

Form No:HCJD/C-21

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Lahore High Court, Lahore

ORDER SHEET

**IN THE LAHORE HIGH COURT LAHORE
JUDICIAL DEPARTMENT**

Case No:C.O. No.58175/2022.

In the matter of:-

M/s LSE Financial Services Limited and three others

S. No. of order/ Proceeding	Date of order/ proceeding	Order with signature of Judge, and that of parties or counsel, where necessary.
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26.04.2023. M/s Hfeez Saeed Akhtar, Haider Rasul Mirza, Murtaza Hussain and Syed Aatir Raza, Advocates for the petitioners. Mr. Ruman Bilal, Advocate for the SECP. M/s Raza Imtiaz Siddiqui and Muhammad Hassan Ismaeel, Advocates/Chairmen.

This is a joint petition by petitioners under section 279, 280, 282 read with section 285(8) of the Companies Act, 2017 (Act) and all other enabling provisions of law for sanction of the Scheme of Compromises, Arrangements, Reconstruction and Demerger in respect of petitioners companies.

DEMERGER ORDER

2. Through this petition, the petitioners are seeking sanction of this Court to the Scheme of Arrangement to Demerge LSE Financial Services Limited (LSEFSL). As per the contents of the petition, the Scheme for the demerger of LSEFSL has been framed under which a major portion of its business will be split up and transferred to two newly incorporated subsidiary companies i.e. petitioner

No.2 "LSE Ventures Limited" (hereinafter 'LVL') and petitioner No. 3 "LSE PropTech Limited (hereinafter 'LPL'). It is stated in the petition that said companies have presently been set up as unlisted public companies limited by shares and are expected to attain listing status under a same scheme by which Data Textile Mills Limited (DTML) (petitioner No.4) will be merged and amalgamated into LVL and LPL.

3. The record shows that the said Scheme has been approved by the Board of Directors of petitioners No.1 to 3 in their Board Meetings dated 20.07.2022 and 26.08.2022. The scheme has also been considered and approved by respective members/shareholders of the petitioners No.1 to 3 in their General Meetings held on 17.09.2022. The record also reflects that after filing of this petition, the winding up order in respect of DTML was recalled (in C.O. No.19/2017) vide order dated 11.01.2023 and the said winding up petition was also disposed of. Thereafter the scheme was approved by Board of DTML on 13.01.2023, which was already considered and approved by members/shareholders of DTML on 10.08.2022.

OBJECT OF THE SCHEME

4. As per Scheme, it is proposed that such of the undertakings, assets, businesses and investments of LSEFSL (that are specified in Schedule 2 of the Scheme), be transferred to petitioner No. 2/LVL along with all rights, interest, obligations and liabilities. Similarly, such of the undertakings, assets and business of LSEFSL (that are particularized in Schedule 1 of the Scheme), be transferred to petitioner No. 3/LPL along with all rights, interest, obligations and liabilities. They include land, buildings,

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fixtures, equipment, vehicles, utility connections, leases, permits, licenses, registrations, sanctions, approvals and permissions etc. LSEFSL shall function exclusively as Non-Banking Financial Company (NBFC) and comply with all rules and regulations in force. The license held by it to operate as an 'investment finance company' shall remain in existence.

5. Shares issued to members of LSEFSL shall be cancelled. In return, each shareholder of LSEFSL shall be given shares in LVL as per swap ratio of 99.862:100 calculated on the basis of valuation of shares fixed by Kreston Hyderbhimji & Co., Chartered Accountants. In this manner, shareholders of LSEFSL will acquire 99.862 % shares in LVL. As per Scheme, LSEFSL will issue 10,000,000 shares to LVL. As such LSEFSL shall become the wholly owned subsidiary of LVL.

6. As far as LPL is concerned, it will become an associated company of LVL, which shall acquire 29.92 % shareholding in it; whereas 69.81 % of the shares shall be held by members of LSEFSL as per swap ratio of 501.62:1000 calculated on the basis of valuation of shares fixed by Kreston Hyderbhimji & Co., Chartered Accountants. The shares of members of LSEFSL in LPL will be cancelled.

