

October 30, 2025

**The General Manager**

Pakistan Stock Exchange (PSX)  
Stock Exchange Building,  
Stock Exchange Road, Karachi – 74000

**Subject: Material Information – Approval of the Scheme of Compromises, Arrangement and Reconstruction**

Dear Sir,

The Honorable Lahore High Court, in his order dated October 13, 2025, has allowed the petition under Section 279 read with Sections 280 to 283 and 285(8) and all others enabling provisions of the Companies Act, 2017 and has sanctioned the Scheme of Compromises, Arrangement and Reconstruction (**C.O 75382/2025**) by and between LSE Financial Services Limited (LSEFSL) and Digital Custodian Company Limited (DCCL) for the transfer of designated assets and liabilities and reconstruction of share capital and reserves as follows:

1. The distribution of shares of LSE Capital Limited (LSECL) held by DCCL and LSEFSL to its shareholders under the Scheme.
2. The distribution of shares of LSE Financial Services Limited held by DCCL to its shareholders under the Scheme.

		<u>LSEFSL</u>	<u>DCCL</u>
Shares of <b>LSE Capital Limited (LSECL)</b> held by each Company on Sanction Date	Nos.	10,000,000	12,935,548
<b>Shares Outstanding</b>	Nos.	35,677,578	52,266,777
Less : Cross-holding			
Shares of LSEFSL held by DCCL	Nos.	(841,742)	
Shares of DCCL held by LSEFSL	Nos.		(18,817,917)
	Nos.	34,835,836	33,448,860
		-	-
<b>Distribution Ratio</b>	<b>per 1,000 shares</b>	<b>287.06</b>	<b>386.73</b>
		-	-
Shares of LSE Financial Services held by DCCL on Sanction Date	Nos		841,742
<b>Distribution Ratio</b>	<b>per 1,000 shares</b>		<b>25.17</b>

**Fractional shares shall not be distributed.**

3. Since LSECL is also shareholder of DCCL, the shares of LSECL to be distributed by DCCL cannot be given to LSECL so they will further be distributed to the shareholders of LSECL once the Entitlement Date is determined by LSE Capital Limited. The distribution of shares of LSECL to the shareholders of LSECL shall be as follows:

		<u>LSECL</u>
Shares of DCCL held by LSECL	Nos.	22,215,728
<b>Distribution Ratio as given above</b>	<b>per 1,000 shares</b>	<b>386.73</b>
Shares of LSECL to be distributed to the Shareholders of LSECL	Nos.	8,591,488
Less: Shares of LSECL to be distributed to the Shareholders of LSEFSL	Nos.	(3,093,318)
Net Shares to be Distributed	Nos.	5,498,170
Shares Outstanding of LSECL	Nos.	158,217,797
<b>Distribution ratio to the shareholders of LSECL</b>	<b>per 1,000 shares</b>	<b>34.75</b>
Additional Shares of LSECL to be Distributed to the Shareholders of LSEFSL	Nos.	3,093,318
Shares of LSEFSL (excluding cross holding)	Nos.	34,835,836
<b>Further Distribution to the Shareholders of LSEFSL</b>	<b>per 1,000 shares</b>	<b>88.80</b>

4. The shares of LSECL to be distributed to LSEFSL shall similarly be allotted onwards to its shareholders on the Entitlement Date.

5. The share capital shall be reconstituted as follows:

		<u>LSEFSL</u>	<u>DCCL</u>
<b>Before Scheme</b>			
Authorized share capital	Nos.	111,900,000	60,000,000
Issued, subscribed and paid-up share capital	Nos.	35,677,578	52,266,777
<b>After Scheme</b>			
Authorized share capital	Nos.	42,900,000	129,000,000
Issued, subscribed and paid-up share capital	Nos.	27,000,000	40,000,000
Capital Reduction	%	<b>24.32%</b>	<b>23.47%</b>

6. The transfer of liabilities determined by the Board of Directors as on the Sanction Date from DCCL to LSEFSL is Rs. 37.82 million under the Scheme.

7. The Statement of Financial Position showing the Scheme Effect as on Sanction Date shall be provided within 90 days as described in the Scheme.

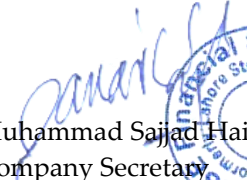
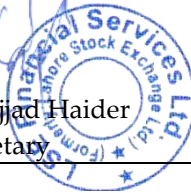


The Honorable Court has ordered the Scheme to take effect in terms of its relevant clauses and has ordered the Scheme to form part of the Judgement of the Honorable High Court.

