



**The General Manager**  
Pakistan Stock Exchange (PSX)  
Stock Exchange Building,  
Stock Exchange Road, Karachi - 74000

April 8, 2024/58127

**Subject: Material Information - Approval of the Scheme of Arrangement**

Dear Sir,

The Honorable Lahore High Court, in his order dated Apr 3, 2024, has allowed the merger petition and has sanctioned the Scheme of Arrangement and Reconstruction (C.O 78278/2023) in the matter of transfer of complete business and undertaking of Modaraba Al Mali/Petitioner No 2, and LSE PropTech Limited/Petitioner No 3, with and into LSE Capital Limited/Petitioner No 1. Further under the same order, the Honorable Court has also approved the partial merger/transfer of some designated assets of LSE Capital Limited and Modaraba Al-Mali with and into LSE Financial Services Limited/Petitioner No 4. 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 Scheme of Arrangement and Reconstruction ('The Scheme') under Section 279 to 283 and 285 of the Companies Act, 2017, shall result as under:

LSECAP and LSEFSL shall be listed at Pakistan Stock Exchange Limited (PSX).

|                              |   |                       |
|------------------------------|---|-----------------------|
| Effective Date of the Scheme | - | <b>June 30, 2023</b>  |
| Sanction Date of the Scheme  | - | <b>April 03, 2024</b> |

**PART-1: Complete Transfer of Assets and Undertakings**

|                      |          |   |            |
|----------------------|----------|---|------------|
| Modaraba Al-Mali     | (MODAM)  | - | Transferor |
| LSE PropTech Limited | (LSEPL)  | - | Transferor |
| LSE Capital Limited  | (LSECAP) | - | Transferee |

**PART-2 : Partial Transfer of Designated Assets**

|                                |          |   |            |
|--------------------------------|----------|---|------------|
| LSE Capital Limited            | (LSECAP) | - | Transferor |
| Modaraba Ali-Mali              | (MODAM)  | - | Transferor |
| LSE Financial Services Limited | (LSEFSL) | - | Transferee |

**Briefly, the following rearrangements and reconstruction of the equity capital of the companies involved in the Scheme:**

**Part-1**

1. Upon the completion of merger / amalgamation through the intended Scheme and the issuance of shares of LSECAP to the registered members of MODAM and transfer of its listing status to LSEFSL, MODAM will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up.

2. Upon the completion of merger / amalgamation through the intended Scheme and the issuance of shares of LSECAP to the registered members of LSEPL, the LSEPL will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up.

**Part-2**

1. The assets designated in the Scheme shall stand transferred to LSEFSL, which shall issue its new shares to the transferors, without involving/invoking the transfer of any of the existing shares of LSEFSL.

As required under the Scheme, the following compliances shall be ensured:

1. Application for Shariah Compliance for LSECAP is being initiated under the Shariah Governance Regulations.
2. The shares of the sponsors/promoters of the Modaraba Company, after complete distribution under the Scheme, shall be kept in blocked form, and shall not be transferred without prior approval of Registrar Modarabas as LSECAP shall continue as a Modaraba Company.
3. No transfer of the shares of LSEFSL is taking place under the Scheme. Only the issuance of new shares of LSEFSL shall take place to the transferors against the transfer of the designated assets.

The information / documents mentioned in Appendix-I of the PSX Rule Book shall be provided in due course of time as the Board of Directors of the respective companies may determine.

This is for your information and necessary action.

Yours truly,

For LSE Proptech Limited



**Muhammad Sajjad Hyder**  
Company Secretary

For LSE Capital Limited  
(On behalf of Modaraba Al-Mali)



**Inam Ullah**  
Company Secretary

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
4. Registrar of Modarabas, SECP, Islamabad

For Private Use  
Copy Section  
Lahore High Court, Lahore

**JUDGMENT SHEET**  
**LAHORE HIGH COURT, LAHORE**

JUDICIAL DEPARTMENT

Civil Original No. 78278 / 2023

In the matter of;

1. LSE Capital Limited through its Company Secretary
2. Modaraba Al Mali through its Company Secretary
3. LSE Proptech Limited through its Company Secretary
4. LSE Financial Services Limited through its Chief Executive Officer

**JUDGMENT**

|                          |   |
|--------------------------|---|
| <b>Date of Hearing:</b>  | 03.04.2024  |
| <b>Petitioner(s) By:</b> | Mr. Walid Iqbal, Advocate<br>Mr. Wasif Majeed, Advocate |
| <b>SECP By:</b>          | Mr. Ruman Bilal, Advocate                               |

TRUE COPY  
C.O. No. ....  
Examiner: JIS (Commercial Branch)  
Lahore High Court, Lahore

**ABID HUSSAIN CHATTHA, J:** This is a Petition within the contemplation of provisions of law embodied in Sections 279 to 285 of the Companies Act, 2017 (the "Act") relating to Arrangements and Reconstruction. The Petition seeks sanction of the Scheme of Arrangement and Reconstruction for transfer of complete business and undertaking of Modaraba Al-Mali / Petitioner No. 2 and LSE Proptech Limited / Petitioner No. 3 with and into LSE Capital Limited / Petitioner No. 1. Besides, the Scheme of Arrangement also envisages partial merger / transfer of some designated assets of Petitioner No. 1 and Petitioner No. 2 with and into LSE Financial Services Limited / Petitioner No. 4. All the Petitioners, hereinafter, collectively shall be referred to as the "**Petitioner Companies**" while the Scheme of Arrangement as the "**Scheme**".

2. This Court on 28.11.2023, after preliminary consideration,

“EOGMs”) of the shareholders of the Petitioner Companies to ascertain the wishes of the shareholders thereof to the Scheme and for this purpose appointed M/s Hafeez Saeed Akhtar and Syed Ali Rizvi, Advocates as Chairmen to hold and preside over the EOGMs and submit their report in accordance with law. It was also ordered that once the Chairmen submit their report, notices be issued through proclamation in the Dailies “Dawn”, “Jang” and “Business Recorder” under Rule 61 of the Companies (Court) Rules, 1997 (the “Rules”) which proclamations have since been published. The Court also ordered for notices to be issued to the Security and Exchange Commission of Pakistan (the “SECP”), Competition Commission of Pakistan, Islamabad (the “CCP”) and the creditors of the Petitioner Companies, if any.

3. Pursuant to Rule 57 of the Rules, the Chairmen submitted their report, duly supported by the relevant record showing that the EOGMs of the Petitioner Companies were scheduled and notified for 26.12.2023.

4. As per the report, the EOGMs were convened and held as per the schedule under the supervision of the Chairmen. The attendance sheets have also been placed on record which reflect participation of the shareholders of the Petitioner Companies in the respective EOGMs personally or through proxy. The Scheme was approved by almost 100% of the shareholders of the Petitioner-Companies present, personally or through proxy, in their respective EOGMs. The Scheme as approved has already been annexed at Pages-21 to 84 of this Petition.

5. The current authorized share capital of Petitioner No. 1 is Rs. 250,000,000/- divided into 25,000,000 ordinary shares of Rs. 10/- each, out of which 21,000,000 ordinary shares are fully paid up. Its total number of shareholders is 11.

6. The authorized share capital (modaraba fund) of Petitioner No. 2 is Rs. 920,000,000/- divided into 92,000,000 modaraba certificates of Rs. 10/- each, out of which 79,423,945 modaraba certificates are fully paid up. However, upon the right issuance after effective date, the certificate capital of Petitioner No. 2 is

TRUE COPY  
C.O. No. 6/2023  
Examiners (Commercial Branch)  
Lahore High Court, Lahore

ATTEST  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore

A

Rs. 908,169,150/-, divided into 90,816,915 modaraba certificates. Its total number of certificate-holders, as of the effective date is 3,890.

7. The authorized share capital of Petitioner No. 3 is Rs. 1,500,000,000/- divided into 150,000,000 ordinary shares of Rs. 10/- each, out of which 90,090,731 ordinary shares are fully paid up. Total number of shareholders of Petitioner No. 3, as of the effective date is 1,516.

8. The authorized share capital of Petitioner No. 4 is Rs. 520,000,000/- divided into 52,000,000 ordinary shares of Rs. 10/- each, out of which 10,000,000 ordinary shares are fully paid up. Total number of shareholders of Petitioner No. 4, as of the effective date is 1.

