shareholders, not being the sponsors defined in the Scheme, before the start of trading of DCCL. The Scheme provides that in such case, the matter would not attract the applicability of Part IX of the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017.

4. Effect on any Funds for the Employees

As mentioned in the Scheme, no transfer of employees from **DCCL** to **LSEFSL** or **LSEFSL** to **DCL** is envisaged under the Scheme.

5. Cost of the Scheme

LSE Financial Services Limited shall bear all the expenses related to the Scheme.

6. Taxation Impact

No taxation impact under Section 97A of the Income Tax Ordinance, 2001.

7. Financial Highlights

LSE Financial Services Limited

Year ending on	>>>	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20
Non-Current Assets	Rs. 000	396,566	32,293	2,812,429	2,766,497	2,701,563
Current Assets	Rs. 000	147,848	478,862	1,056,208	640,439	547,647
Total Assets	Rs. 000	544,414	511,155	3,868,637	3,406,936	3,249,210
Non-Current Liabilities	Rs. 000	6,782	3,848	154,367	133,854	121,760
Current Liabilities	Rs. 000	83,897	406,589	222,792	151,930	146,998
Total Liabilities	Rs. 000	90,679	410,437	377,159	285,784	268,758
Shareholders' Equity	Rs. 000	453,735	100,718	3,491,478	3,121,152	2,980,452
Net Revenue	Rs. 000	39,348	54,299	148,013	130,073	137,442
Net Profit	Rs. 000	61,268	1,036	157,271	235,982	160,075
Shares Outstanding	Nos.	35,677,578	10,000,000	179,597,880	128,284,200	128,284,200
EPS	Rs./Share	1.72	0.07	1.05	1.60	1.25
Book Value	Rs./Share	12.72	10.07	19.44	24.33	23.23
Current Ratio	times	1.76	1.18	4.74	4.22	3.73
Debt-Equity Ratio	times	0.20	4.08	0.11	0.09	0.09

Digital Custodian Company Limited

Year ending on	>>>	30-Jun-24	30-Jun-23	30-Jun-22	30-Jun-21	31-Dec-20
Non-Current Assets	Rs. 000	606,554	471,235	460,859	8,103	3,375
Current Assets	Rs. 000	24,091	91,417	64,484	98,340	100,087
Total Assets	Rs. 000	630,646	562,652	525,343	106,442	103,461
Non-Current Liabilities	Rs. 000	11,723	11,911	341,583	-	-
Current Liabilities	Rs. 000	18,798	28,207	38,382.95	3,645	2,376
Total Liabilities	Rs. 000	30,521	40,118	379,966	3,645	2,376
Shareholders' Equity	Rs. 000	600,125	522,534	145,377	102,797	101,085
Net Revenue	Rs. 000	119,745	98,143	53,524	24,009	38,207
Net Profit	Rs. 000	75,941	5,358	(21,816)	1,712	8,131
Shares Outstanding	Nos.	52,266,777	52,266,777	11,110,000	5,000,000	2,750,012
EPS	Rs./Share	1.45	0.11	(1.97)	0.34	2.96
Book Value	Rs./Share	11.48	10.00	13.09	20.56	36.76
Current Ratio	times	1.28	3.24	1.68	26.98	42.12
Debt-Equity Ratio	times	0.05	0.08	2.61	0.04	0.02

8. Other Disclosure

The attached Scheme is an integral part of the detailed explanatory statements and information accompanying the notice to the members under sections 281(1)(a) / 134(3) of the Companies Act, 2017.

9. Group Companies and Capital Structure

1 -	LSE Capital Limited	LSECL
2 -	LSE Ventures Limited	LSEVL
3 -	LSE Financial Services Limited	LSEFSL
4 -	Digital Custodian Company Limited	DCCL

Shareholding Structure	LSECL	LSEVL	LSEFSL	DCCL
LSE Ventures Limited	22,370,904	-	9,999,998	5,221,973
Digital Custodian Company Limited	12,691,763	-	841,742	
LSE Financial Services Limited	10,000,000	-	-	18,817,917
LSE Capital Limited	-	48,171,586	-	14,897,248
Directors, their spouse and dependent children	26,988,985	23,490,889	8,969,520	10
Aslam Khaliq	7,237,163	-	4,155,790	-
Zahid Latif Securities (Private) Limited	12,720,002	-	7,276,234	-
Danish Elahi	24,697,350	-	1,637,976	
Infotech (Private) Limited	-	-	-	4,704,480
ISE Towers REIT Management Company Limited	-	-	-	4,704,480
Public/Others	64,447,178	107,935,405	2,796,318	3,920,669
	181,153,345	179,597,880	35,677,578	52,266,777

SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION

SCHEME OF ARRANGEMENT BY AND BETWEEN

1. DIGITAL CUSTODIAN COMPANY LIMITED AND ITS MEMBERS

AND

2. LSE FINANCIAL SERVICES LIMITED AND ITS MEMBERS

AND

3. LSE FINANCIAL SERVICES LIMITED (AND ITS MEMBERS) AND DIGITAL CUSTODIAN COMPANY LIMITED (AND ITS MEMBERS)

(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 283 AND ALL OTHER ENABLING PROVISIONS OF THE COMPANIES ACT, 2017)

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PREAMBLE

COMPANIES INVOLVED IN THE SCHEME

1. LSE FINANCIAL SERVICES LIMITED

LSE Financial Services Limited (LSEFSL) was originally incorporated as a company limited by guarantee with the name of Lahore Stock Exchange (Guarantee) Limited, or **LSE**, under the repealed Companies Act, 2013 (now the Companies Act, 2017) on October 5th, 1970.

The Company was re-registered as a public limited company by shares (unlisted) under the “Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012” on August 27, 2012. The Securities and Exchange Commission of Pakistan (SECP) vide its notification dated August 25, 2015, directed the integration of the stock exchanges in the country. Consequent to the approved scheme of integration of stock exchanges, the Company ceased its stock exchange operations on January 11, 2016, and was granted the license to operate as an investment finance services company under the name of LSE Financial Services Limited.

Under the “investment finance service” license, **LSEFSL** has to operate within the ambit defined by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (and related regulations under the Non-Banking Finance Companies and Notified Entities Regulations, 2008) that generally includes provision of finance, loans, guarantee, financial accommodation etc. Further, the license is also valid for undertaking leasing, housing finance services and discounting services without the requirement of obtaining separate licenses for each form of business under the NBFC rules and regulations.

Deeming the NBFC functions of the company as no more feasible, the shareholders of the Company, via the special resolutions, have decided to give up the NBFC character of the company in the Annual General Meeting of the company held on Nov 27th, 2024. The company has also filed Form 26 evidencing the passage of the relevant special resolutions, besides the submission of Form 4 for the certification of the adopted changes in the Memorandum of Association of the Company. Furthermore, the shareholders have also resolved to change the name of the company to LSE Enterprises, subject to availability and completion of the required formalities.

The Corporate Unique Identification Number (CUIN) of **LSEFSL** is **03252**.