The meeting of Board of Directors of LSEFSL and DCCL has already been convened on **November 01, 2025**, at 1100hrs at the registered office of the Company to determine the Entitlement Date and book closure dates for the distribution of the shares as mentioned above. Similarly, the meeting of LSE Capital Limited has already been convened on **November 1, 2025**. All these companies shall announce a uniform Entitlement Date so that the shares of LSECL to be allotted to its shareholders are also done concurrently.

The Company (LSEFSL) has declared the "Closed Period" from **October 30 to November 01, 2025** (both days inclusive) as required under Clause 5.6.4 of PSX Regulations. Accordingly, no Director, CEO or Executive (of all Companies in the Scheme) shall, directly or indirectly, deal in the shares of the Company (LSEFSL) in any manner during the Closed Period.

This is for your information and necessary action, and you may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours truly,

For LSE Financial Service Limited	For Digital Custodian Company Limited
 Muhammad Sajjad Haider Company Secretary 	 Rashid Mateen Khan Chief Financial Officer 

Enclosures:

- 1) Certified Copy of the Order of the honorable Lahore High Court
- 2) Certified Copy of the Scheme

CC:

- 1) Central Depository Company of Pakistan Limited
- 2) National Clearing Company of Pakistan Limited
- 3) Executive Director, Supervision Department, SECP, Islamabad

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

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12/10/25  
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 Lahore High Court, Lahore

CO No. 75382 of 2025

In the matter of:

M/s. Digital Custodian Company Limited  
 &  
 M/s. LSE Financial Services Limited

Versus

Securities and Exchange  
 Commission of Pakistan

Sr. 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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13.10.2025. M/s. Asad Ullah Chattha and Musa Hayat Tarar,  
 Advocates for the petitioners  
 Mr. Ruman Bilal, Advocate for Securities and Exchange  
 Commission of Pakistan

**CM No.2 of 2025**

This is an application for placing on record addendum to the Scheme of Arrangement appended with this application. It is allowed subject to all just and legal exceptions and the addendum to the Scheme of Arrangement is allowed to be brought on record.

**Main Case**

2. This is a joint application/petition filed under sections 279 to 283 and 285 of the Companies Act, 2017 ("Act") by petitioner No.1/M/s. Digital Custodian Company Limited ("DCCL) and M/s. LSE Financial Services Limited (LSEFSL). Through this joint application, the petitioners have sought approval of the Scheme of Arrangement (appended at page 184 to onwards of this petition) for reconstitution/reconstruction of share capital and reserves of the petitioners, (the "Scheme"). The Scheme envisages the transfer to and vesting in of specific portions/designated

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 Lahore High Court, Lahore

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Sr. 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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liabilities of the Business and undertakings of the LSEFSL/Petitioner No.2 in DCCL/Petitioner No.1, the distribution of the designated assets of petitioner No.1 to its 16 shareholders and that of LSEFSL/Petitioner No.2 to its 2993 shareholders consequent to which the petitioner No.1 shall stand listed on Pakistan Stock Exchange.

3. The Scheme has been endorsed by the respective Board of Directors of the Petitioner Companies as per the resolutions appended with this petition.

4. Vide order dated 02.12.2024, this Court ordered for holding of General Meetings ("EOGMs") of the Petitioner Companies. These meetings were directed to be held under the Chairpersonship of M/s. Salah Umer Awan and Barrister Kamal Ali Khan Kharal, Advocates. The said Chairpersons were directed to convene and preside over the EOGMs of the shareholders of the Petitioners in terms of Rule 56 of the Company Court Rules, 1997 (the "Rules") for considering and, if thought fit, approving the Scheme. Furthermore, notices of the EOGMs were also ordered to be published in dailies "Nawa-i-Waqt" and "Dawn".

5. The EOGMs of the Petitioner Companies were held on 28.12.2024 under the supervision of the Chairpersons. The Chairpersons filed their comprehensive Report on 04.01.2025 and as per the Report, the EOGMs of the Petitioner Companies were scheduled and held on 28.12.2024; the report further manifests that notices were issued to the shareholders of the Petitioner Companies, meetings of the shareholders of the Petitioner Companies was convened and all

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applicable statutory and regulatory compliances have been made, the relevant record whereof has also been annexed with the Report.

6. As per the Report, the EOGMs were attended by the respective shareholders of the Petitioner Companies, personally as well as through proxy(s). The Scheme was considered and unanimously approved by the shareholders of the Petitioner Companies.