9. All formalities with respect to holding of EOGMs were duly complied with. The CCP vide its Order dated 21.02.2024 in Case No. 1417/Merger-CCP/2023 has conveyed its authorization to the Scheme. No secured creditor of the Petitioner Companies has come forward to oppose the Scheme. In response to the notices issued under Section 282 of the Act, the Registrar, SECP has also filed parawise comments. It is informal that a show cause notice dated 08.01.2024 was issued to Petitioner No. 2, wherein, proceedings are pending. It was further observed that the merger may be sanctioned subject to the following necessary approvals / NOCs by the Commission within 120 days of sanction of this Petition or such time as prescribed by this Court, failing which the Scheme will stand disapproved and considered null and void:-

- i) The Scheme includes a Modaraba Company (Petitioner No. 1) and a Modaraba (Petitioner No. 2) and registration of Modaraba Company and the authorization to float Modaraba were subject to the condition that the sponsors, promoters or persons holding controlling shares in Modaraba Company shall not transfer any share of Modaraba Company or certificates of Modaraba held by them without prior written permission of Registrar, Modarabas.
- ii) According to the Scheme, the entire undertakings of Petitioner No. 2 (i.e. Shariah compliant undertaking) will be transferred to Petitioner No. 1. Hence, Petitioner No. 1 is required to make a separate application to obtain a Shariah compliance certificate under the Shariah Governance Regulations, 2023 read with Section 451 of the Act.

**ATTESTED**  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore

**TRUE COPY**  
C.O. No. 1417/Merger-CCP/2023  
Examiner (Commercial Branch)  
Lahore High Court, Lahore

A

iii) *Petitioner No. 4 is a licensed Non-Banking Finance Company and as per Rule 7(2) (c) and (cb) of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the Petitioners are required to seek prior approval of the SECP for transfer of shares of Petitioner No. 4 post sanction of the Scheme.*

10. None of the stakeholders, creditor, shareholders of the Petitioner Companies and other interested parties has come forward to raise any objection to the Scheme. The Scheme, *prima facie*, is not prejudicial to the interest of shareholders / members and creditors of the Petitioner Companies. I am, therefore, satisfied with the merits of the Scheme. Accordingly, this Petition is allowed and the Scheme which is placed on the record at Page Nos. 21 to 84 of the Petition is sanctioned which shall form part of this Judgment subject to all post-sanction approvals as ordained by law. The Scheme will take effect in terms of its relevant clause(s). The Petitioner Companies are directed to submit certified copy of this Judgment with the SECP within 30 days in terms of Section 284 (4) of the Act.

*Jdc*  
(Abid Hussain Chattha)  
Judge

\*Waqar\*

7  
3/4

Copy Petition No.: 122777  
Submission Date: 3-4-24  
No of Pages: \_\_\_\_\_  
Fee (Rs. 3/- per Page): \_\_\_\_\_  
Urgent Fee (If any): 20  
Total Fee (Rs.): \_\_\_\_\_  
Date of Completion: 6-4-24  
Date of Delivery: \_\_\_\_\_

*206/09/24*

TRUE COPY  
C.O. No. \_\_\_\_\_  
Examiner: JS (Commercial Branch)  
Lahore High Court, Lahore

Examiner Copy Supply Section  
Authorized \_\_\_\_\_ Article 87 of  
Qanun-e-Shahadat Order 1984

- 1 -

IN THE LAHORE HIGH COURT, LAHORE

C.O No. 78278 /2023

In the matter of;

1. **LSE Capital Limited** having its registered office at 508, 5<sup>th</sup> Floor, LSE Plaza, 19-Khayaban-Aiwan-e-Iqbal, Lahore through its Company Secretary
2. **Modaraba Al Mali** having its registered office at 508, 5<sup>th</sup> Floor, LSE Plaza, 19-Khayaban-Aiwan-e-Iqbal, Lahore through its Company Secretary
3. **LSE Proptech Limited** having its registered office at 19-LSE Plaza, Khayaban-e-Aiwan-Iqbal, Lahore through its Company Secretary
4. **LSE Financial Services Limited** having its registered office at 19-LSE Plaza, Khayaban-e-Aiwan-Iqbal, Lahore through its Chief Executive Officer

---

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

---

Respectfully;

Preliminary Information

That the Petitioner No. 1 (hereinafter '**LSE-CAP or the Modaraba Company**') was incorporated in Pakistan on January 22, 1986 as a public unquoted company under the Companies Ordinance, 1984 (now Companies Act, 2017). Subsequently, it was registered as a Modaraba Company with the Registrar of Modaraba Companies and Modarabas, under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 ("**Modaraba Ordinance, 1980**") and its principal object is to initiate, sponsor, promote, float, organize, manage, administer and operate modaraba companies, modaraba funds and modaraba of all type and descriptions, mutual funds, unit trust and other similar concerns either in syndicates or otherwise.

2. That the Petitioner No. 2 (hereinafter '**MODAM**') is a multipurpose and perpetual Modaraba floated in Pakistan on July 8, 1987, under the Modaraba Ordinance, 1980, and

ATTESTED  
Examined  
Copy Supplied Section  
Lahore High Court, Lahore

TRUE COPY  
C.O. No. ....  
Examiner: JIS (Commercial Branch)  
Lahore High Court, Lahore

Accountants. Any holding in LSE-PROP by MODAM shall be reconstituted as particularized in Schedule 5 and Article – 3 and Article – 4 of the Scheme.

68. Share of LSE-CAP shall be issued to the Certificate-holders of MODAM and shareholders of LSE-PROP as per SWAP ratio given in the Scheme. Any holding of LSE-CAP in MODAM and any holding of MODAM in LSE-PROP shall be reconstituted as given in the Schedule 5 of the Scheme and particularly shown in Article 4 and Article 6 of the Scheme
69. The “Effective Date” under the Scheme means 00:00 hours as on June 30, 2023 or such other date as may be approved by the Court on the request of the parties to this Scheme.

**Compliance with proviso to s. 279**

70. The financial position of the petitioner companies has not materially altered since the respective dates stated in the financial statements appended herewith save changes made in the ordinary course of business. The audited accounts of the petitioner companies are appended herewith.
71. The petitioner companies have disclosed all material facts in the Scheme and this petition including their latest financial position and the auditors’ reports on the latest accounts.
72. No proceedings in relation to investigation into the affairs of the petitioner companies are pending against them under the Companies Act of 2017.

**Jurisdiction**

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

**PRAYER**

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

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

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

**ATTESTED**  
Examiner  
Copy Supply Section  
High Court, Lahore



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



Petitioner 2:



Petitioner 4:



*Wasif Majeed*  
**WASIF MAJEED**  
LLM (London)  
Advocate Supreme Court

*Walid Iqbal*  
**WALID IQBAL**  
LLM (Harvard)  
Advocate High Court

*Sheikh Raza Rehman*  
**SHEIKH RAZA REHMAN**  
LLM (London)  
Advocate High Court

*Ali Abbas Dogar*  
**ALI ABBAS DOGAR**  
Advocate High Court

**HASSAN IBRAHIM KHAN**  
Advocate High Court

*Faisal Mehmood*  
**FAISAL MEHMOOD**  
Advocate High Court

Lexium-Attorneys at Law  
61-C, Main Gulberg, Lahore

**TRUE COPY**  
C.O. No. ....  
Examiner: JIS (Commercial Branch)  
Lahore High Court, Lahore

**ATTESTED**  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore

SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR - 21 -

AMALGAMATION/MERGER OF

PART-1 - Complete Transfer of Assets and Undertakings

- 1. MODARABA AL-MALI  
(AND ITS MEMBERS)
- 2. LSE PROPTECH LIMITED  
(AND ITS MEMBERS)

*[Handwritten Signature]*  
**For Private Use**  
 Examined & Certified  
 Copy, Supply Section  
 Lahore High Court, Lahore

WITH AND INTO

- 3. LSE CAPITAL LIMITED  
(AND ITS MEMBERS)

PART-2 - Partial Transfer of Designated Assets

- 1. LSE CAPITAL LIMITED  
(AND ITS MEMBERS)

**TRUE COPY**  
 C.O. No. ....  
*[Handwritten Signature]*  
 Examined & Certified (Commercial Branch)  
 Lahore High Court, Lahore

WITH AND INTO

- 2. LSE FINANCIAL SERVICES LIMITED  
(AND ITS MEMBERS)

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

*[Handwritten Signatures]*

1 | Page



PREAMBLE

1. LSE PROPTech LIMITED

BACKGROUND

LSE PROPTech LIMITED (LSEPL) was incorporated under the Companies Act, 2017 with the principal business to develop, import, market, construct and maintain and offer software services for efficient real estate management and to provide online/e-commerce market places/networked warehouses and smart architectural, maintenance, safety, security and assurance solutions and eco-systems for Internet of Things (IoT) for buildings, shared grids and data centers and insulated construction methodologies, and to provide digital platform for information, analytics, data for real estate management and to buy, sell, export, import of software, hardware and establishment of incidental infrastructural facilities, subject to the permission of the relevant authorities, wherever required.

The Corporate Unique Identification (CUIN) of LSEPL is 020194 and the date of incorporation is May 11, 2022. The company's shares were listed on PSX under an earlier scheme having been sanctioned by the honorable Lahore High Court accomplished through Scheme of Compromises, Arrangement and Reconstruction under Section 279 to 283 of the Companies Act, 2017.