**STATUS OF THE PETITIONERS/
COMPANIES**

LSEFSL

7. The current authorized share capital of LSEFSL is Rs.2,000,000,000/- divided into 200,000,000 ordinary shares of Rs.10 each out of which 179,597,880 ordinary shares are fully paid up. The total number of shareholders

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of LSEFSL is 270. The Auditors of LSEFSL have prepared a balance sheet (Schedule 7 of the Scheme) 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 its books of account immediately preceding the effective date. In pursuance of the demerger scheme of LSEFSL, the undertaking and business of LSEFSL will be transferred and vested in LPL and LVL in terms of and in the manner stipulated in the Scheme, (more particularly clauses VIII and IX of Article 3 read with Schedules 1 and 2, respectively). The shares of members of LSEFSL in LVL and LPL shall stand cancelled and instead, they will be given shares in LVL and LPL as per the agreed swap ratio laid down in the Scheme. LSEFSL shall issue 10,000,000 shares to LVL, and shall become the wholly owned subsidiary of LVL.

8. The authorized share capital of LSEFSL shall stand reduced to Rs.520,000,000/- divided into 52,000,000 ordinary shares of rupees 10 each whereas the paid-up capital shall stand lowered to Rs.100,000,000/- divided into 10,000,000 ordinary shares of rupees 10 each. LSEFSL shall continue to run as a NBFC and validly hold its license to provide investment finance services. It will continue to comply with all requirements imposed on it pursuant to Integration Order No. 1/2016 by the SECP. It reserves the right to change its legal status in accordance with applicable corporate and legal requirements.

LVL

9. The authorized share capital of LVL is Rs.400,000,000/- divided into 40,000,000 ordinary shares of Rs.10 each out of which 1,000,000 ordinary shares are

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fully paid up. LSEFSL owns 999,992 shares in LVL. The remaining 7 shares are held by nominee directors of LSEFSL. As per the Scheme, such of the undertakings, assets, business and investments of LSEFSL that are particularized in Schedule 2 of the Scheme will be transferred to LVL along with all rights, interest, obligations and liabilities. After the demerger under this scheme, the authorized capital shall stand increased to Rs.2,000,000,000/- divided into 200,000,000 ordinary shares of Rs.10 each and the paid-up capital shall stand at Rs.1,795,978,800 divided into 179,597,880 ordinary shares of rupees 10 each.

LPL

10. The authorized share capital of LPL is Rs.1,500,000,000/- divided into 150,000,000 ordinary shares of Rs.10 each out of which 50,000,000 ordinary shares are fully paid up. LSEFSL owns 4,999,993 shares in LPL. The remaining 7 shares are held by nominee directors of LSEFSL. As per the Scheme, such of the undertakings, assets and business of LSEFSL that are particularized in Schedule 1 of the Scheme will be transferred to LPL along with all rights, interest, obligations and liabilities. They include land, buildings, fixtures, equipment, vehicles, utility connections, leases, permits, licenses, registrations, sanctions, approvals and permissions etc.

11. As explained above and in the Scheme, the shares held by members of LSEFSL in LPL shall stand cancelled and new shares shall be issued to them in LPL. LVL shall hold 30% shares in LPL. After the demerger under this scheme, the authorized capital shall remain the same however the paid-up capital shall be increase to

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Rs.900,907,320/- divided into 90,090,732 ordinary shares of rupees 10 each.

DTML

12. Under the Scheme, DTML shall be merged and amalgamated into LVL and LPL. The statement of Financial Position of DTML on 31.07.2022 are given at para 5 (2) (3) and (4) of the Preamble to the Scheme whereas detail of shareholding is provided in Article 2 (IV); the detailed particulars of the Scheme of Arrangement are laid down in para 3 x to xii of the Scheme. The total number of shareholders of DTML as of effective date are 897, whereas the issued share capital of DTML is Rs.99,096,160/-. DTML's shareholders will be given 247,740 shares each in LVL and LPL, respectively. The swap ratio is given at para V of Article 4 of the Scheme. The undertaking and business of DTML shall stand transferred to LVL and LPL along with the listing status and will be declared eligible securities in CDS by the CDC on the sanction date.

BENEFITS OF MERGER

13. The benefits of merger mentioned in this petition are as under:-

- (i). In addition to the objectives and advantages of the Scheme given above, the Scheme will further benefit LSEFSL in dealing more professionally and efficiently with a large number of issues left in legacy by Lahore Stock Exchange (Guarantee) Limited such as litigation matters, settlement of investors claims, members who have committed default, management of regulatory funds through the prescribed funds committees and trustees of

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the relevant funds etc. The aforesaid Scheme is also in the interest of the members of the companies, the employees, consumers, and all concerned, who will draw maximum gain out of it.