7. Subsequent to filing of the report, the publication of notices in terms of rule 61 of the Rules, was caused by the office in compliance of the order of this Court as follows:

Daily "Dawn"	31.01.2025
Daily "Jang"	24.01.2025
Daily "The Business Recorder"	24.01.2025

Despite notices, no one has appeared from the general public to oppose the Scheme.

8. Learned Counsel for Securities and Exchange Commission of Pakistan (the "SECP") filed comments on behalf of SECP wherein SECP has raised certain observations, which were accordingly responded by the Petitioner Companies and today, learned Counsel for SECP submits that all observations have been addressed by the Petitioner Companies.

9. As none of the stakeholders and shareholders of the Petitioner Companies or any other interested party(s) have raised any objection to the Scheme, therefore, the Scheme along with its Appendixes and addendum to the Scheme, today allowed to be brought on record, is hereby sanctioned, all of which shall form part of this order as Schedule "A". The Scheme shall take effect

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from the date of order of this Court i.e. 13.10.2025. It is further ordered that in terms of section 282 of the Act, the Petitioner No.1 shall cause delivery of the certified copy of this order to the Registrar of Companies for compliance.

10. The petition stands **allowed** in the above terms.

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Authorized Under Article 87 of  
Qanun-e-Shariat Order 191

(Khalid Ishaq)  
Judge

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Lahore High Court, Lahore

Copy Petition No.: 51107  
Submission Date: 23-10-25  
No of Pages: 4  
Fee (Rs. 1- per Pages): \_\_\_\_\_  
Urgent Fee (if any): \_\_\_\_\_  
Total Fee (Rs.): \_\_\_\_\_  
Date of Completion: 28-10-25  
Date of Delivery: 28/10

-/-

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**IN THE LAHORE HIGH COURT, LAHORE**  
(Company Jurisdiction)

Examiner: *[Signature]* 18/10/24  
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Lahore High Court, Lahore

Civil Original No. 75382 of 2024

In the matter of:

1. **M/s. Digital Custodian Company Limited,**  
having its registered office at  
The Exchange Hub, LSE Plaza,  
19-Kashmir Egerton Road, Lahore  
through its Company Secretary

2. **M/s. LSE Financial Services Limited,**  
having its registered office  
The Exchange Hub, LSE Plaza,  
19-Kashmir Egerton Road, Lahore  
through its Company Secretary.

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C.O. No.                       
Examiner: *[Signature]* (Commercial Branch)  
Lahore High Court, Lahore

.....PETITIONERS

**VERSUS**

The Securities & Exchange Commission of Pakistan (SECP) through its Registrar,  
Egerton Road, Lahore.

.....RESPONDENT



**PETITION UNDER SECTION 279 READ WITH SECTIONS 280 TO 283  
AND 285(8) AND ALL OTHERS ENABLING PROVISIONS OF THE  
COMPANIES ACT, 2017**

Respectfully sheweth: -

1. That the instant petition is being filed through the authorized representatives of petitioner No.1 & authorized representative of petitioner No.2.
2. That the above-named Petitioners most respectfully submit this petition under the Companies Act, 2017, seeking the Hon'ble Court's sanction of a Scheme of Compromise, Arrangement and Reconstruction ("Scheme") under Sections 280-283 and 285(8) of Companies Act, 2017, read with the Government of Pakistan, Finance Division's notification bearing S.R.O. 840(1)/2017 (*hereinafter referred to as "SRO"*).
3. That specifically, the Scheme includes the reconstitution/reconstruction of the share capital and reserves of the Petitioners, the transfer of the specific portions/designated liabilities of the Business and Undertaking of the above titled Petitioner No. 2 into the Petitioner No. 1, the distribution of the designated assets of Petitioner No. 1 to its 16 shareholders and that of Petitioner No. 2 to its 2993 shareholders, consequent to which Petitioner No. 1 shall stand listed on Pakistan Stock Exchange (PSX), after consideration of the following brief facts and reasons otherwise described fully in the Scheme: -

**BACKGROUND OF PETITIONER NO. 1**

- (i) That Petitioner No. 1, was incorporated on February 12<sup>th</sup>, 1992 as a private limited company and later converted to an unlisted public limited company in 2009.