- Registered office - 19-LSE Plaza, Khayaban-e-Aiwan-Iqbal, Lahore.
- External Auditors - Crowe Hussain Chaudhury & Co., Chartered Accountants
- Legal Advisors - Zafar Pervaiz, Advocate High Court
- Share Registrar - CDC Share Registrar Services Limited

Listing Status

- PSX Trading Symbol : LSEPL
- Market Price : Rs. 3.34 per Share (as on November 13, 2023)
- Trading Status : Active (main board)

**ATTESTED**  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore

Financial position (audited) of LSEPL as on June 30, 2023 is as follows:

LSE Proptech Limited

Statement of Financial Position

June 30, 2023

Rs. in 000

ASSETS

Non-Current Assets

Property and equipment

1,301,829

-24-

|                                 |                  |
|---------------------------------|------------------|
| Investment property             | 378,431          |
| Goodwill from demerger          | 26,533           |
| Net investment in finance lease | 4,276            |
| Long term deposits              | 75               |
|                                 | <u>1,711,144</u> |

|                                    |               |
|------------------------------------|---------------|
| <b>Current Assets</b>              |               |
| Inventories                        | 2,923         |
| Trade and other receivables        | 39,163        |
| Prepayments, deposits and advances | 3,462         |
| Advance income tax                 | 2,285         |
| Bank balances                      | 43,517        |
|                                    | <u>91,350</u> |

|                     |                  |
|---------------------|------------------|
| <b>Total Assets</b> | <b>1,802,494</b> |
|---------------------|------------------|

|                                 |                  |
|---------------------------------|------------------|
| <b>AUTHORIZED SHARE CAPITAL</b> | <b>1,500,000</b> |
|---------------------------------|------------------|

|  |                  |
|--|------------------|
| <b>SHARE CAPITAL AND RESERVES</b>                |                  |
| Issued, subscribed and paid-up share capital     | 900,907          |
| - Unappropriated profit                          | 127,709          |
| Surplus on revaluation of property and equipment | 706,004          |
| - Building reserve fund                          | 10,082           |
|  | <u>1,744,702</u> |

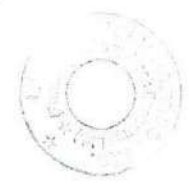
|                                |              |
|--------------------------------|--------------|
| <b>Non-Current Liabilities</b> |              |
| Deferred tax liability         | 1,403        |
| Other liabilities              | 5,643        |
|                                | <u>7,046</u> |

|                            |               |
|----------------------------|---------------|
| <b>Current Liabilities</b> | -             |
| Trade and other payables   | 50,746        |
|                            | <u>50,746</u> |

|                                     |                  |
|-------------------------------------|------------------|
| <b>Equity and Total Liabilities</b> | <b>1,802,494</b> |
|-------------------------------------|------------------|

|                       |           |       |
|-----------------------|-----------|-------|
| <b>Ratio Analysis</b> |           |       |
| Book Value            | Rs./Share | 19.37 |
| Current Ratio         | times     | 1.80  |
| Debt-Equity Ratio     | times     | 0.03  |

**ATTESTED**  
 Examiner  
 Copy Supply Section  
 Lahore High Court, Lahore



*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

-25-

## 2. MODARABA AL-MALI

### BACKGROUND

**MODARABA AL-MALI (MODAM)** is a multipurpose and perpetual Modaraba floated in Pakistan on July 8, 1987, under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 ("Modaraba Ordinance, 1980"), and Modaraba Companies and Modaraba Rules, 1981 ("Modaraba Rules, 1981"). The Modaraba is being managed by LSE Capital Limited (the "**Modaraba Company**"), a company registered under the repealed Companies Ordinance, 1984 (now Companies Act, 2017).

The Modaraba is listed on the Pakistan Stock Exchange Limited. The registered office of the Modaraba is relocated to 505, 5th Floor, LSE Plaza, Kashmir-Edgerton Road, Lahore, in the province of Punjab

Upon transfer to the new management, Modaraba's focus has been changed from conventional Islamic financing modaraba to undertaking Islamic venture capital, private equity and corporate & financial restructuring /rehabilitation transactions of potentially viable companies through resource mobilization.

- Registered office - Room No. 508, 19-LSE Plaza, Khayaban-e-Aiwan-Iqbal, Lahore.
- External Auditors - Kreston Hyderbhimji & Co., Chartered Accountants
- Legal Advisors - Bawaney & Partners  
Mohsin Tayebaly & Co.-Advocate & Legal Consultants
- Shariah Advisor - Mufti Zeeshan Abdul Aziz  
Al-Hikmah Shariah Advisory Services (Private) Limited
- Share Registrar - F.D Registrar Services (Pvt.) Limited

### Listing Status

- PSX Trading Symbol : **MODAM**
- Market Price : Rs. 3.65 per Share (as on November 13, 2023)
- Trading Status : Active (main board)

**ATTESTED**  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore

Financial position (audited) of **MODAM** as on June 30, 2023 is as follows:

### Modaraba Al-Mali

#### Statement of Financial Position

June 30, 2023

Rs. in 000

### ASSETS

#### Non-Current Assets

|   |         |
|---|---------|
| Property and equipment                              | 4,406   |
| Investment in equity shares of Ensmile Limited      | 297,316 |
| Investment in equity shares of LSE Ventures Limited | 639,909 |



Investment in equity Shares of LSE Proptech Limited

322,500  
1,264,130

**Current Assets**

|  |                |
|--|----------------|
| Current portion of diminishing musharaka | 227            |
| Ijarah finance                           | 3,755          |
| Prepayments, deposits and advances       | 17,658         |
| Short term investment                    | 153,582        |
| Advance income tax                       | 11,033         |
| Bank balances                            | 17,579         |
|  | <u>203,833</u> |

**Total Assets**

1,467,963

**AUTHORIZED SHARE CAPITAL**

920,000

**SHARE CAPITAL AND RESERVES**

|  |                  |
|--|------------------|
| Issued, subscribed and paid-up share capital | 794,239          |
| - Unappropriated profit                      | 226,612          |
| Capital reserves                             | 81,321           |
| Certificate subscription money               | 13,059           |
|  | <u>1,115,232</u> |

**Non-Current Liabilities**

|                        |               |
|------------------------|---------------|
| Deferred tax liability | 48,720        |
|                        | <u>48,720</u> |

**Current Liabilities**

|                               |                |
|-------------------------------|----------------|
| Trade and other payables      | 236,037        |
| Musharaka finance             | 50,000         |
| Short term Musharaka finance  | 3,854          |
| Security deposits             | 3,762          |
| Unclaimed profit distribution | 10,359         |
|                               | <u>304,012</u> |

**Equity and Total Liabilities**

1,467,963

**Ratio Analysis**

|                   |           |       |
|-------------------|-----------|-------|
| Book Value        | Rs./Share | 14.04 |
| Current Ratio     | times     | 0.67  |
| Debt-Equity Ratio | times     | 0.32  |

**ATTESTED**  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore



**LSE CAPITAL LIMITED**

**BACKGROUND**

**LSE CAPITAL LIMITED (LSECAP)**, is the Modaraba Company and its principal object is to initiate, sponsor, promote, float, organize, manage, administer and operate modaraba companies, modaraba funds and modaraba of all type and descriptions, mutual funds, unit trust and other similar concerns either in syndicates or otherwise. Currently **LSECAP** is Modaraba Company of Modaraba Al-Mali. Currently **LSECAP** holds the following licenses/ registrations/approvals:

| Sr. no. | Type of Licenses/Approvals  | From   |
|---------|---|--|
| 1 -     | Registration as a modaraba company under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980   | Securities and Exchange Commission of Pakistan |
| 2 -     | License as a consultant to the issue under the Public Offering (Regulated Securities Activities Licensing) Regulations, 2017  | Securities and Exchange Commission of Pakistan |
| 3 -     | Floated and Listed Modaraba Al-Mali   | Securities and Exchange Commission of Pakistan |
| 4 -     | Permission (with periodical extensions in the time) for the floatation of following Modarabas:<br>1. Modaraba Al-Istathmar<br>2. Modaraba Al-Makatib<br>3. Modaraba Al-Tameer | Securities and Exchange Commission of Pakistan |

- Registered office - Room No. 508, 19-LSE Plaza, Khayaban-e-Aiwan-Iqbal, Lahore.
- External Auditors - Razaqat Mansha Mohsin Dossani Masoom & Co., Chartered Accountants
- Legal Advisors - Bawaney & Partners  
Mohsin Tayebaly & Co.-Advocate & Legal Consultants
- Listing Status - Unlisted Public Limited Company

Financial position (audited) of **LSECAP** as on June 30, 2023 is as follows:

**LSE Capital Limited**  
Statement of Financial Position

**ATTESTED**  
Examiner  
Copy Supply Section  
High Court, Lahore

June 30, 2023  
Rs. in 000

**ASSETS**

**Non-Current Assets**

|  |                |
|--|----------------|
| Investment in equity Certificates of Modaraba Al-Mali            | 62,706         |
| Investment in equity Shares of Digital Custodian Company Limited | 135,812        |
|  | <b>198,518</b> |

**Current Assets**



*Fahim*



*Subir*

|  |                |
|--|----------------|
| Payments, deposits and advances              | 54,291         |
| Other receivables                            | 54,735         |
| Management fee receivable                    | 12,082         |
| Accrued mark-up                              | 24             |
| Advance income tax                           | 2,522          |
| Bank balances                                | 89             |
|  | <u>123,874</u> |
| <b>Total Assets</b>                          | <b>322,392</b> |
| <hr/>  |                |
| <b>AUTHORIZED SHARE CAPITAL</b>              | <b>250,000</b> |
| <br>   |                |
| <b>SHARE CAPITAL AND RESERVES</b>            |                |
| Issued, subscribed and paid-up share capital | 210,000        |
| - Unappropriated profit                      | 37,482         |
| Fair value reserves                          | 48,118         |
|  | <u>295,601</u> |
| <br>   |                |
| <b>Non-Current Liabilities</b>               |                |
| Deferred tax liability                       | 3,544          |
|  | <u>3,544</u>   |
| <br>   |                |
| <b>Current Liabilities</b>                   |                |
| Trade and other payables                     | 23,247         |
|  | <u>23,247</u>  |
|  | -              |
| <b>Equity and Total Liabilities</b>          | <b>322,392</b> |

|                       |           |       |
|-----------------------|-----------|-------|
| <b>Ratio Analysis</b> |           |       |
| Book Value            | Rs./Share | 14.27 |
| Current Ratio         | times     | 5.33  |
| Debt-Equity Ratio     | times     | 0.09  |

**ATTESTED**  
 Examiner  
 Copy Supply Section  
 High Court, Lahore

**4. LSE FINANCIAL SERVICES LIMITED**

**BACKGROUND**

LSE FINANCIAL SERVICES LIMITED (LSEFSL) was originally incorporated with the name of Lahore Stock Exchange (Guarantee) Limited under the Companies Act, 1913 (now the Companies Act, 2017) on October 05, 1970 as a Company limited by guarantee.





The Company was re-registered as a public limited company by shares under "Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012 on August 27, 2012. The Securities Exchange and Commission of Pakistan (SECP) vide its notification dated August 25, 2015 directed integration of 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 a license of "investment finance services" under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (and related regulations under the Non-Banking Finance Companies and Notified Entities Regulations, 2008) to operate as an investment finance services company under the name of "LSE Financial Services Limited".

Prior to cessation of the stock exchange operations, the Company was engaged in listing, conducting, regulating and controlling the trade or business of buying, selling and dealing in shares, scrips, participation term certificates, Modaraba certificates, Sukuks, bonds, debentures, commercial papers and other securities.

**LSE Financial Services Limited** was demerged into LSE Ventures Limited and LSE Proptech Limited through Scheme of Compromises, Arrangement and Reconstruction under Section 279 to 283 of the Companies Act, 2017 sanctioned by the honorable Lahore High Court. **LSEFSL** is continued under license of "investment finance services" within NBFC Rules and Regulations.

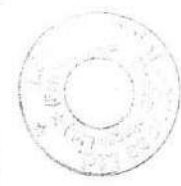
Under the "investment finance service" license, **LSEFSL** has to operate within the ambit defined by the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (and related regulations under the Non-Banking Finance Companies and Notified Entities Regulations, 2008) that generally includes 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.

**LSEFSL** operates under the ambit of NBFC Rules and Regulations, and holds the license of investment finance services (IFS). Moreover, **LSEFSL** is continued to comply within the restrictions and requisite requirements placed by Integration Order 1/2016 by the Commission under Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012. However, status of NBFC can be changed, if approved by the shareholder/member through special resolution in the general meeting.

The registered office of the Company is located on 19 Khyaban-e-Aiwan-e Iqbal (old Kashmir-Egerton Road), Lahore. The Corporate Unique Identification Number (CUIN) of **LSEFSL** is 03252 and the date of incorporation is October 05, 1970.

- Registered office - 19-LSE Plaza, Khayaban-e-Aiwan-Iqbal, Lahore.
- External Auditors - Crowe Hussain Chaudhury & Co., Chartered Accountants

**ATTESTED**  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore



Handwritten signatures and scribbles across the bottom of the page.

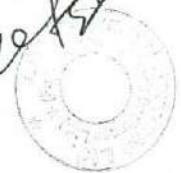
Legal Advisors - Zafar Pervaiz, Advocate High Court  
 Listing Status - Unlisted Public Limited Company

Financial position (audited) of LSEFSL as on June 30, 2023 is as follows:

**LSE Financial Services Limited**  
 Statement of Financial Position

|  | June 30, 2023<br>Rs. in 000 |
|--|-----------------------------|
| <b>ASSETS</b>                                      |                             |
| <b>Non-Current Assets</b>                          |                             |
| Deferred tax                                       | 7,284                       |
| Long term deposits                                 | 25,009                      |
|  | <b>32,293</b>               |
| <b>Current Assets</b>                              |                             |
| Trade and other receivables                        | 18,045                      |
| Prepayments, deposits and advances                 | 1,006                       |
| Short term investment                              | 363,648                     |
| Advance income tax                                 | 44,319                      |
| Bank balances                                      | 51,844                      |
|  | <b>478,862</b>              |
| <b>Total Assets</b>                                | <b>511,155</b>              |
| <b>AUTHORIZED SHARE CAPITAL</b>                    |                             |
|  | 520,000                     |
| <b>SHARE CAPITAL AND RESERVES</b>                  |                             |
| Issued, subscribed and paid-up share capital       | 100,000                     |
| - Unappropriated profit                            | 718                         |
|  | <b>100,718</b>              |
| <b>Non-Current Liabilities</b>                     |                             |
| Other liabilities                                  | 3,848                       |
|  | <b>3,848</b>                |
| <b>Current Liabilities</b>                         |                             |
| Trade and other payables                           | 390,591                     |
| Lease liabilities-Current Portion                  | 1,924                       |
| Deposit payable related to discontinued operations | 14,073                      |
|  | <b>406,589</b>              |
| <b>Equity and Total Liabilities</b>                | <b>511,155</b>              |

**ATTESTED**  
 Examiner  
 Copy Supply Section  
 Lahore High Court, Lahore



*[Handwritten signatures and initials over the stamps]*

Ratio Analysis

|                   |           |       |
|-------------------|-----------|-------|
| Book Value        | Rs./Share | 10.07 |
| Current Ratio     | times     | 1.18  |
| Debt-Equity Ratio | times     | 4.08  |

5. OBJECTIVES AND BENEFITS

1) Objective of the Scheme

a. Reorganization/Restructuring of MODAM

- i. Book value of MODAM per certificate is Rs. 14.04 whereas its market value is Rs. 3.65 per certificate (as on November 13, 2023).

|  | Rs. in 000 |
|--|------------|
| Certificate-Holders Equity               | 1,115,232  |
| No. of Modaraba Certificates Outstanding | 79,423,945 |
| Book Value - Rs. / Certificate           | 14.04      |

- ii. Modaraba certificates are non-voting and trading volumes of Modaraba sector remains sluggish due to lack of interest from the investors/public.
- iii. MODAM is controlled and managed by LSECAP. Board of Directors of the Modaraba Company has already decided to change the focus of MODAM from lending to investments as reflected in the balance sheet of MODAM.
- iv. Tax exemption available to Modaraba sector is already withdrawn by the Federal government.
- v. Shariah Compliance can be made to the companies registered under Companies Act, 2017.
- vi. Operational and administrative synergies will be available if operations of MODAM, LSEPL and LSECAP are combined.
- vii. Thus, it is proposed in the Scheme that assets and liabilities (of MODAM as a transferor) to be transferred to LSECAP (as a transferee). In addition to the already licensed business activities, the requisite changes in the Memorandum of Association of LSECAP shall be made, if required, to accommodate the intended investments and activities of MODAM (as a transferor) in LSECAP (as a transferee).
- viii. Upon the completion of merger / amalgamation through the intended Scheme, the MODAM will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the issuance of shares of LSECAP to the registered members/certificate-holders of MODAM.
- ix. Listing status of MODAM shall be transferred to LSEFSL.

ATTESTED

Examiner  
Copy Supply Section  
Lahore High Court, Lahore

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*



**b. Reorganization/Restructuring of LSEPL**

- i. Book value of LSEPL per share is Rs. 19.37 whereas its market value is Rs. 3.34 per share (as on November 13, 2023).