Registered office	-	The Exchange Hub, LSE Plaza, 19 Kashmir Egerton Road, Lahore.
External Auditors	-	Crowe Hussain Chaudhury & Co., Chartered Accountants
Legal Advisors	-	Sayeed, Hafeez & Mirza Advocates
Share Registrar	-	CDC Share Registrar Services Limited

Listing Status

PSX Trading Symbol : **LSEFSL**
Market Price : Rs. 9.60 per Share (as on November 22, 2024)
Trading Status : Active (main board)

Financial position (audited) of **LSEFSL** as on June 30, 2024 is as follows:

June 30, 2024

Rs. in 000

ASSETS

Non-Current Assets

Investment in Digital Custodian Company Limited	210,890
Investment in LSE Capital Limited	161,010
Deferred Tax	9,657
Long term deposits	15,009
	396,566

Current Assets

Short term investments/Financial assets	59,589
Advances and prepayments	22,767
Tax refunds due from Government - net	42,049
Cash and bank balances	23,443
	147,848

Total Assets **544,414**

Authorized share capital 1,119,000

Share capital

Issued, subscribed and paid-up share capital 356,776

Capital reserves

Share premium 31,355

Revenue reserves

Un-appropriated profits 65,604

Total equity **453,735**

Non-Current Liabilities

Other liabilities/ Long term financing 1,924

Deferred tax liability 4,858

6,782

Current Liabilities

Trade and other payables 69,885

Deposit payable related to discontinued operations 11,992

Current portion of long term financing 2,020

Equity and Liabilities

83,897

544,414

2. DIGITAL CUSTODIAN COMPANY LIMITED

Digital Custodian Company Limited (DCCL), formerly MCB Financial Services Limited, was incorporated on February 12th, 1992, under the Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company. The Company converted its status to an unlisted Public Limited Company on June 19th, 2009.

The Company is not registered/licensed as an NBFC and is subject to the eligibility requirements for registration under Circular No 4 of 2022. 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.

Being a licensed/ registered Custodian/Trust company, **DCCL** is bestowed with a statutory mandate for separately holding and accounting the clients/investors' assets away from the control of the fund managers/issuers and obligated to act as an independent supervisor for the security of the assets placed under its watch by the Investment Advisors, Debt Securities Issuers and Managers of the Specialized Funds/Discretionary Portfolios & Specially Managed Accounts. **DCCL** is the only Trustee Company which is also offering Digitized Shares Registry (Corporate Share Registrar) Services. In this way, **DCCL**, acts as the pioneer in the digital management and transfers of assets via its smart-ledgers technology by providing trustee, custodial, registry, and repository functions of a variety of assets defined in the NBFC Rules.

The Corporate Unique Identification Number (CUIN) of **DCCL** is **0026410**.

Registered office - The Exchange Hub, LSE Plaza, 19-Kashmir Egerton Road, Lahore.
External Auditors - Kreston Hyderbhimji & Co., Chartered Accountants
Legal Advisors - Ali Zaheer
Listing Status - Unlisted Public Limited Company

Currently, **DCCL** has the following licenses/Registrations/Approvals:

Sr. no.	Type of Licenses/Registrations/Approvals	From
1 -	Certificate of registration to act a trustee under Regulation 40(C)(1) of Non-Banking Finance Companies and Notified Entities Regulations, 2008	Securities and Exchange Commission of Pakistan

2 -	License as a debt securities trustee under Regulation 5(1) of the Public Offering (Regulated Securities Activities Licensing) Regulation, 2017	Securities and Exchange Commission of Pakistan
3 -	License as share registrar and balloter under Regulation 5 of the Share Registrar and Balloters Regulation, 2017 and Section 68 of the Securities Act, 2015	Securities and Exchange Commission of Pakistan
4 -	Certificate of registration as an intermediary (for filing of documents through intermediaries under Section 455 of the Companies Act, 2017	Securities and Exchange Commission of Pakistan
5 -	Direct Participant of Pakistan Real Time Interbank Settlement Mechanism (PRISM)	State Bank of Pakistan

Financial position (audited) of **DCCL** as on June 30, 2024 is as follows:

Digital Custodian Company Limited

Statement of Financial Position

	June 30, 2024
	Rs. in 000
ASSETS	
Non-Current Assets	
Property and equipment	11,089
Intangible assets	376,630
Investment in LSE Capital Limited	206,038
Investment in LSE Financial Services Limited	10,613
Long term deposits	2,184
	606,554
Current Assets	
Trade and other receivables	12,957
Short term investments/Financial assets	271
Advances and prepayments	3,064
Tax refunds due from Government - net	6,462
Cash and bank balances	1,338
	24,091
Total Assets	630,646
Authorized share capital	600,000
Share capital	
Issued, subscribed and paid-up share capital	522,668
Revenue reserves	

Un-appropriated profits	77,457
Total equity	600,125
Non-Current Liabilities	
Lease liabilities	1,786
Deferred tax liability	9,938
	11,723
Current Liabilities	
Trade and other payables	14,628
Current portion of lease liabilities	4,170
	18,798
Equity and Liabilities	630,646

3. OBJECTIVES AND BENEFITS OF THE SCHEME

1. Objectives of the Scheme

- Reorganization, regrouping and repositioning of **LSEFSL** as a regular public listed company (after the approval of the surrender of the NBFC license by the shareholders of the company during its Annual General Meeting held on November 27, 2024).
- Reconstitution and reconstruction of the share capital and reserves (capital reserves, revenue reserves and other reserves) of both the companies, i.e. **LSEFSL** and **DCCL**.
- Transfer of the designated liabilities from **LSEFSL** to **DCCL**.
- Distribution of the Designated Assets, i.e. the shares of **DCCL** and **LSE Capital Limited (LSECL)** held by **LSEFSL** to its own shareholders.
- Distribution of shares of **LSEFSL** held by **DCCL** to the shareholders of **DCCL**.
- Consequential listing of **DCCL** at PSX as a result of the distribution of its shares to **2,993** shareholders of **LSEFSL**, an already listed company.
- Transfer of the responsibility and the functions of the administration of the statutory funds including the roles and responsibilities related to the secretariat functions of the funds committee (and litigations connected therewith) being performed by **LSEFSL** to **DCCL**, an associated operating company of the LSE family, which being a licensed trustee/custodian company already provides independent third party handling and oversight services of the funds of the domestic mutual and REIT funds industries.
- Continuance of the operations of both the companies (**LSEFSL** and **DCCL**) as going concern companies after the Scheme enabling them to continue serving as useful economic and employment agents in society.