*Certified copies of the Certificate of Incorporation of Petitioner No. 1 on the change of name and certificate of conversion from private limited company to a public company is annexed as Annexure-"A/1". Certified copy of the Memorandum of Association and Articles of Association of Petitioner No.1 are annexed as Annexure-"A/2".*

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- (ii) That the primary functions of Petitioner No. 1 include to act as a trustee for the collective investment and pension schemes, real estate investment trusts, besides providing custodian services to the closed end schemes, and serving as a share registrar.
- (iii) That the Petitioner No.1 is not an NBFC but is required to meet the eligibility requirements of Circular No. 4 of 2022 of SECP.
- (iv) That the financial position of Petitioner No. 1, based on its audited financial statements as of June 30<sup>th</sup>, 2024, is as follows: -

(Amount in Rs. 000)

**Total Assets:** 630,646/-

**Non-current assets:** 606,554/- (comprising property and equipment, intangible assets, investment in LSE Capital Ltd investment in LSE Financial Services Ltd., long-term deposits).

**Current assets:** 24,091/- (comprising Trade and other receivables, short-term investments/ Financial assets, advances and prepayments, tax refunds due from government-net, and cash and bank balances).

**Total Equity and liabilities:** 630,646/- (comprising total equity, lease liabilities, deferred tax liability, trade and other payables, and current portion of lease liabilities).

*Copy of the Annual Report / Audited Financial Statements for the Year Ended June 30, 2024, of Petitioner No. 1, is annexed as Annexure "B".*

## BACKGROUND OF PETITIONER NO. 2

- (i) That Petitioner No. 2 is a public company listed on Pakistan Stock Exchange (PSX).
- (ii) That consequent to the approved scheme of integration of the stock exchanges sanctioned by the Securities and Exchange Commission of Pakistan on January 11, 2016, Petitioner No. 2 ceased its stock exchange operations and

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was granted the license to operate as an NBFC and offer investment finance services under the name of LSE Financial Services Limited.

*Certified copy of the Certificate of Incorporation of Petitioner No.2 is annexed as Annexure "C/1". Certified copy of the Memorandum of Association and Articles of Association of Petitioner No.2 are annexed as Annexure-"C/2".*

- (iii) That the shareholders of Petitioner No. 2 have now deemed the NBFC functions as no more feasible and have resolved in their AGM held on November 27<sup>th</sup>, 2024, to relinquish the NBFC status. Furthermore, they also decided to rename the company to LSE Enterprises Limited, pending necessary formalities. Petitioner No. 2 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.

*The true copy of the deposit slip of Form 26 and Form 4 with CRO, SECP, Lahore, is annexed herewith and marked as Annexure-"D ".*

- (iv) That the authorized share capital of Petitioner No. 2 is Rs. 1,119,000,000, divided into 111,900,000 shares of Rs. 10/- each, while the issued, subscribed, and paid-up share capital stands at Rs. 356,775,780.
- (v) That the financial position of Petitioner No. 2, based on its audited financial statements as of 30th June 2024, is as follows:

(Amount in Rs. In 000)

**Total assets:** 544,414

**Non-current assets:** 396,566/- (comprising investment in Digital Custodian Company, Investment in LSE Capital, deferred tax, long term deposits).

**Current assets:** 147,848/- (comprising short-term investments/ financial assets, advances and prepayments, tax refund due from government-net, and cash and bank balances).

**Total Equity and liabilities:** 544,414/-

*Copy of the Annual Report / Audited Financial Statements for the Year Ended June 30, 2024, of Petitioner No. 2, is annexed as Annexure-"E".*

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**APPROVAL AND BENEFITS OF THE PROPOSED ARRANGEMENT AND RECONSTRUCTION OF SPECIFIC PORTIONS OF THE UNDERTAKING OF THE PETITIONER NO. 2 AND MERGER OF THE SAME WITH AND INTO THE PETITIONER NO. 1**

4. That Petitioners No. 1 and 2 have agreed to an arrangement, being the Scheme of Compromise, Arrangement and Reconstruction ("Scheme") dated November 30<sup>th</sup>, 2024 ("Scheme"), for the proposed restructuring and arrangement, which has been duly approved by the respective Board of Directors of both the Petitioners.

*The true copies of the Extracts of the Resolutions passed by the respective Boards of Directors of Petitioners No. 1 and 2, are annexed herewith and marked as Annexures "F/1 & F/2".*

5. That the determination / break-ups of the assets, liabilities, share capital and reserves, as prescribed under the Scheme, having been approved by the Boards of Directors of the respective Petitioners, are based on the audited financial statements of Petitioner No. 1 and 2 for the year ended June 30, 2024.

6. That it is humbly submitted that the contents of the Scheme be treated as part and parcel of the instant petition, having the effect, as though the entire said Scheme has been reproduced in this paragraph.