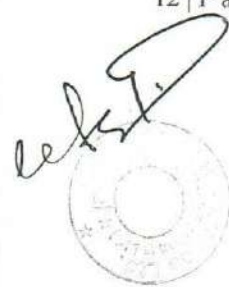
|                                | Rs. in 000 |
|--------------------------------|------------|
| Shareholders' Equity           | 1,744,702  |
| No. of Shares Outstanding      | 90,090,731 |
| Book Value - Rs. / Certificate | 19.37      |

- ii. LSEPL has limited revenue sources mainly derived from short term rental income and facility management fee. Combining the operations of LSEPL, MODAM with LSECAP will diversify the income stream and also provide the operational synergies as a whole.
- iii. Operational and administrative synergies will be available if operations of MODAM, LSEPL and LSECAP are combined.
- iv. Thus, it is proposed in the Scheme that assets and liabilities (of LSEPL as a transferor) to be transferred to LSECAP (as a transferee). In addition to the already licensed business activities, the requisite changes in the Memorandum of Association of LSECAP shall be made, if required, to accommodate the intended investments and activities of LSEPL (as a transferor) in LSECAP (as a transferee).
- v. Upon the completion of merger / amalgamation through the intended Scheme, the LSEPL will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the issuance of shares of LSECAP to the registered members/shareholders of LSEPL.
- vi. Listing status of LSEPL shall be transferred to LSECAP.

**c. Reorganization/Restructuring of LSECAP**

- i. LSECAP is unlisted public company engaged in limited activities. Operational and strategic synergies will be available if MODAM and LSEPL assets and undertaking are transferred to/ amalgamate with LSECAP.
- ii. Shariah Compliance can be made to the companies registered under Companies Act, 2017.
- iii. Registration as a Modaraba Company shall remain with the LSECAP.
- iv. Requisite changes in the Memorandum of Association of LSECAP shall be made to accommodate the undertaking and business of MODAM and LSEPL (as transferors) that will be transferred to LSECAP (as transferee).
- v. Upon the completion of merger / amalgamation through the intended Scheme, the LSECAP shall be listed on Pakistan Stock Exchange. Listing status of LSEPL shall be transferred to LSECAP.

ATTESTED  
 Examiner  
 Copy Supply Section  
 Lahore High Court, Lahore



d. Reorganization/Restructuring of LSEFSL

- i. Designated assets (Schedule – 3) shall be transferred to LSEFSL (as a transferee) by LSECAP (as a transferor) against additional share capital of LSEFSL.
- ii. LSEFSL shall issue share capital to the shareholders of LSECAP and to the certificate-holders of MODAM as described in the Scheme.
- iii. LSEFSL shall issue additional capital to LSECAP and LSECAP shall issue additional capital to LSEFSL as described in the Scheme.
- iv. Upon the completion of merger / amalgamation through the intended Scheme, the LSEFSL shall be listed on Pakistan Stock Exchange.
- v. Listing status of MODAM shall be transferred to LSEFSL.

2) Benefits of the Scheme

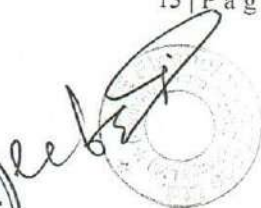
To LSECAP and its Shareholders:

- a. LSECAP shall be listed on PSX by virtue of merger of LSEPL (as a transferor) with and into LSECAP (as a transferees).
- b. LSECAP will get shares of LSEFSL.
- c. Shareholders of LSECAP will get shares of LSEFSL.
- d. Shares of Digital Custodian Company Limited (owned by LSECAP) will be transferred (partially) to LSEFSL under the Scheme.
- e. Operational and strategic synergies will be available to LSECAP if all operations (of LSEPL, MODAM and LSECAP) are combined in terms of costs, efficiency and fund raising, if required.
- f. Shariah compliance of MODAM shall be made under Shariah Governance Regulations, 2018.
- g. The proposed merger will provide a broader shareholders' base which will be conducive in further fund raising, if required, from the capital market.

To MODAM and its Certificate-holders:

- a. Certificate-holders of MODAM will get shares of LSECAP (as per SWAP ratio) which will carry pari-passu rights (including voting rights).
- b. It is expected that trading volumes (at PSX) will be improved after the proposed merger which will provide liquidity and tradability to the shareholders/investors.
- c. Modaraba Certificate-holders of MODAM will get shares of LSEFSL under the Scheme.
- d. The combined value (based on book value) of LSECAP shares that are being given to MODAM's shareholders under the SWAP ratio is in excess of the current market value of MODAM's shares. Thus, the certificate-holders of MODAM shall gain from the merger transaction.
- h. Shariah compliance of LSECAP shall be made under Shariah Governance Regulations, 2018.

TESTED  
Examiner  
Copy Supply Section  
1st Floor High Court Lahore



- i. Upon the completion of merger / amalgamation through the intended Scheme, the **MODAM** will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the issuance of shares of **LSECAP** to the registered members of **MODAM**.

**To LSEFSL and its Shareholders:**

- a. LSEFSL shall be listed on PSX by virtue of merger of **MODAM**'s listing status (as a transferor) with and into LSEFSL (as a transferee).
- b. Shares of Digital Custodian Company Limited shall be transferred (partially) to LSEFSL by LSECAP.
- c. LSEFSL will get Shares of LSECAP (as an additional share capital).
- d. The proposed merger and listing status will provide broad shareholders' base which will be conducive in fund raising, if required, from the capital market.
- e. LSEFSL shall continue to operate under the ambit of NBFC Rules and Regulations, and will continue to hold the license of investment finance services (IFS). Moreover, LSEFSL is continued to comply within the restrictions and requisite requirements placed by Integration Order 1/2016 by the Commission under Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012.

**To LSEPL and its Shareholders:**

- a. It is expected that trading volumes (at PSX) will be improved after the proposed merger which will provide liquidity and tradability to the shareholders/investors.
- b. Operational and strategic synergies will be available to LSECAP if all operations (of LSEPL, MODAM and LSECAP) are combined in terms of costs, efficiency and fund raising, if required.
- c. Shariah compliance of LSECAP shall be made under Shariah Governance Regulations, 2018.
- d. The proposed merger will provide broad shareholders' base which will be conducive in fund raising, if required, from the capital market.
- e. Upon the completion of merger / amalgamation through the intended Scheme, the LSEPL will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the issuance of shares of LSECAP to the registered members of LSEPL.

**3) Book Value of the Companies/ Entities before and after the Scheme**

|            | Rs./Share | Before Scheme / Merger |       |        | After Scheme |        |        |
|------------|-----------|------------------------|-------|--------|--------------|--------|--------|
|            |           | LSEPL                  | MODAM | LSECAP | LSEFSL       | LSECAP | LSEFSL |
| Book Value |           | 19.37                  | 14.04 | 14.08  | 10.07        | 15.14  | 10.90  |

ATTESTED  
 Copy Examined  
 Copy Examined  
 Lahore High Court, Lahore






- 35 -

ARTICLE – 1 - DEFINITIONS

- I. 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 date when undertaking and business are transferred (as per Article – 3) from transferor to the Transferee within 120days of Sanction Date and shares are issued/ swapped / cancelled as per SWAP ratio determined in this Scheme (as per Article-4);
  - (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) "Distribution Ratio" means ratio of shares of LSE Financial Services Limited to be distributed amongst shareholders of LSE Capital Limited and certificate-holders of Modaraba AL-Mali as described in Article-3;
  - (g) "Effective Date" means 00:00 hours as on June 30, 2023 or such other date as may be approved by the Court on the request of the parties to this Scheme;
  - (h) "LSECAP" means the LSE CAPITAL LIMITED, a public limited company formed under the Companies Ordinance, 1984;
  - (i) "LSEFSL" means the LSE FINANCIAL SERVICES LIMITED, a public limited company formed under the Companies Ordinance, 1984;
  - (j) "LSEPL" means the LSE PROPTECH LIMITED, a public limited company formed under the Companies Act, 2017;
  - (k) "MODAM" means Modaraba Al-Mali, a multipurpose and perpetual Modaraba floated in Pakistan on July 8, 1987 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980;
  - (l) "PSX" means Pakistan Stock Exchange Limited;

ATTESTED  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore

  
The bottom of the page features several handwritten signatures and circular stamps. On the left, there are two circular stamps, one of which is partially obscured by a signature. In the center, there is a signature and a circular stamp for LSE PROPTECH LIMITED. On the right, there is another signature and a circular stamp for LSE CAPITAL LIMITED.