2. Benefits of the Scheme

- a. Shareholders of **LSEFSL** shall benefit from the distribution of the designated assets held by **LSEFSL**, i.e. the shares of **DCCL** and **LSECL**, both of which shall become freely tradable on PSX.
- b. Shareholders of **DCCL** will get the shares of **LSEFSL** as per Distribution Ratio.
- c. **DCCL** shareholders shall also benefit because of the company becoming a public listed company as a consequence of the Scheme.
- d. **LSEFSL** shareholders will continue to benefit from the liquidity of its shares as a public listed company, with somewhat broader mandate and possibilities for the expansion of its business either on stand-alone basis or after another Scheme of Arrangement.
- e. By becoming an independent listed entity, **DCCL** will have the opportunity to raise additional funds from its shareholders, if required.
- f. **DCCL** shall become owned by a diversified set of shareholders which will improve its corporate governance and internal control environment.

3. Brief Financial Analysis of the Companies/ Entities before and after the Scheme

		Before the Scheme		After the Scheme	
		LSEFSL	DCCL	LSEFSL	DCCL
Shares Outstanding	Nos.	35,677,578	52,266,777	20,000,000	50,000,000
Authorized Share Capital	Nos.	111,900,000	60,000,000	42,900,000	129,000,000
Par/ Nominal Value	Rs./Share	10.00	10.00	10.00	10.00
Book Value	Rs./Share	12.72	11.48	8.19	10.23

ARTICLE – 1 – DEFINITIONS & INTERPRETATIONS

1. In this Scheme of Arrangement (including the preamble hereto), unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them below:
 - (a) **“Act”** means the Companies Act, 2017.
 - (b) **“CDC”** means Central Depository Company of Pakistan Limited.
 - (c) **“Commission”** means the Securities and Exchange Commission of Pakistan including its regional offices.
 - (d) **“Completion”** or **“Completion Date”** means the date falling within the **120** days period from the Sanction Date, during which all necessary actions and steps that shall be completed under the Scheme and to comply with the orders of the honorable Lahore High Court thereby enabling the entities involved in this Scheme to effectuate and implement the Scheme and when the liabilities, of the Transferor(s) shall stand transferred (as per Article-2) to the Transferee, and when the shares & the securities of the companies involved in this Scheme are transferred/distributed/swapped as per Article-3.
 - (e) **“Court”** means the Lahore High Court, Lahore or any other court of competent jurisdiction for the time being having jurisdiction under Sections 279 to 283 of the Companies Act, 2017 in connection with this Scheme.
 - (f) **“DCCL”** means the **DIGITAL CUSTODIAN COMPANY LIMITED**, a public limited company formed under the Companies Ordinance, 1984 (now the Companies act, 2017).
 - (g) **“Designated Assets”** mean the shares of **DCCL** and **LSECL** held by **LSEFSL** and the shares of **LSEFL** held by **DCCL**, as mentioned in this Scheme.
 - (h) **“Designated Liabilities - LSEFSL”** means the designated liabilities of the **LSE FINANCIAL SERVICES LIMITED**, as more particularly described in Schedule - 1 hereto.
 - (i) **“Distribution Ratio”** means the ratio at which distribution of investments of **LSEFSL** in the shares of **DCCL** and **LSECL** shall be made to the shareholders of **LSEFSL**. This also includes the distribution of investment in the shares of **LSEFSL** held by **DCCL** to the shareholders of **DCCL**.
 - (j) **“Effective Date”** means 00:00 hours as on **June 30th, 2024**, or such other date as may be approved by the Court on the request of the parties to this Scheme.

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- (k) **“LSECL”** means **LSE CAPITAL LIMITED**, a public limited company formed under the Companies Act, 2017.
- (l) **“LSE Enterprises”** means the proposed or the legally changed name of **LSEFSL**, which whenever changed after the submission of the instant Scheme, shall not materially change the purposes and the effect of the instant Scheme as and when sanctioned by the Honorable Lahore High Court (LHC).
- (m) **“LSEFSL”** means the **LSE FINANCIAL SERVICES LIMITED**, a public limited company formed under the Companies Act, 2017, which name may be changed to “LSEL” or LSE Enterprises as already approved by the shareholders of the company.
- (n) **“NBFC”** means a **Non-Banking Finance Company**, regulated by the Commission under the relevant Rules/Regulations framed under Section 282 of the Companies Ordinance, 1984, whose provisions were declared to survive in Section 509 of the Companies Act, 2017.
- (o) **“PSX”** means Pakistan Stock Exchange Limited.
- (p) **“Rs.”** or **“PKR”** shall mean “Rupees”, being the legal tender money of Pakistan.
- (q) **“Sanction Date”** shall have the same meaning ascribed thereto in **Article - 5**, being the day on which the honorable Lahore High Court approves the Scheme and on which day the Scheme becomes operative.
- (r) **“Scheme”** means this Scheme of Arrangement in its present form, with any modification thereof or addition hereto, as approved by the Court and/or the Securities and Exchange Commission of Pakistan and/or the general meeting of members of the respective companies.
- (s) **“SECP or the Commission”** means the Securities and Exchange Commission of Pakistan.
- (t) **“Securities Act”** means the Securities Act, 2015.
- (u) **“Sponsor(s)”** means the major shareholder of **LSEFSL**, i.e. **LSE Ventures Limited (LSEVL)**, and the major shareholder of **DCCL**, i.e. **LSE Capital Limited (LSECL)**. All other shareholders of **LSEFSL** and **DCCL**, irrespective of holding any shareholding threshold in these companies shall not be included in the list of sponsors of the respective companies.

2. The sections, headings and marginal notes used in this Scheme are solely for the convenience of reference and shall not affect the meaning, interpretation and construction of this Scheme or any of its provisions.

ARTICLE – 2 – THE SCHEME OF ARRANGEMENT AND RECONSTRUCTION

1. This Scheme of Arrangement has been formulated pursuant to the provisions of Sections 279 to 283 of the Act, for the transfer and the vesting of the:
 - (a) Distribution of designated assets, i.e the shares held **LSEFSL** (Designated Assets) to the shareholders of **LSEFSL** which inter-alia includes:
 - i. investment in the ordinary shares of **DCCL**.
 - ii. investment in ordinary shares of **LSECL**.
 - (b) Transfer of Designated Liabilities- **LSEFSL** (as a transferor) into **DCCL** (as transferee) as given in Schedule – 1.
 - (c) Distribution of shares of **LSEFSL** (Designated Assets) held by **DCCL** to the shareholders of **DCCL**.
 - (d) Consequential listing of **DCCL** at PSX under the Scheme, due to the issuance of **DCCL** shares to 2993 public shareholders of **LSEFSL**, already being a PSX listed company, subject only to the submission of the required disclosure/listing documentation to PSX, and without involving any fund-raising.
2. The share capital of **DCCL** and **LSEFSL** shall be reconstituted as described in **Article – 3** and presented in **Schedule-3** of the Scheme.
3. The designated liabilities (as per **Schedule 1**) of **LSEFSL** will be transferred to **DCCL** with the same rights, obligations, privileges and covenants.
4. The retained earnings, revenue reserves, capital reserves and merger reserves of **DCCL** and **LSEFSL** shall be re-characterized/ reconstructed under the Scheme as described in **Schedule-3** - Statement of Financial Position showing the Scheme Effect.
5. As the shares of **LSEFSL** are already eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC"), the scrip-less shares of **DCCL** shall also be eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC").
6. The Designated Liabilities - **LSEFSL** shall be transferred and vested in **DCCL**, and the transfer / vesting shall be subject to the existing rights (equitable and legal rights), charges mortgages and hypothecation, if any.
7. Certain functions and responsibilities, as described in the objectives of the Scheme, having similar responsibilities as the independent trustee/custodian function of **DCCL**, will be transferred from **LSEFSL** to **DCCL**.