*The Scheme of Compromise, Arrangement and Reconstruction ("Scheme") pertaining to the Petitioners is annexed herewith and marked as Annexure "G".*

7. That the objectives and the benefits of the Scheme pertaining to the Petitioners and their respective members/shareholders, are more described fully in the Preamble section of the Scheme.

8. That as a consequence of the sanction of the Scheme, Petitioner Nos. 1 and 2 will continue as going concerns without either of the companies / Petitioners being dissolved, thereby continuing to serve as useful economic and employment agents

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in society on the whole, with the addition of Petitioner No. 1 also becoming a public listed company.

9. That furthermore as a consequence of the Scheme, the ownership of Petitioner No.1 will be diversified amongst a large and public shareholder base leading to the strengthening of its corporate governance and internal controls, thereby fostering a robust and transparent operational framework.

10. That more particularly, the shareholders of Petitioner No. 2, totaling about 2993, already being a public listed company, will economically gain from the Scheme.

11. That it is respectfully submitted that for the purpose of Rule 19 of the Companies (Court) Rules, 1997, the advertisement of this Petition may be published in the Official Gazette and in the newspapers. It is further submitted that the notice of this Petition may also be given to the Registrar of Companies of the Securities and Exchange Commission of Pakistan, Lahore, as required under Section 283 of the Act.

12. That the Scheme does not involve any acquisition or merger of any Petitioner by the other, hence, the law/rules/regulations of the Competition Commission of Pakistan are not applicable.

13. That there being no secured creditors in respect of any of the Petitioners, the holding of the meeting of such creditors is not required.

14. That there are no investigation proceedings or the like pending in relation to any of the Petitioners under Sections 256 - 275 of the Companies Act, 2017, or under any other regulatory provisions. However, even if there being a case of any ongoing investigation proceedings, the Scheme (Article - 6) adequately provides that any such proceedings against any of the Petitioners shall continue as such.

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15. That each of the Petitioners No. 1 and 2 have their respective registered offices at Lahore within the jurisdiction of this Hon'ble Court and accordingly this Hon'ble Court has the jurisdiction in the matter in the light of the above stated SRO, in terms of which the power of the Securities and Exchange Commission of Pakistan, conferred by Sections 279 to 282 and 285 of the Companies Act, 2017, have been notified to be exercised by the Company Bench of this Honorable Court, in respect of the public interest, large and medium sized companies.

**PRAYER**

It is respectfully prayed that:

(a) this Hon'ble Court may order calling of separate meetings of the members of the Petitioners No. 1 and 2, under Section 279 of the Companies Act, 2017, for approving, adopting and agreeing to the Scheme of Arrangement.


(b) upon the receipt of the Chairmen's reports with respect to such meetings having been held under the orders of this Hon'ble Court, and the approval of the special resolutions having been granted by the required majority of members of Petitioners No. 1 and 2, this Hon'ble Court may graciously pass the following orders:

(1) An order under Section 279(2) of the Companies Act, 2017, sanctioning the Scheme of Arrangement and for making the same as binding on the Petitioners, the creditors, and all relevant governmental agencies, departments, corporate entities, parties/persons, as the case may be, on account of the same being in the benefit of the respective shareholders of the Petitioners as well as for the economy, society and market on the whole, and

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(2) Make such further orders as this Hon'ble Court may deem fit.

  
PETITIONER NO.1  
(through its authorized Officer)

  
PETITIONER NO.2  
(through its authorized Officer)

Through

  
MUSA HAYAT TARAR  
Advocate High Court  
CNIC: 35202-5455870-7  
Cell: 0323-4939329

  
BARRISTER ASADULLAH CHATTHA  
Of Lincoln's Inn, Barrister-at-Law  
LL.B Hons. (London)  
CNIC No. 33102-30233905-3  
Cell: 0310-7730019

**A.M. CORPORATE & LEGAL CONSULTANTS**

Office No.2, 2nd Floor, SAF Center  
8-Fane Road, Lahore.

Copy Petition No.: 51107  
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Date of Delivery: 28/10

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Judge.

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

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ARTICLE – 5	-	BINDING PROVISIONS

*[Signature]*  
Judge.