- (m) "Rs." or "PKR" shall mean "Rupees", being the legal tender money of the Islamic Republic of Pakistan;
- (n) "Sanction Date" shall have the same meaning ascribed thereto in Article 6, being the day on which the honorable Lahore High Court approves the Scheme and on which day the Scheme becomes operative;
- (o) "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;
- (p) "SECP" means the Securities and Exchange Commission of Pakistan;
- (q) "Undertaking and Business - LSEPL" means the assets, undertaking, business, liabilities of the LSE PROPTech LIMITED (including shares allocated under the Scheme) as more particularly described in Schedule - 1 hereto;
- (r) "Undertaking and Business - MODAM" means the assets, undertaking, business, liabilities of the MODARABA AL-MALI (including shares allocated under the Scheme) as more particularly described in Schedule - 2 hereto;
- (s) "Undertaking and Business - LSECAP" means the assets, undertaking, business, liabilities of the LSE CAPITAL LIMITED (including shares allocated under the Scheme) as more particularly described in Schedule - 3 hereto;
- II. The headings and marginal notes are inserted for convenience and shall not affect the construction of this Scheme.

**ATTESTED**  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore

*Signature*

*Signature*





-37-

ARTICLE – 2 – EQUITY CAPITAL AND MANAGEMENT

I. LSE PROPTECH LIMITED

The authorized share capital of the Company is Rs. 1,500,000,000 divided into 150,000,000 of ordinary shares of Rs. 10/- each, out of which 90,090,731 ordinary shares are fully paid and issued as follows:

| No. of Shares Issued | Issued for/Against  | Rs.         |
|----------------------|---|-------------|
| -                    | Cash  | -           |
| 90,090,731           | Consideration other than Cash – under Compromises, Arrangement and Reconstruction under Section 279 to 283 of the Companies Act, 2017 | 900,907,310 |
| -                    | Bonus Shares  | -           |
| 90,090,731           |   | 900,907,310 |

(a) Pattern of Shareholding of the Shares held by the Shareholders as of Effective Date is as follows:

|                              | Category          | No. of Shares | % holding |
|------------------------------|-------------------|---------------|-----------|
| Modaraba Al-Mali             | Sponsors          | 16,469,434    | 18.28%    |
| LSE Ventures Limited         | Sponsors          | 26,952,897    | 29.92%    |
| Muhammad Iqbal               | Sponsors          | 894,923       | 0.99%     |
| Humera Muhammad Iqbal        | Sponsors          | 7,066,036     | 7.84%     |
| Acme Mills (Private) Limited | Sponsors          | 1,050,515     | 1.17%     |
| Public and Investors         | Others/ Investors | 37,656,926    | 41.80%    |
|                              |                   | 90,090,731    |           |

ATTESTED  
Examiner  
Supply Section  
Registration Court, Lahore

(b) Total number of shareholders of LSEPL as of the Effective Date is 1,516.

(c) The Share Capital of the LSEPL will not be changed for Ordinary Shares under the Scheme as described in Article-3. However, the pattern of shareholding can be changed till the Sanction Date.

(d) Complete list of the shareholders is attached as Schedule – 4 (List of Shareholders);

(e) The Board of Directors of the Company (LSEPL) before the Scheme is as follows:

| Sr. No. | Name of Director           | Category                          |
|---------|----------------------------|-----------------------------------|
| 1.      | Mr. Habib Ur Rehman Gilani | Chairman/ Independent Director    |
| 2.      | Mr. Aftab Ahmad Chaudhry   | Chief Executive Officer /Director |



Handwritten signatures and initials of the directors and the examiner.

-38-

|    |                          |                        |
|----|--------------------------|------------------------|
| 3  | Mr. Kashif Shabbir       | Independent Director   |
| 4. | Ms. Maleeha Mimi Bangash | Independent Director   |
| 5. | Mr. Ghulam Mustafa       | Non-Executive Director |
| 6. | Mr. Khalid Waheed        | Non-Executive Director |
| 7. | Mr. Rizwan Ejaz          | Non-Executive Director |

**Impact of the Scheme: -**

- (f) The Share Capital of **LSECAP** shall be given to the shareholders of **LSEPL** under the SWAP ratio.
- (g) On the completion of the merger / amalgamation and after the issuance of shares of **LSECAP** to the registered members of **LSEPL**, **LSEPL** will be dissolved by the order of the Honorable Lahore High Court, without winding up.
- (h) The Shares of **LSECAP** to be issued to the registered member of **LSEPL** shall be as following;

|  |            |
|--|------------|
| No. of Shares Outstanding  | 90,090,731 |
| No. of Shares of <b>LSECAP</b> to be issued to the shareholders of <b>LSEPL</b>      | 74,775,306 |
| SWAP Ratio (No. of Shares of <b>LSECAP</b> against every One share of <b>LSEPL</b> ) | 0.83       |

- (i) The Undertaking and Business - **LSEPL** shall be transferred to **LSECAP** (as described in Schedule - 1).
- (j) Listing status of **LSEPL** shall be transferred to **LSECAP**.
- (k) Board of Directors of **LSECAP** shall be given power to execute, on behalf of **LSEPL**, the deeds/ documents for the transfer of assets, liabilities and reserves of **LSEPL**.
- (l) Authorized capital of **LSEPL** shall be merged with **LSECAP** and **LSEFSL**.

**ATTESTED**  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore

**II. MODARABA AL-MALI**

The authorized Modaraba certificate capital of the Modaraba is Rs. 920,000,000 divided into 92,000,000 of Modaraba certificates of Rs. 10/- each, out of which 79,423,945 certificates are fully paid and issued, (however, upon the right issuance after effective date, the certificate capital of the **MODAM** is Rs. 908,169,150, divided into 90,816,915 Modaraba certificates) as follows:

| No. of Shares Issued | Issued for/Against            | Rs.         |
|----------------------|-------------------------------|-------------|
| 74,569,000           | Cash                          | 745,690,000 |
| 166,545              | Consideration other than Cash | 1,665,450   |



-39-

|            |                             |             |
|------------|-----------------------------|-------------|
| 4,688,400  | Bonus Modaraba Certificates | 46,884,000  |
| 79,423,945 |                             | 794,239,450 |

- (a) The total number of certificate-holders of **MODAM**, as of the Effective Date is 3,890.
- (b) The Board of Directors of the **MODAM** as appointed by the **LSECAP** before the Scheme is as follows:

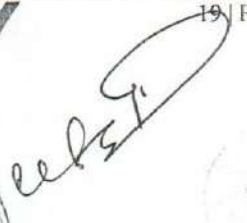
| Sr. No. | Name of Director               | Category                |
|---------|--------------------------------|-------------------------|
| 1.      | Mr. Usman Hassan               | Chairman/ Independent   |
| 2.      | Mr. Siddique-ur Rehman Khurram | Chief Executive Officer |
| 3.      | Ms. Aasiya Riaz                | Independent Director    |
| 4.      | Mr. Hussain Ozgen              | Independent Director    |
| 5.      | Mr. Hafiz Mudassir Alam        | Non-Executive Director  |
| 6.      | Mr. Muhammad Usman             | Non-Executive Director  |
| 7.      | Mr. Aoun Muhammad              | Non-Executive Director  |

- (c) Pattern of certificate-holding of the Modaraba Certificate held by the Certificate-holders as of Effective Date is as follows:

|                                   | After Right Issue   |           |                     |           |
|-----------------------------------|---------------------|-----------|---------------------|-----------|
|                                   | No. of Certificates | % holding | No. of Certificates | % holding |
| LSE Capital Limited               | 9,103,703           | 11.46%    | 15,496,673          | 17.06%    |
| Digital Custodian Company Limited | 7,943,905           | 10.00%    | 12,943,905          | 14.25%    |
| Others                            | 62,376,337          | 78.54%    | 62,376,337          | 68.68%    |
|                                   | <b>79,423,945</b>   |           | <b>90,816,915</b>   |           |

- (d) Complete list of the certificate-holders is attached as **Schedule – 4** (List of Certificate-holders);
- (e) The certificate Capital of the Modaraba (**MODAM**) can be changed for Modaraba Certificates under the Scheme as described in Article-3 and the post right certificate capital of the **MODAM** is Rs. **908,169,150** (divided into **90,816,915** Modaraba certificates). Moreover, the pattern of shareholding can be changed till the Sanction Date.
- (f) Investment by **LSECAP** in the Modaraba Certificates of **MODAM** shall be given to the shareholders of **LSECAP**.
- (g) Investment by **MODAM** in the equity shares of **LSEPL** shall be given to the certificate-holders of **MODAM**.