8. Conduct of Business by the Companies till the Completion Date

- (a) **LSEFSL/DCCL** shall carry on and be deemed to carry on all their business and activities, if any, and shall stand possessed of their properties and assets, if any, for and on account of and in trust for and all the profits accruing to them or losses arising or incurred by them, if any, shall for all purposes be treated as the profits or losses, if any, of **LSEFSL/DCCL**. For the purpose of clarity, it is hereby provided that LSEFSL shall not be deemed as an NBFC with effect from the date of passage of the special resolutions by its shareholders to surrender the NBFC license and submission of the relevant Form 26 in the office of the Company Registration Office, SECP, Lahore.
- (b) **LSEFSL/DCCL** undertake that they will carry on their business with reasonable diligence and business prudence, until the Sanction Date and it shall not alienate, charge, mortgage, hypothecate, encumber the designated assets except, in the ordinary course of business, or without the prior written consent of the Board of Directors of **LSEFSL/DCCL**.

9. Determination of the Undertaking and Business:

(a) A balance sheet:

- (1) has been prepared by **LSEFSL** (appended herewith as Schedule 5) of the Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of **LSEFSL**, as reflected in the books of account of **LSEFSL** immediately preceding the Effective Date and report of the agreed upon procedures from the Auditors has been taken on the books of accounts. Since **LSEFSL** is listed Company, its accounts are publicly available and have already been disseminated to the shareholders through Pakistan Stock Exchange (PSX) Limited.
- (2) shall be prepared by **LSEFSL** of the Undertaking and Business, including, without limitation, the share capital, capital and general reserves, revenue reserves, revaluation surplus and accumulated profits and losses of **LSEFSL**, as reflected in the books of account of **LSEFSL** as of the Sanction Date and which shall be audited by the Auditors of **LSEFSL**, within sixty (60) days of the Sanction Date.
- (3) has been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include the notes setting out the methodology and assumptions used in identifying the Undertaking and Business of **LSEFSL**.

(b) A balance sheet:

-
- 1) has been prepared by **DCCL** (appended herewith as Schedule 5) of the Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of **DCCL**, as reflected in the books of account of **DCCL** immediately preceding the Effective Date and which has been audited by the Auditors of **DCCL**.
 - 2) shall be prepared by **DCCL** of the Undertaking and Business, including, without limitation, the share capital, capital and general reserves, revenue reserves, revaluation surplus and accumulated profits and losses of **DCCL**, as reflected in the books of account of **DCCL** as of the Sanction Date and which shall be audited by the Auditors of **DCCL**, within sixty (60) days of the Sanction Date.
 - 3) has been/shall be prepared in accordance with the accounting principles generally accepted in Pakistan and shall include notes setting out the methodology and assumptions used in identifying the Undertaking and Business of **DCCL**.
10. The Statement of Financial Position shall be prepared by the Board of Directors, and shall be certified by the practicing Chartered Accountant, duly showing the Scheme Effect based on the special purpose audited financial statements as on the Sanction Date. This statement will duly show the specific assets, liabilities and the reserves liable to be transferred/ distributed as on the Sanction Date.

ARTICLE – 3 – SHARES AND EQUITY CAPITAL MANAGEMENT

1. EQUITY POSITION OF THE COMPANIES INVOLVED IN THE SCHEME

(a) LSE FINANCIAL SERVICES LIMITED (PROPOSED NAME: LSE ENTERPRISES LIMITED)

- 1) The authorized share capital of the Company is **Rs. 1,119,000,000** divided into **111,900,000** of ordinary shares of Rs. 10/- each, out of which **35,677,578** ordinary shares are fully paid and issued as follows:

No. of Shares Issued	Issued for/Against	Rs.
35,677,578	Issued under Scheme of Compromises, Arrangement and Reconstruction under Section 279 to 283 of the Companies Act, 2017	356,775,780
35,677,578		356,775,780

- 2) The Complete list of shareholders is attached as **Schedule – 2** (List of Shareholders).
- 3) The total number of shareholders of **LSEFSL** as of the Effective Date is **2,993**.
- 4) The Share Capital of the **LSEFSL** will not be changed for the ordinary shares of the company under the Scheme.
- 5) The pattern of shareholding of **LSEFSL** may be changed in the duration of the time of filing of this Scheme in the honorable Lahore High Court but before the assumption/vesting of the listing status at PSX and the first trading date of **DCCL**. In this duration, the credit of **DCCL** shares by CDC in the CDS accounts of the shareholders (of **LSEFSL**), shall also take place. Therefore, any consequential change in the shareholding of **LSEFSL** and **DCCL** shall not attract Part IX of the Securities Act, 2015 or any other regulatory provisions.
- 6) The Board of Directors of the Company (**LSEFSL**) before the Scheme is as follows, however, the number and the composition of the Board may become changed in the forthcoming election of directors of the Company falling due in February 2025:

Sr. No.	Name of Director	Category
1.	Mr. Muhammad Iqbal	Non-Executive Director/ Chairman
2.	Mr. Aftab Ahmad Chaudhry	Non-Executive Director
3.	Mr. Habib Ur Rehman Gillani	Non-Executive Director
4.	Mr. Amir Zia	Non-Executive Director
5.	Ms. Aasiya Riaz	Non-Executive Director

6.	Syed Jawad Ahmad	Non-Executive Director
7.	Syed Muhammad Talib Rizvi	Non-Executive Director
8.	Mr. Amjad Ali Khan Khattak	Independent Director
9.	Mr. Sohail Ahmed Awan	Independent Director
10.	Mr. Sani e Mehmood	Independent Director
11.	Ms. Huma Ejaz	Independent Director

(b) **DIGITAL CUSTODIAN COMPANY LIMITED**

- 1) The authorized share capital of the Company is **Rs. 600,000,000** divided into **60,000,000** of ordinary shares of Rs. 10/- each, out of which **52,266,777** ordinary shares are fully paid and issued.
- 2) The total number of shareholders of **DCCL**, as of the Effective Date is **17**. The Complete list of shareholders is attached as **Schedule – 2** (List of Shareholders).
- 3) The Share Capital of **DCCL** will not be changed for the ordinary Shares under the Scheme. However, the pattern of shareholding may be changed before the assumption/vesting of the listing status at PSX and the first trading date of **DCCL**.
- 4) The Board of Directors of the Company (**DCCL**) before the Scheme is as follows, which will continue to exist until the date of the next elections due on or before Mar 24, 2025, in terms of Section 159 of the Companies Act, 2017, except any interim changes due to the need to fill any casual vacancies:

Sr. No.	Name of Director	Category
1.	Mr. Muhammad Iqbal	Chairman / Non-Executive Director
2.	Mr. Aftab Ahmad Chaudhry	Chief Executive Officer / Non-Director
3.	Ms. Maleeha Humayun Bangash	Independent Director
4.	Mr. Shoaib Mir	Independent Director
5.	Dr. Yusuf Zafar	Independent Director
6.	Syed Mukhtar Hussain Jaffery	Non-Executive Director
7.	Mr. Farrukh Younas Khan	Non-Executive Director
8.	Mr. Muhammad Khalid Farooq Qazi	Non-Executive Director
9.	Mr. Muhammad Nasir Mirza	Non-Executive Director
10.	Mr. Naseer Ahmad Akhtar	Non-Executive Director

2. **EQUITY CAPITAL MANAGEMENT**

(a) **Distribution Ratio**

		<u>LSEFSL</u>	<u>DCCL</u>
Shares Outstanding before the Scheme	Nos.	35,677,578	52,266,777

Investment in DCCL by LSEFSL	Nos.	18,817,917
Shares Outstanding excluding DCCL as a shareholder	Nos.	34,835,836
Distribution Ratio	per share	0.5402
Distribution Ratio of shares of DCCL per 1,000 shares of LSEFSL	per 1,000 shares	540.20
Investment in LSECL by LSEFSL	Nos.	10,000,000
Shares Outstanding before the Scheme	Nos.	35,677,578
Distribution Ratio	per share	0.2803
Distribution Ratio of shares of LSECL per 1,000 shares of LSEFSL	per 1,000 shares	280.30
Investment in LSEFSL by DCCL	Nos.	841,742
Shares Outstanding excluding LSEFSL as a shareholder	Nos.	33,448,860
Distribution Ratio	per share	0.0252
Distribution Ratio of shares of LSEFSL per 1,000 shares of DCCL	per 1,000 shares	25.20

(b) **Reconciliation of Shares and Reserves**

	LSEFSL	DCCL	LSEFSL	DCCL
	Rs. in 000	Rs. in 000	Rs. in 000	Rs. in 000
	Share Capital		Reserves	
Balance before impact of the Scheme	356,776	522,668	96,959	77,457
Balance after impact of the Scheme	200,000	500,000	(36,288)	11,433
	(156,776)	(22,668)	(133,247)	(66,024)
Total Difference			LSEFSL	DCCL
Accounted for As follows:			(290,023)	(88,691)

Distribution of shares (as an investment) held by each Company	(371,900)	(6,814)
Transfer of Liabilities	81,877	(81,877)
	(290,023)	(88,691)
	LSEFSL	DCCL
	Nos.	Nos.
Share Capital before the Scheme	35,677,578	52,266,777
Share Capital after the Scheme	20,000,000	50,000,000
Effective Capital Reduction in %	43.94%	4.34%

(c) **Authorized Capital**

1) The authorized capital of **LSEFSL** and **DCCL** shall be reconstituted as under.

Name of the Company	Authorized Capital before the Scheme	Authorized Capital after the sanctioning of the Scheme
Digital Custodian Company Limited (DCCL)	Rs. 600,000,000 divided into 60,000,000 ordinary shares of Rs. 10/- each	Rs. 1,290,000,000 divided into 129,000,000 ordinary shares of Rs. 10/- each
LSE Financial Services Limited (LSEFSL)	Rs. 1,190,000,000 divided into 119,000,000 ordinary shares of Rs. 10/- each	Rs. 500,000,000 divided into 50,000,000 ordinary shares of Rs. 10/- each
Total in Rs.	Rs. 1,790,000,000	Rs. 1,790,000,000

2) No additional fee shall be payable to the Commission for combining the authorized capital of both the companies. Since the relevant fees on the cumulative capital of **Rs. 1,790,000,000** already stand paid by the respective companies, therefore, the redistribution of this capital with the companies being restructured under the Scheme only requires changes in the relevant parts of the Memorandum and Articles of Association, which shall stand changed upon the approval of the Scheme by the Court.

3. DISTRIBUTION AND CONSIDERATION

Upon the Scheme being effective in terms of the orders of the honorable Lahore High Court:

- (a) The shares (investment in each companies i.e. Designated Assets) shall be distributed as per the Distribution Ratio.
- (b) The Designated Liabilities – **LSEFSL** shall be transferred from **LSEFSL** to **DCCL**.
- (c) **Distribution Mechanism**

-
- 1) The Board of Directors of **LSEFSL** shall determine the book closure dates (and entitlement date) to distribute the shares **DCCL** and LSECL held by **LSEFSL** as per the Distribution Ratio to the shareholders of **LSEFSL**.
 - 2) The Board of Directors of **DCCL** shall determine the book closure dates (and entitlement date) to distribute the shares **LSEFSL** held by **DCCL** as per the Distribution Ratio to the shareholders of **DCCL**.
 - 3) The distributable shares shall stand credited into the CDS accounts of the shareholders by CDC upon the instructions of the respective companies as per the entitlement dates. The physical shares shall be dispatched within a period of one month.
 - 4) Cross holding between two companies shall be ignored while distribution.
 - 5) Fractional shares/ entitlements shall be ignored.
 - 6) Designated Liabilities – **LSEFSL** will be transferred to **DCCL** by **LSEFSL** against the following functions of **LSEFSL** to be transferred to **DCCL**.
 - a) Transfer of the responsibility for the management of the statutory funds (under the oversight of the Funds Committee).
 - b) Transfer of the liabilities amounting Rs. 81.877million (or as amount determined by the Board of Directors of **LSEFSL** on the Sanction Date).
 - 7) Once the distribution of shares to the shareholders of **LSEFSL and DCCL** is completed, the shares of **DCCL** shall become listed at PSX upon the filing/submission/uploading of the requisite documentation to PSX.