### Schedules

SCHEDULE – 1	Designated Liabilities of LSE Financial Services Limited to be transferred into Digital Custodian Company Limited
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*[Signature]*  
DIGITAL CUSTODIAN COMPANY

Financial Services Ltd.  
Lahore Stock Exchange  
Lahore



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 5<sup>th</sup>, 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 27<sup>th</sup>, 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

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Judge
**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
	<u>396,566</u>

**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
	<u>147,848</u>

**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**

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Equity and Liabilities

83,897

544,414

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2. DIGITAL CUSTODIAN COMPANY LIMITED

Digital Custodian Company Limited (DCCL), formerly MCB Financial Services Limited, was incorporated on February 12<sup>th</sup>, 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 19<sup>th</sup>, 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

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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

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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
<b>ASSETS</b>	
<b>Non-Current Assets</b>	
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
	<b>606,554</b>
<b>Current Assets</b>	
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
	<b>24,091</b>
<b>Total Assets</b>	<b>630,646</b>
<b>Authorized share capital</b>	<b>600,000</b>
<b>Share capital</b>	
Issued, subscribed and paid-up share capital	522,668
Revenue reserves	

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

### 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 1,993 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.

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## 2. Benefits of the Scheme

- 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.
- Shareholders of **DCCL** will get the shares of **LSEFSL** as per Distribution Ratio.
- DCCL** shareholders shall also benefit because of the company becoming a public listed company as a consequence of the Scheme.
- 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.
- By becoming an independent listed entity, **DCCL** will have the opportunity to raise additional funds from its shareholders, if required.
- 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

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## 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 30<sup>th</sup>, 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.



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## 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.

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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:



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- 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.

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**ARTICLE – 3 – SHARES AND EQUITY CAPITAL MANAGEMENT**

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**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



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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

*Dr. Judge*

(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**

Shares Outstanding before the Scheme

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**LSEFSL**

35,677,578

**DCCL**

52,266,777





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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 Rs. in 000 Share Capital	DCCL Rs. in 000	LSEFSL Rs. in 000 Reserves	DCCL Rs. in 000
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  
Accounted for As follows:

LSEFSL

(290,023)

DCCL

(88,691)



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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

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- 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.

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**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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Judge

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.

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## ARTICLE – 5 – BINDING PROVISIONS

  
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## 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 27<sup>th</sup>, 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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LSEFSL/DCCL





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Judge

- (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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Judge

- (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.

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

	June 30, 2024
	Rs. in 000
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.

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Judge

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.

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DIGITAL CUSTODIAN COMPANY LIMITED  
LAHORE STOCK EXCHANGE LIMITED



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Judge

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

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Return to the High Court of the District of Columbia

	LSEFSL		DCCCL		DCCCL		LSEFSL		DCCCL	
	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024
	Rs. in 000	Rs. in 000	Rs. in 000	Rs. in 000	Rs. in 000	Rs. in 000	Rs. in 000	Rs. in 000	Rs. in 000	Rs. in 000
<b>ASSETS</b>										
<b>Non-Current Assets</b>										
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	-	-	-	-	-	-	-	-	-
Long term deposits	15,009	2,184	-	-	-	-	-	-	-	-
	396,566	606,554	-	-	-	-	24,666	15,009	599,740	2,184
<b>Current Assets</b>										
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	-	-
<b>Total Assets</b>	<b>544,414</b>	<b>630,646</b>	<b>(371,900)</b>	<b>(6,814)</b>	<b>(6,814)</b>	<b>(6,814)</b>	<b>172,514</b>	<b>172,514</b>	<b>623,831</b>	<b>623,831</b>
<b>Authorized share capital</b>	<b>1,119,000</b>	<b>600,000</b>	<b>(690,000)</b>	<b>690,000</b>	<b>690,000</b>	<b>690,000</b>	<b>429,000</b>	<b>429,000</b>	<b>1,290,000</b>	<b>1,290,000</b>
<b>Share capital</b>										
Issued, subscribed and paid-up share capital	356,776	522,668	(156,776)	(22,668)	(22,668)	(22,668)	200,000	200,000	500,000	500,000
<b>Capital reserves</b>										
Merger reserves	-	-	(40,000)	-	-	-	(40,000)	-	-	-
Share premium	31,355	-	(31,355)	-	-	-	-	-	-	-
<b>Revenue reserves</b>										
Unappropriated profits	65,604	77,457	(61,892)	(66,024)	(66,024)	(66,024)	3,712	3,712	11,433	11,433
<b>Total equity</b>	<b>453,735</b>	<b>600,125</b>	<b>(61,892)</b>	<b>(66,024)</b>	<b>(66,024)</b>	<b>(66,024)</b>	<b>163,712</b>	<b>163,712</b>	<b>511,433</b>	<b>511,433</b>
<b>Non-Current Liabilities</b>										
Lease liabilities	-	1,786	-	-	-	-	-	-	1,786	-
Other liabilities/ Long term financing	1,924	9,938	-	-	-	-	1,924	9,938	-	-
Deferred tax liability	4,858	-	-	-	-	-	4,858	-	-	-
	6,782	11,723	-	-	-	-	6,782	-	-	-
<b>Current Liabilities</b>										
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	-
<b>Equity and Liabilities</b>	<b>544,414</b>	<b>630,646</b>	<b>(371,900)</b>	<b>(6,814)</b>	<b>(6,814)</b>	<b>(6,814)</b>	<b>172,514</b>	<b>172,514</b>	<b>623,831</b>	<b>623,831</b>