ATTESTED  
Examiner  
Copy Supply Section  
High Court, Lahore



- 40 -

- (h) Shares of LSEFSL shall be given to the certificate-holders of MODAM as per the distribution ratio described in the Scheme.
- (i) On the completion of merger / amalgamation and after the issuance of shares of LSECAP to the registered members of MODAM, MODAM will be dissolved by the order of the Honorable Lahore High Court, without winding up.
- (j) The Shares of LSECAP to be issued to the registered member of MODAM is as follows;

|   |            |
|---|------------|
| No. of Modaraba Certificates Outstanding                                    | 90,816,915 |
| No. of Shares of LSECAP to be issued to the shareholders of MODAM           | 75,378,039 |
| SWAP Ratio (No. of Shares of LSECAP against every One certificate of MODAM) | 0.83       |

- (k) The Undertaking and Business - MODAM shall be transferred to LSECAP (as described in Schedule - 2).
- (l) Listing status of MODAM shall be transferred to LSEFSL.
- (m) Authorized capital of MODAM shall be merged with LSECAP and LSEFSL.
- (n) Share of LSEFSL to be issued under SWAP ratio to the certificate-holders of MODAM as follows:

No. of Shares of LSEFSL to the Certificate-holders of Modaraba Al-Mali Nos. 5,905,842  
Distribution Ratio - 65.03 shares of LSEFSL against 1,000 certificate of MODAM

**ATTESTED**  
Examiner,  
Copy Supply Section  
Lahore High Court, Lahore

III. LSE CAPITAL LIMITED

The authorized share capital of the Company is Rs. 250,000,000 divided into 25,000,000 of ordinary shares of Rs. 10/- each, out of which 21,000,000 shares are fully paid and issued as follows:

| No. of Shares Issued | Issued for/Against            | Rs.         |
|----------------------|-------------------------------|-------------|
| 21,000,000           | Cash                          | 210,000,000 |
| -                    | Consideration other than Cash | -           |
| -                    | Bonus Shares                  | -           |
| 21,000,000           |                               | 210,000,000 |

- (a) Pattern of Shareholding of the Shares held by the Shareholders as of Effective Date is as follows:

- 41 -

22

|                      | No. of Shares     | % holding |
|----------------------|-------------------|-----------|
| Zahid Latif Khan     | 7,350,000         | 35.00%    |
| Aftab Ahmad Chaudhry | 7,349,994         | 35.00%    |
| Aslam Khaliq         | 4,200,000         | 20.00%    |
| Amir Zia             | 2,100,000         | 10.00%    |
| Others               | 6                 | 0.00%     |
|                      | <b>21,000,000</b> |           |

- (b) Complete list of the shareholders is attached as **Schedule – 4** (List of Shareholders);
- (c) Total number of shareholders of **LSECAP**, as of the Effective Date is **11**.
- (d) The Share Capital of the **LSECAP** can be changed for Ordinary Shares under the Scheme as described in Article-3 and the post right certificate capital of the **LSECAP** is Rs. **210,000,000** (divided into **21,000,000** Ordinary Shares). However, the pattern of shareholding can be changed till the Sanction Date.
- (e) The Board of Directors of the Company (**LSECAP**) before the Scheme is as follows:

| Sr. No. | Name of Director               | Category                |
|---------|--------------------------------|-------------------------|
| 1.      | Mr. Usman Hassan               | Chairman/ Independent   |
| 2.      | Mr. Siddique-ur Rehman Khurram | Chief Executive Officer |
| 3.      | Ms. Aasiya Riaz                | Independent Director    |
| 4.      | Mr. Hussain Ozgen              | Independent Director    |
| 5.      | Mr. Hafiz Mudassir Alam        | Non-Executive Director  |
| 6.      | Mr. Muhammad Usman             | Non-Executive Director  |
| 7.      | Mr. Aoun Muhammad              | Non-Executive Director  |

**ATTESTED**  
Examining Section  
Copy Supply Section  
Share High Court, Lahore

- (f) Compliance to the Listed Companies (Code of Corporate Governance) Regulations, 2019 regarding composition of Board of Directors, committees and other matters shall be made before listing of **LSECAP** at PSX.

**Impact of the Scheme: -**

- (g) The Share Capital of **LSECAP** shall be given to **LSEPL** and **MODAM** as per the SWAP ratio.
- (h) Share Capital of **LSECAP** (**10,000,000** ordinary shares) shall be given to **LSEFSL**.



- 42 -

**Reconciliation - No. of Shares**

|   | <u>LSECAP</u>      |
|---|--------------------|
| Ordinary Shares before Scheme Implementation            | 21,000,000         |
| Shares to be Issued to the Shareholders of LSEPL        | 74,775,306         |
| Shares to be Issued to the Certificate-holders of MODAM | 75,378,039         |
| Shares to be issued to LSEFSL                           | 10,000,000         |
|   | <u>181,153,345</u> |

**Ordinary Shares after Implementation of the Scheme**

- (m) LSECAP shall continue to operate its existing operations. Requisite changes in the Memorandum of Association of LSECAP shall be allowed and be made to accommodate additional/ extended operations of LSEFSL and MODAM.
- (n) After the Scheme, LSECAP shall operate as a public listed entity.
- (o) Goodwill and any capital reserve (merger reserves), if any, may arise on amalgamation in the books of LSECAP under the Scheme as mentioned in Article - 4.
- (p) The existing Board of Directors shall continue after the sanction of the Scheme. The next election for the directors of LSECAP shall take place under Section 159 and 166 of the Companies Act, 2017, on or before May 10, 2026.
- (q) Moreover, no cross holding shall exist between LSECAP and MODAM as described in Article - 3.
- (r) Moreover, no cross holding shall exist between LSECAP and LSEPL as described in Article - 3.
- (s) Additional number of shares (10,000,000) of LSECAP shall be issued to the LSEFSL.
- (t) The authorized capital after the Sanction Date shall be as follows:

**ATTESTED**  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore

|                                | Par Value / Nominal<br>Per Share/Certificate | No. of Shares / Certificate<br>Before Scheme | After Scheme | in PKRs. 000<br>Before Scheme After Scheme |           |
|--------------------------------|--|--|--------------|--|-----------|
| LSE PropTech Limited           | 10.00  | 150,000,000                                  |              | 1,500,000                                  |           |
| Modaraba Al-Mali               | 10.00  | 92,000,000                                   |              | 920,000                                    |           |
| LSE Capital Limited            | 10.00  | 25,000,000                                   | 200,000,000  | 250,000                                    | 2,000,000 |
| LSE Financial Services Limited | 10.00  | 52,000,000                                   | 119,000,000  | 520,000                                    | 1,190,000 |

- (u) LSE PropTech Limited and Modaraba Al-Mali will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up.



*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

- 43 -

(v) Share of LSEFSL to be issued under SWAP ratio to the shareholders of LSECAP as follows:

No. of Shares of LSEFSL to the Shareholders of LSECAP Nos. 9,771,736

Distribution Ratio - 465.32 shares of LSEFSL against 1,000 share of LSECAP

(w) Additional number of shares (10,000,000) of LSEFSL shall be issued to the LSECAP. These additional shares shall be distributed to the shareholders of LSECAP as follows:

No. of Shares of LSEFSL to the Shareholders of LSECAP Nos. 10,000,000

Distribution Ratio - 476.19 shares of LSEFSL against 1,000 share of LSECAP

#### IV. LSE FINANCIAL SERVICES LIMITED

The authorized share capital of the Company is Rs. 520,000,000 divided into 52,000,000 of ordinary shares of Rs. 10/- each, out of which 10,000,000 shares are fully paid and issued as follows:

| No. of Shares Issued | Issued for/Against  | Rs.         |
|----------------------|---|-------------|
| -                    | Cash  | -           |
| 10,000,000           | Consideration other than Cash - under Compromises, Arrangement and Reconstruction under Section 279 to 283 of the Companies Act, 2017 | 100,000,000 |
| -                    | Bonus Shares  | -           |
| 10,000,000           |   | 100,000,000 |

(i) Pattern of Shareholding of the Shares held by the Shareholders as of Effective Date is as follows:

|                      | No. of Shares     | % holding |
|----------------------|-------------------|-----------|
| LSE Ventures Limited | 10,000,000        | 100.00%   |
|                      | <b>10,000,000</b> |           |

(j) Complete list of the shareholders is attached as Schedule - 4 (List of Shareholders);

(k) Total number of shareholders of LSEFSEL, as of the Effective Date is 1.

ATTESTED  
Examiner  
Copy Supply Section  
Share High Court, Lahore



eept.

- 44 -

(l) The Share Capital of the LSEFSL will not be changed for Ordinary Shares under the Scheme as described in Article-3. However, the pattern of shareholding can be changed till the Sanction Date.