ARTICLE – 4 – RIGHTS AND OBLIGATIONS ACCRUING UNDER THE SCHEME

1. The assets acquired by the shareholders of **DCCL** and **LSEFSL** respectively shall be treated as having the same character as the same had in the hands of **LSEFSL** and **DCCL**, as the case may be.
2. No transfer of employees from **LSEFSL** to **DCCL** or **DCCL** to **LSEFSL** is envisaged under the Scheme.
3. The capital reserves, revenue reserves, revaluation surpluses and accumulated profits and losses of **DCCL** and **LSEFSL** shall be restructured/reconstituted as per this Scheme and as provided in Schedule - 3.
4. The merger reserves or goodwill arising from the Scheme shall be recognized in the books of **DCCL** or **LSEFSL**, as the case may be. The merger reserves, if any, shall be treated as capital reserves for all purposes.
5. The distribution of shares and the scheme effect are shown in **Schedule – 3**. The same methodology shall be followed after the Sanction Date.
6. All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against **LSEFSL/DCCL**, as the case may be, and pending before any court, tribunal, regulatory body or any other authority shall be treated as suits, appeals and legal proceedings by or against **LSEFSL/DCCL**, and may be continued, prosecuted and enforced by or against **LSEFSL/DCCL** accordingly.
7. As part of the Scheme, any shareholder(s) of **LSEFSL**, whether major or otherwise and other than the Sponsor, may dispose of their shareholding on or after the Sanction date but before the start of trading of the shares of **DCCL** on PSX, on the terms and conditions as deemed fit. In case of such disposal and consequential acquisition thereof by the parties, other than the sponsor, shall not attract applicability of Part IX of the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017.
8. After the Sanction Date, and as a consequence of **the distribution of DCCL shares to 2,993 public shareholders of LSEFSL under the Scheme**, the shares of **DCCL** shall stand listed at PSX under the orders of the Court (under the symbol of “**DCCL**”, if available), without any further, act, deed, formality etc.. However, it will be subject only to the filing of such documentation and disclosure requirements as are customarily required by PSX in such matters and upon payment of the initial and annual listing fee, and within such timeframe during which the reconstruction of the equity capital of the companies involved in the Scheme is completed and the process of allotment of **DCCL** shares to the members of **LSEFSL** is concluded by CDC, as required in this Scheme.

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9. The opening price of the shares of **DCCL** on the main Board of PSX on the first listing date, shall be the par/face value of its ordinary shares. For the purposes of calculating capital gain tax by NCCPL, the cost of acquisition of this security, (on subsequent disposal under Section 37A of the Income Tax Ordinance, 2001 and under relevant rules of the Income Tax Rules, 2002), shall also be the par/face value.

 10. The listing date of DCCL shares shall be reckoned from the listing date of the ordinary shares of **LSEFSL** for the purpose of the Listed Companies (Buy-Back of Shares) Regulations, 2019, and for any other relevant purposes.

ARTICLE – 5 – BINDING PROVISIONS

SANCTION AND EFFECTIVENESS OF SCHEME

1. Sanctions and Provisions of the Scheme:

- (a) This Scheme has been formulated in terms of the provisions of Section 279 and all other enabling provisions of the Act, for an order under Section 282 (along with Section 283) of the Act to bring the Scheme into effect.
- (b) Under the Companies Act, 2017, the matters of scheme/rearrangement and reconstruction of the assets and liabilities and the equity capital are the prerogatives of the shareholders of the companies involved in the Scheme. The Act doesn't envisage any prior approval of the Commission or PSX with respect to the Schemes of Arrangements. Similarly, as on the date of approval of this Scheme by the Boards of Directors of the respective companies, and the filing of the Scheme, no compliance with the NBFC rules/regulations is deemed applicable because (as already described in the Preamble), LSEFSL shareholders have unanimously resolved to surrender the NBFC license with effect from Nov 27th, 2024, deeming the NBFC business as no more feasible (for which the requisite Form 26 detailing the special resolutions having been passed by the shareholders stands submitted to SECP). Likewise, DCCL is also not registered/licensed as an NBFC. Moreover, the NBFC framework exists due to the enabling provision under Section 509 of the Act, which provided continuity to Part VIIIA of Sections 282A to 282N of the Companies Ordinance, 1984. Hence, any rules/regulations made under the provisions of the repealed Ordinance cannot take precedence over the fundamental provisions of the Act granting powers to the shareholders to decide about the matters of their mergers/arrangements/restructurings.
- (c) This Scheme is subject to the sanction of the honorable High Court and may be sanctioned in its present form or with or without any modification thereof or addition thereto as the honorable Court may deem appropriate. Upon being approved, this Scheme shall become effective, with such modification or addition and subject to any conditions which the Court may impose.
- (d) The provisions of this Scheme shall become binding and operative on the date (the "**Sanction Date**") upon the receipt of the certified copy of the order of the Court, sanctioning this Scheme under Section 279 of the Act, and by making any necessary provisions under Section 282 of the Act.
- (e) Upon the Scheme being sanctioned, all governmental authorities, bodies, departments and concerned institutions/companies, such as SECP, CCP, FBR, PSX, CDC, NCCPL etc., wherever required, shall transfer/vest the assets/rights of the respective companies and the designated assets and liabilities, as the case may be, without any cost, taxes, and without any further act or deed or processing or the need of any application from **LSEFSL/DCCL**.

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- (f) Upon the Scheme becoming binding and operative on the Sanction Date, the transfer and distribution of the Designated Assets of **LSEFSL**, and transfer to and vesting in **DCCL**, of certain functions and Undertaking and Business of LSEFSL shall be deemed to have taken place on the “**Effective Date**” and shall be treated accordingly, as per the provisions of this Scheme.
- (g) Following the Sanction Date and except as expressly otherwise stated herein, the profit and loss items appearing in the books of accounts of the companies and the related effect shall be shown in the Statement of Changes in Equity and no corresponding changes shall need to be made in the Statement of Profit and Loss for the interim period between the Effective Date and the Sanction Date.
- (h) The transfer of the Designated Assets and investments of **LSEFSL and DCCL** in the shares, debentures, Sukuk and related instruments, if any, shall be done without any stamp duty on the transfer from the respective companies, notwithstanding anything contained in the Stamp Act, 1899 (II of 1899) or any other law for the time being in force.
- (i) Any assets which are capable of transfer by manual / physical delivery or by endorsement and delivery, shall also be transferred under the Scheme.
2. As of the **Sanction Date**, the terms of this Scheme shall become binding on each of **LSEFSL and DCCL** and all their respective shareholders, members, employees, debtors and creditors and any person having any right or liability in relation to them.
3. All the costs, charges and expenses incurred/to be incurred in relation to or in connection with the Scheme of Arrangement and for carrying out the implementation of the Scheme or incidental to the completion of the Scheme in pursuance of the Scheme, shall be borne and paid by **LSEFSL**.
4. There can be difference in the tax year(s) between the Effective Date and the Sanction Date. The tax returns for the entities involved shall not be changed/revised for their Effective Dates (i.e. **DCCL and LSEFSL**).
5. No gain or loss shall be taken to arise on disposal of assets from the transferor to the transferee by virtue of the Scheme and only the net of tax balances shall be transferred under Section 97A of the Income Tax Ordinance, 2001. No double taxation impact (in the form of withholding taxes or/and collecting taxes or/and assessment basis) shall be made/ levied on the income, profits and revenues of the companies/ entities involved by virtue of this Scheme.
6. Except specifically provided hereunder, this Scheme shall only become null and void, in which event, no rights and liabilities shall accrue to or be incurred in terms of this Scheme:

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- (a) if the Scheme is not approved by the requisite majority of the shareholders and the members of any of **LSEFSL** and **DCCL**.
 - (b) if the sanction of the Court in respect of this Scheme is not obtained by such date (if any) as may be mutually agreed by the respective Board of Directors of **LSEFSL** and **DCCL**.