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*[Signature]*  
Judge

SCHEDULE – 4 - The Statement of Financial Position

- LSE Financial Services Limited
- Digital Custodian Company Limited

As attached

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Lahore Stock Exchange Ltd.  
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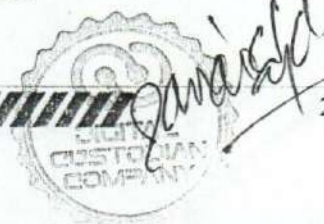
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**SCHEDULE – 5 Approvals and Authorizations**

*[Signature]*  
Judge

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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*Judge*

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

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Judge

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.

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Copy Petition No.: 51107  
Submission Date: 23-10-25  
No of Pages: 30  
Fee (Rs. /- per Pages)  
Urgent Fee (if any):  
Total Fee (Rs.): 28-10-25  
Date of Completion  
Date of Delivery: 28/10



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ADDENDUM TO THE  
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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ARTICLE – 6 – ADDENDUM TO THE SCHEME

*[Signature]*  
Judge.

In accordance with the specific approval and authorization, having been granted by the shareholders of DCCL and LSEFSL, in the specially convened EOGM of the Companies held on December 28<sup>th</sup>, 2024, under the order of the Honorable Lahore High Court (the Chairmen Report to which effect stands submitted duly signed by the respective Chairman of the meeting appointed by the Honorable LHC), the respective Boards of Directors of LSEFSL and DCCL, after having taken into account some practical difficulties and challenges, have decided to modify the Scheme and make certain changes in the Scheme by incorporating Article – 6 to the Scheme as follows:

ARTICLE – 6

- 1) In the Preamble part, Section 1 of the part titled “Companies Involved in the Scheme” relating to LSEFSL, an additional sentence is to be added. “With effect from January 10<sup>th</sup>, 2025, the NBFC license of LSEFSL stands expired as no renewal application had been initiated by the Company in view of the special resolution of the shareholders passed on November 27<sup>th</sup>, 2024, duly ratified in the EOGM on December 28<sup>th</sup>, 2024. Hence onward from January 10<sup>th</sup>, 2025, the Company does not operate under the ambit of the NBFC regime.”
- 2) In the Preamble part, the Objectives and Benefits of the Scheme stand modified as under:
  - a. Objectives of the Scheme:
    - a) To distribute the shares of LSECL (and LSEFSL shares held by DCCL) to the respective shareholders of the companies, i.e. LSEFSL and DCCL.
    - b) To restructure the share capital of both the companies, i.e. LSEFSL and DCCL.
    - c) To continue the operations of both the companies (LSEFSL and DCCL) on “going concern” basis after the Scheme.
  - b. Benefits of the Scheme:
    - a) The shareholders of LSEFSL and DCCL to benefit from the distribution of the shares of LSECL, which are already freely traded on PSX.
    - b) The society to benefit from the continuation of both the companies as useful economic and employment agents.

3) Table Showing Equity Capital and Distribution Ratios:

Equity Capital Management		LSEFSL	DCCL
Shares Outstanding before the Scheme	Nos.	35,677,578	52,266,777
Shares Outstanding after the Scheme	Nos.	*27,000,000	40,000,000
Effective Capital Reduction	%	24.32%	23.47%





#### Distribution

Investment in LSECL held by each Company	Nos.	10,000,000	12,691,763
Shares Outstanding (excluding cross-holding)	Nos.	34,835,836	33,448,860
Distribution Ratio (against 1,000 shares)	Nos.	287.06	379.44

Investment in LSEFSL held by DCCL	Nos.	841,742
Shares Outstanding (excluding cross-holding)	Nos.	33,448,860
Distribution Ratio (against 1,000 shares)		25.17