(m) The Board of Directors of the Company (LSEFSL) before the Scheme is as follows:

| Sr. No. | Name of Director          | Category                      |
|---------|---------------------------|-------------------------------|
| 1.      | Mr. Zahid Latif Khan      | Chairman/Independent Director |
| 2.      | Mr. Ghulam Mustafa        | Chief Executive Officer       |
| 3.      | Mr. Aftab Ahmad Ch.       | Non-Executive Director        |
| 4.      | Mr. Ammar ul Haq          | Non-Executive Director        |
| 5.      | Mr. Asif Baig Mirza       | Non-Executive Director        |
| 6.      | Ms. Huma Ejaz             | Independent Director          |
| 7.      | Mr. Rizwan Ejaz           | Independent Director          |
| 8.      | Mr. Muhammad Iqbal        | Non-Executive Director        |
| 9.      | Mr. Khalid Waheed         | Non-Executive Director        |
| 10.     | Mr. Shah Nawaz Mahmood    | Independent Director          |
| 11.     | Mr. Salman Majeed Sheikh  | Non-Executive Director        |
| 12.     | Syed Muhammad Talib Rizvi | Non-Executive Director        |

(n) Compliance to the Listed Companies (Code of Corporate Governance) Regulations, 2019 regarding composition of Board of Directors, committees and other matters shall be made before listing of LSEFSL at PSX.

(o) Fresh election under Section 162 of the Companies Act, 2017 was held on November 21, 2023 and following Board of Directors are elected (subject to the approval of SECP):

| Sr. No. | Name                      | Category                        |
|---------|---------------------------|---------------------------------|
| 1       | Mr. Aftab Ahmad           | Non-Executive Director          |
| 2       | Mr. Amir Zia              | Non-Executive Director          |
| 3       | Rana Naveed Ahmad         | Non-Executive Director          |
| 4       | Ms. Aasiya Riaz           | Non-Executive Director          |
| 5       | Mr. Muhammad Sajjad Hyder | Non-Executive Director          |
| 6       | Mr. Muhammad Usman        | Non-Executive Director          |
| 7       | Mr. Adil Jahangir Syed    | Non-Executive Director          |
| 8       | Syed Jawwad Ahmad         | Non-Executive Director          |
| 9       | Mr. Gohar Rehman Mirza    | Independent Director            |
| 10      | Mr. Muhammad Iqbal        | Independent Director / Chairman |
| 11      | Ms. Huma Ejaz             | Independent Director            |
| 12      | Mr. Ghulam Mustafa        | Chief Executive Officer         |

ATTESTED  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore





- 45 -

The names of the above directors have already been sent to SECP for approval under the Fit and Proper Criteria of the NBFC Regulations, which shall become effective from the date of the instant EOGM.

(p) Moreover, the shareholders in their meeting held on November 21, 2023 have also unanimously decided to change the name of the company to **LSE Finance Limited**. Besides, the shareholders have also resolved to adopt the change in the Memorandum and Articles of Association of the Company, for enabling the start of business as a "Professional Clearing Member or PCM" upon registration from the Commission under the relevant regulations which allow an IFS holding NBFC to register itself as a PCM.

**Impact of the Scheme: -**

(q) Shares of Digital Custodian Company Limited shall be transferred to LSEFSL by LSECAP as follows:

| No. of Shares | Carrying Value (Rs. in 000) | Rate  |
|---------------|-----------------------------|-------|
| 18,817,917    | 188,131                     | 10.00 |

LSECAP has made payment of Rs. 41.00 million to InfoTech (Private) Limited to purchase 19,288,362 shares of Digital Custodian Company Limited. Transfer of shares of Digital Custodian Company Limited from InfoTech (Private) Limited to LSE Capital Limited shall be allowed and out of which 18,817,917 shares (of Digital custodian company Limited) shall be transferred to LSEFSL under the Scheme.

(r) In exchange of this asset (equity shares of Digital Custodian Company Limited as described in Schedule - 3), LSEFSL shall issue additional shares as follows:

| No. of Shares | Issue Price (Rs. / Share) | Share Premium | Total Value (Rs. in 000) |
|---------------|---------------------------|---------------|--------------------------|
| 15,677,578    | Rs. 12/-                  | Rs. 2/-       | 188,131                  |

ATTESTED  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore

(s) **Distribution Ratio** : Shares will be issued/ distributed as follows:

| To the Shareholders/<br>Certificate-holders of | No. of Shares<br>/ Certificates | Distribution Ratio   |
|--|---------------------------------|--|
| LSE Capital Limited                            | 9,771,736                       | 465.32 shares of LSEFSL against 1,000 shares of LSECAP     |
| Modaraba Al-Mali                               | 5,905,842                       | 65.03 shares of LSEFSL against 1,000 certificates of MODAM |

(t) Additional number of shares (10,000,000) of LSEFSL shall be issued to the LSECAP.

LSECAP shall distribute (Distribution Ratio) these shares to the shareholders of LSECAP as follows:

- 46 -

| to the Shareholders of | No. of Shares | Distribution Ratio                                     |
|------------------------|---------------|--|
| LSE Capital Limited    | 10,000,000    | 476.19 shares of LSEFSL against 1,000 shares of LSECAP |

(u) Summary of the Issue of Shares will be as follows;

|  |         |              |
|--|---------|--------------|
| Share of LSEFSL to be issued as an additional capital                | Nos.    | 25,677,578   |
| To the Shareholders of LSE Capital Limited                           | Nos.    | 9,771,736    |
| To the Certificate-holders of Modaraba Al-Mali                       | Nos.    | 5,905,842    |
| To the LSE Capital Limited   | Nos.    | 10,000,000   |
| Distribution to the Shareholders of LSE Capital Limited              | Nos.    | (10,000,000) |
| To the Shareholders of LSE Capital Limited                           | Nos.    | 10,000,000   |
| Share Capital of LSEFSL before the Scheme                            | Nos.    | 10,000,000   |
| <hr/>  |         |              |
| Share Capital of LSEFSL after the Scheme                             | Nos.    | 35,677,578   |
| The Undertaking and Net Assets of LSECAP to LSEFSL<br>(Schedule - 3) | Rs. 000 | 288,131      |

(v) Authorized share capital of LSEFSL after sanction date of the Scheme shall be Rs. 1,190,000,000 divided into 119,000,000 ordinary shares of Rs. 10/- each.

(w) Listing status of MODAM shall be transferred to LSEFSL. LSEFSL shall be listed at PSX.

(x) Issuance of shares against designated assets (as described in Schedule - 3 The Undertaking and Net Assets of LSE Capital Limited to LSE Financial Services Limited) is not offer of shares for any consideration other than cash in terms of Rule 7(2)(i) of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. Moreover, shares of LSECAP will be listed shares (i.e. liquid assets) and shares of Digital Custodian Company Limited can be listed (by LSECAP and LSEFSL being majority shareholders under the Scheme), if required to create the liquid asset.

ATTESTED  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore



ARTICLE – 3 – THE SCHEME OF ARRANGEMENT

GENERAL

- I. This Scheme of Arrangement has been formulated pursuant to the provisions of Sections 279 to 283 of the Act for the transfer and vesting of :
  - a. The Undertaking and Business - **LSEPL** (as a transferor) into **LSECAP** (as transferee) as given in Schedule – 1. Upon the completion of merger / amalgamation through the intended Scheme, **LSEPL** will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the shares of **LSECAP** shall be issued to the registered members/shareholders of **LSEPL**.
  - b. The Undertaking and Business - **MODAM** (as a transferor) into **LSECAP** (as transferee) as given in Schedule – 2. Upon the completion of merger / amalgamation through the intended Scheme, **MODAM** will be dissolved under the Order of the Honorable Lahore High Court, Lahore without winding up, and the shares of **LSECAP** shall be issued to the registered members/certificate-holders of **MODAM**.
  - c. The listing status of **MODAM** shall be transferred to **LSEFSL** and listing status of **LSEPL** shall be transferred to **LSECAP** under the Scheme.
  - d. The Undertaking and Business of **LSECAP** (as a transferor) into **LSEFSL** (as transferees) as given in Schedule – 3.
  - e. Cross holding of equity shares between **LSECAP** and **LSEFSL** shall be created as described under the Scheme.
- II. Requisite changes in the Memorandum of Association of **LSECAP** shall be allowed and be made to accommodate additional/ extended operations of **LSEPL** and **MODAM**. The Board of Directors of **LSECAP** is empowered to make requisite changes in the Memorandum and Articles of Association of the **LSECAP**.
- III. The transferee (**LSECAP**) shall be bound to discharge any liability in respect of the assets acquired and any liability in respect of the assets shall not exceed the transferors' (**LSEPL** and **MODAM**) cost of the assets at the time of the disposal and the transferee must not be exempt from tax for the tax year in which the disposal takes place.
- IV. The transferee (**LSEFSL**) shall be bound to discharge any liability in respect of the assets acquired and any liability in respect of the assets shall not exceed the transferor's (**LSECAP**) cost of the assets at the time of the disposal and the transferee must not be exempt from tax for the tax year in which the disposal takes place.

ATTESTED  
Examiner  
Copy Supply Section  
Lahore High Court, Lahore