GENERAL PROVISIONS

- 7. This Scheme shall be governed by and be construed in accordance with the substantive and procedural laws of Pakistan.
- 8. The transfer, vesting and amalgamation of the Undertaking and Businesses in terms of this Scheme shall not: (i) constitute any assignment, 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; and (iv) give rise to any right of first refusal or pre-emptive right.
- 9. The distribution ratios (as mentioned in this Scheme and having been duly approved by way of the special resolutions of the respective shareholders) will not be changed unless directed (and accepted by the Company) by the honorable Lahore High Court. Any difference, if any, will be adjusted either in the goodwill or merger reserves, as the case may be. No further approval for any change having been ordered by the honorable Court, shall be required from the shareholders of any of the companies.
- 10. Each of **LSEFSL** and **DCCL** shall take all actions and execute all formalities considered and deemed necessary and expedient by their respective Boards of Directors to properly and smoothly cause the transfer and vesting of the respective Undertakings and Businesses in the manner stated herein and shall carry out and execute this Scheme pursuant to and in accordance with the order of the Court.

SCHEDULE – 1 - Designated Liabilities of LSE Financial Services Limited to be transferred into Digital Custodian Company Limited

	June 30, 2024
	<u>Rs. in 000</u>
Trade and other payables	69,885
Deposit payable related to the discontinued operations	11,992

Note: Actual value of Designated Liabilities of **LSEFSL** to be transferred to **DCCL** shall be determined by the Board of Directors of **LSEFSL** as on Sanction Date.

SCHEDULE – 2 - List of the *shareholders of:

- **LSE Financial Services Limited**
- **Digital Custodian Company Limited**

The list of shareholders will be added on the Effective Date.

*under an earlier Scheme sanctioned by the honorable Lahore High Court, 36% equity shares of DCCL stood transferred to LSEFSL, although the perfunctory regulatory processing is still ongoing, having no effect on this Scheme.

SCHEDULE – 3- The Statement of Financial Position showing the Scheme Effect

	LSEFSL June 30, 2024 Rs. in 000	DCCL June 30, 2024 Rs. in 000	LSEFSL Merger Adjustments Rs. in 000	DCCL Rs. in 000	LSEFSL Rs. in 000	DCCL Listed Rs. in 000
ASSETS						
Non-Current Assets						
Property and equipment	-	11,089	-	-	-	11,089
Intangible assets	-	376,630	-	-	-	376,630
Investment in Digital Custodian Company Limited	210,890	-	(210,890)	-	-	-
Investment in LSE Capital Limited	161,010	206,038	(161,010)	3,799	-	209,837
Investment in LSE Financial Services Limited	-	10,613	-	(10,613)	-	-
Deferred Tax	9,657	-	-	-	9,657	-
Long term deposits	15,009	2,184	-	-	15,009	2,184
	396,566	606,554			24,666	599,740
Current Assets						
Trade and other receivables	-	12,957	-	-	-	12,957
Short term investments/Financial assets	59,589	271	-	-	59,589	271
Advances and prepayments	22,767	3,064	-	-	22,767	3,064
Tax refunds due from Government - net	42,049	6,462	-	-	42,049	6,462
Cash and bank balances	23,443	1,338	-	-	23,443	1,338
	147,848	24,091			147,848	24,091
Total Assets	544,414	630,646	(371,900)	(6,814)	172,514	623,831
Authorized share capital	1,119,000	600,000	(690,000)	690,000	429,000	1,290,000
Share capital						
Issued, subscribed and paid-up share capital	356,776	522,668	(156,776)	(22,668)	200,000	500,000
Capital reserves						
Merger reserves	-	-	(40,000)	-	(40,000)	-
Share premium	31,355	-	(31,355)	-	-	-
	31,355	-			(40,000)	-
Revenue reserves						
Un-appropriated profits	65,604	77,457	(61,892)	(66,024)	3,712	11,433
	453,735	600,125			163,712	511,433
Non-Current Liabilities						
Lease liabilities	-	1,786	-	-	-	1,786
Other liabilities/ Long term financing	1,924	-	-	-	1,924	-
Deferred tax liability	4,858	9,938	-	-	4,858	9,938
	6,782	11,723			6,782	11,723
Current Liabilities						
Trade and other payables	69,885	14,628	(69,885)	69,885	-	84,513
Current portion of lease liabilities	-	4,170	-	-	-	4,170
Deposit payable related to discontinued operations	11,992	-	(11,992)	11,992	-	11,992
Current portion of long term financing	2,020	-	-	-	2,020	-
Unclaimed dividend	-	-	-	-	-	-
	83,897	18,798			2,020	100,675
Equity and Liabilities	544,414	630,646	(371,900)	(6,814)	172,514	623,831
	-	-	-	-	-	-

SCHEDULE – 4 - The Statement of Financial Position

- **LSE Financial Services Limited**
- **Digital Custodian Company Limited**

As attached



SCHEDULE – 5 Approvals and Authorizations

1. The respective Boards of Directors of **LSEFSL** and **DCCL** have approved the foregoing Scheme for the submission to the honorable Lahore High Court (LHC), and have prayed to the Court to order the convening of the Extraordinary General Meetings (EOGMs) of the relevant companies under its own appointed Chairmen of the meetings for seeking the approval of the Scheme by way of special resolution(s) before sanctioning the Scheme in its absolute discretion.
2. The respective Boards of Directors of **DCCL** and **LSEFSL**, have also sought the approvals and authorizations (as mentioned in this Schedule – 5) from their shareholders to give consent to, either singly or jointly, to any modifications or additions or alterations to be made to this Scheme or to any conditions, which the Court may think fit to impose and may give any directions, as the honorable Court may consider necessary to settle any question(s) or difficulty arising under this Scheme or in regard to its implementation or in any matter connected therewith.
3. Without prejudice to the generality of the foregoing, the respective Boards of Directors of **LSEFSL** and **DCCL**, may, generally or with regard to any specific issue or matter related to the execution and implementation of the Scheme, upon its due approval by the Court, authorize any person(s) or officials to carry out such acts, deeds and things as may be deemed expedient and necessary, for a proper and smooth implementation of the Scheme from time to time.
4. The Board of Directors of **DCCL** and **LSEFSL** have also given their assent to any modification or amendment to the Scheme or to agree to any terms and/or conditions, which the Court and / or any other Authority, Body or Commission under the law, may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out the Scheme and to do all acts, deed and things as may be necessary or desirable or expedient for putting the Scheme into effect.
5. The Board of Directors of **DCCL** have also been authorized to rectify any accounting, calculation, rounding or typographical errors and any other errors in the Scheme, if any, and the presence of any such errors will not affect the spirit, efficacy and implementation of the Scheme.
6. In case of any ambiguity or conflict in the actual transfer of assets, liabilities and reserves, the Board of Directors of **DCCL** shall have the authority to decide and resolve the issue before and after the **Sanction Date**.
7. For the purposes of giving effect to the Scheme or any modification or amendment thereof, the directors of **DCCL** are hereby authorized by **LSEFSL** to give such directions and / or to take all such steps and actions as may be necessary or desirable including any direction for settling any question or doubt or difficulty, whatsoever that may arise from time to time.