\*further 7,000,000 distributable shares

- 4) In **Article - 1** of the Scheme and wherever else mentioned, the Designated Assets shall mean to refer the shares of "LSECL" only, and the Distribution Ratio shall be as given above. The definition of Designated Liabilities shall stand deleted (leading to deletion of all related effects in the Scheme). Any cross holding shall be ignored in the distribution.
- 5) In **Article - 2** of the Scheme and wherever else mentioned, only the transfer and vesting of the shares of LSECL shall be the subject matter of the Scheme, and the rest of the matters of the same Article shall stay as such. No transfer of any designated liabilities shall take place. The responsibility and functions of administering the statutory funds (and litigations connected therewith) shall be subject to the special resolution of the shareholders of LSEFSL. Hence, in Section 10, the Statement of Financial Position as on the Sanction Date (to be prepared by the Board of Directors and to be certified by a practicing Chartered Accountant), shall contain only the specific assets liable to be transferred/ distributed to the respective shareholders of both the companies by the respective Board of Directors.
- 6) In **Article - 3** of the Scheme, the Shares and Equity Capital Management of LSEFSL and DCCL shall be in accordance with the above table. In the distribution mechanism given in Section 3 of this Article, the respective Boards of Directors of LSEFSL and DCCL shall distribute the shares of LSECL (together with the distribution of LSEFSL held by DCCL) to their respective shareholders as per the above Distribution Ratio. The distributable shares to LSEFSL shareholders shall include the shares of LSECL transferred to LSEFSL by DCCL.
- 7) In **Article - 4** of the Scheme, the Rights and Obligations Accruing under the Scheme, the matters of listing DCCL and the opening price of DCCL shares, given at Sections 8, 9 and 10, shall no longer be a part of the Scheme.
- 8) The consequential accounting effect showing the initial scheme, the addendum adjustments and the impact is given in **Schedule-6** attached with this addendum.

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Schedule - 6

	Initial Scheme Impact		Addendum Adjustments		Addendum Impact	
	LSEFSL Rs. in 000	DCCL Unlisted Rs. in 000	LSEFSL Rs. in 000	DCCL Rs. in 000	LSEFSL Rs. in 000	DCCL Unlisted Rs. in 000
<b>ASSETS</b>						
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	-	209,837	-	(209,837)	-	-
Investment in LSE Financial Services Limited	-	-	-	-	-	-
Deferred Tax	9,657	-	-	-	9,657	-
Long term deposits	15,009	2,184	-	-	15,009	2,184
	24,666	598,740	-	-	235,556	389,903
<b>Current Assets</b>						
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
<b>Total Assets</b>	<b>172,514</b>	<b>623,831</b>	<b>210,890</b>	<b>(209,837)</b>	<b>383,404</b>	<b>413,994</b>
<b>Authorized share capital</b>	<b>429,000</b>	<b>1,290,000</b>			<b>429,000</b>	<b>1,290,000</b>
<b>Share capital</b>						
Issued, subscribed and paid-up share capital	200,000	500,000	70,000	(100,000)	270,000	400,000
Capital reserves	-	-	-	-	-	-
Merger reserves	(40,000)	-	40,000	-	-	-
Share premium	-	-	-	-	-	-
Revenue reserves	(40,000)	-	-	-	-	-
Un-appropriated profits	3,712	11,433	4,385	(3,395)	8,097	8,039
<b>Total equity</b>	<b>163,712</b>	<b>511,433</b>			<b>8,097</b>	<b>8,039</b>
<b>Non-Current Liabilities</b>						
Lease liabilities	-	1,786	-	-	-	1,786
Other liabilities/ Long term financing	1,924	9,938	-	-	1,924	-
Deferred tax liability	6,782	11,723	-	(9,938)	4,858	-
<b>Current Liabilities</b>						
Trade and other payables	-	84,513	-	(84,513)	-	1,786
Current portion of lease liabilities	-	4,170	84,513	-	84,513	-
Deposit payable related to discontinued operations	-	11,992	11,992	(11,992)	-	4,170
Current portion of long term financing	2,020	-	-	-	11,992	-
Undivided dividend	-	-	-	-	2,020	-
	2,020	100,675	-	-	98,525	4,170
<b>Equity and Liabilities</b>	<b>172,514</b>	<b>623,831</b>	<b>210,890</b>	<b>(209,837)</b>	<b>383,404</b>	<b>413,994</b>

*Judge*

TRUE COPY  
Examiner: J.S. (Commercial Bank)  
Lahore, 10/01/2018

*Amir*



**ATTENDED**  
Examiner: J.S. (Commercial Bank)  
Lahore, 10/01/2018  
Autographed by J.S. (Commercial Bank)  
Dharmendra Singh