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8. Upon the orders of the Court for the convening of the EOGMs of **DCCL** and **LSEFSL** under the Court appointed Chairmen of the meetings, the shareholders shall be required to accord specific approval of the Scheme (as covered in this Schedule – 5) by way of special resolution pursuant to the provisions of Section 279 to 283 of the Companies Act, 2017 and other applicable provisions, together with the approvals for the grant of specific authorization to the Boards of Directors, the Chief Executive Officers or the Company Secretaries of the relevant corporate entities to do and carry out the following tasks:
- a. To file necessary joint/separate application(s), petition(s) before the Honorable Lahore High Court, for seeking its directions as to convening, holding and conducting of any meeting(s) of the shareholders and creditors (if any) or dispensation thereof, as the case may be, including for the appointment of Chairman, issuance and dispatch of notices and placement of advertisements and for seeking any other directions as the Honorable Lahore High Court may deem fit and proper and for seeking the approval of the proposed distribution of designated assets and the proposed Scheme of Arrangement.
 - b. To undertake and implement all relevant steps/actions required to be completed, to implement the Scheme.
 - c. To submit the certified true copies of the resolutions passed by the shareholders of the respective companies to the Honorable Lahore High Court, the Registrar of Companies, the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited and such other competent authorities, if necessary.
 - d. To specifically authorize the Chief Executive Officers or the Company Secretaries of the companies involved in the Scheme to singly (1) sign, submit or present necessary applications, petitions, supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned Scheme of Arrangement, (2) engage any counsel(s)/advocate(s)/consultant(s) to file the application(s) and petition(s) before the Honorable Lahore High Court, and to do other needful tasks, (3) appear [in person or through representative(s)] before the Honorable Lahore High Court; the Offices of the Registrar of the Companies; the Securities and Exchange Commission of Pakistan; Pakistan Stock Exchange Limited and/or before any other authority or person in connection with the aforesaid Scheme of Arrangement, and (4) do any other act, deed or thing which may be ancillary or incidental to the above-mentioned matter or which may otherwise be required for the aforesaid purpose.
 - e. To make any requisite changes/amendments in the Memorandum and Articles of Association of **LSEFSL/DCCL**, as the case may be. No further approval from the shareholders will be

required in this respect. The Memorandum and Articles of Association of **DCCL** shall not be changed except to the extent of the authorized capital of the company as per the Scheme.

- f.** To undertake all necessary steps, actions on behalf of **DCCL and/or LSEFSL**, which are deemed necessary to implement the Scheme, once approved by the honorable Lahore High Court including but not limited to the:
- 1) distribution of shares under the scheme.
 - 2) transfer of designated liabilities from **LSEFSL**.
 - 3) listing of **DCCL** at Pakistan Stock Exchange.
 - 4) to do any other act, deed or thing which may be ancillary or incidental to the above-mentioned matter or which may otherwise be required to implement the Scheme.
- g.** To initiate all necessary steps, actions on behalf of **LSEFSL/DCCL** that are necessary to implement the Scheme, once approved by the honorable Lahore High Court including but not limited to the:
- 1) distribution of shares under the scheme.
 - 2) transfer of designated liabilities to **DCCL**.
 - 3) to do any other act, deed or thing which may be ancillary or incidental to the above-mentioned matter or which may otherwise be required to implement the Scheme.
9. Furthermore, the shareholders of **LSEFSL** and **DCCL** shall also be asked to authorize the respective Board of Directors of **LSEFSL/DCCL** to amend the distribution ratio for the issuance of shares under the Scheme, if advised or directed by the honorable Lahore High Court.



LSE FINANCIAL SERVICES LIMITED

Pattern of Share Holding						
As on June 30, 2024						
	NO. OF SHARES		CDC	Physical	No of Shareholders	No of Shares held
	FROM	TO				
1	1	100	425	1851	2276	44,700
2	101	500	240	167	407	96,395
3	501	1000	90	27	117	84,754
4	1001	5000	101	10	111	251,017
5	5001	10000	34	1	35	275,428
6	10001	15000	9	0	9	109,331
7	15001	20000	6	0	6	103,045
8	20001	25000	5	0	5	114,891
9	25001	30000	2	0	2	53,282
10	30001	35000	1	1	2	63,173
11	45001	50000	1	0	1	45,521
12	50001	55000	1	1	2	102,878
13	55001	60000	2	0	2	118,756
14	65001	70000	3	0	3	199,901
15	110001	115000	1	0	1	112,000
16	115001	120000	0	1	1	117,028
17	165001	170000	1	0	1	165,631
18	185001	190000	1	0	1	187,205
19	225001	230000	1	0	1	227,605
20	260001	265000	1	0	1	260,120
21	265001	270000	1	0	1	269,179
22	435001	440000	1	0	1	437,496
23	840001	845000	1	0	1	841,742
24	945001	950000	1	0	1	948,999
25	1590001	1595000	1	0	1	1,593,235
26	4155001	4160000	1	0	1	4,155,790
27	7275001	7280000	1	0	1	7,276,234
28	7420001	7425000	1	0	1	7,422,244
29	9995001	10000000	1	0	1	9,999,998
			934	2059	2993	35,677,578

LSE Financial Services Limited				
Categories of Share Holders				
As on June 30, 2024				
Sr.No.	Categories of shareholders	No of Share holders	Share held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children.	7	8,969,520	25.14%
2	Executive Employees	0	-	0.00%
3	Associated Companies, undertakings and related parties.	2	10,841,740	30.39%
4	NIT and ICP	3	920	0.00%
5	Banks Development Financial Institutions, Non-Banking Financial Institutions.	3	9,764	0.03%
6	Insurance Companies	2	1,042	0.00%
7	Joint Stock Companies	11	7,447,039	20.87%
8	Modarabas and Mutual Funds	1	33	0.00%
9	Others	6	35,092	0.10%
10	General Public	2958	8,372,428	23.47%
	Grand Total:	2993	35,677,578	100%
Sr. No.	Shareholders holding 10% Shares or more		Share held	Percentage
1	LSE Ventures Limited		9,999,998	28.03%
2	Aftab Ahmad		7,422,244	20.80%
3	Zahid Latif Khan Securities (Pvt) Ltd.		7,276,234	20.39%
4	Aslam Khaliq		4,155,790	11.65%



DIGITAL CUSTODAIN COMPANY LIMITED

List of Shareholders

Sr. No.	Name of Shareholder	Shareholding	%age
1	LSE Ventures Limited	5,221,973	9.99%
2	LSE Financial Services Limited	18,817,917	36.00%
3	Infotech (Private) Limited	4,704,480	9.00%
4	LSE Capital Limited	14,897,248	28.50%
5	Asad Nawaz	2,614,000	5.00%
6	Sidduque-ur-Rehaman	1,306,669	2.50%
7	ISE TOWERS REIT MANAGEMENT COMPANY LIMITED	4,704,480	9.00%
8	Public/Others	10	0.00%
		52,266,777	