(ii). No prejudice shall be caused if the Scheme is sanctioned rather the sanctioning of the Scheme will be of great advantage to the petitioner companies, their shareholders and the general public.

PROCESS ADOPTED BY THE COURT

14. Vide Order dated 27.09.2022, M/s Raza Imtiaz Siddiqui, Advocate and Muhammad Hassan Ismaeel, Advocate were appointed as Chairmen/Local Commissions to call and hold Extraordinary General Meetings of the petitioners No.1 to 3 under Section 279(1) of the Act read with Rule 55 & 61 of the Companies (Court) Rules, 1997 (Rules). The notices were issued to the SECP as well as secured and unsecured creditors of the petitioners-companies. The notices were also issued to the Competition Commission of Pakistan (CCP).

15. The learned Chairmen have submitted their first report dated 27.10.2022, according to which Extra Ordinary General Meetings of petitioners No.1 to 3 were held on 22.10.2022, wherein shareholders unanimously approved the said Scheme of Arrangement/Demerger.

16. Subsequently on 07.02.2023 DTML was impleaded as petitioner No.4 in this petition and vide order dated 14.03.2023, similar process was followed in respect of DTML. The learned Chairmen submitted their second report dated 11.04.2023, according to which the Extraordinary General Meeting of DTML was held on 08.04.2023 wherein

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shareholders unanimously approved their Scheme of Arrangement/Demerger.

OBJECTIONS TO DEMERGER

17. No objection was filed on behalf of any of the Creditors and Shareholders of petitioners to the Scheme of Demerger. The SECP filed reply and raised certain objections to the Scheme of Demerger. However, the petitioners satisfied SECP on said objections and today, finally the learned counsel for the SECP, on instructions, submits that he has no objection for acceptance of this demerger petition, however subject to fulfillment of post-demerger regularity requirements by petitioners already mentioned in the reply filed by the SECP.

STAMP DUTY/TAXES

18. Transfer of any immovable property under the Scheme shall be subject to applicable taxes and duties including of stamp duty. Further if the Provincial Government discovers that any immovable property is being transferred under the said sanctioned Scheme of Demerger/Arrangement, it will be at liberty to raise the question regarding imposition of stamp duty in accordance with law/Rules.

SANCTION OF THE SCHEME OF ARRANGEMENT/DEMERGER

19. The Scheme of Arrangement for Demerger/reconstruction prima-facie is not prejudicial to the interest of members and creditors of the petitioners companies. This Court is, therefore, satisfied with the merits of the Scheme, (which is placed on record as "Annexure-A" and has been duly stamped and signed by

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the Additional Registrar (Court) of this Court). The **Scheme is, therefore, sanctioned** and it will take effect in terms thereof.

20. The petitioners are directed to submit certified copy of this order with the SECP as required under Section 279 to 281, 282(3) and 285 of the Act.

21. The Scheme of Arrangement for Demerger/reconstruction is duly sanctioned for above reasons and shall be effective in accordance with relevant clauses of the Scheme.

22. The petition stands disposed of in the above terms.

Riaz Ahmad
Riaz Ahmad

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28/4/23
Examiner: JIS (Commercial Branch)
Lahore High Court, Lahore

Abid Aziz Sheikh
(Abid Aziz Sheikh)
Judge

Copy Petition No: 162158
Case No: 26473
Submitted: 12
No of Pages: 1
Fee: 36
Urgent Fee: 28473
Total Fee (PKR):
Date of Copy: 28/4
Date of Delivery: 28/4

Examiner: *28/4/23*
Authorized: *28/4/23*
Qanun-e-Shahadat Order 1987 of 1991

(15)

IN THE LAHORE HIGH COURT, LAHORE

C.O No. 58175/2022

In the matter of;

1. **LSE Financial Services Limited** having its registered office at 19 Khayaban-Aiwan-e-Iqbal, Lahore through its chief executive officer and company secretary
2. **LSE Ventures Limited** having its registered office at 19 Khayaban-Aiwan-e-Iqbal, Lahore through its chief executive officer and company secretary
3. **LSE PropTech Limited** having its registered office at 19 Khayaban-Aiwan-e-Iqbal, Lahore through its chief executive officer and company secretary
4. **DATA Textiles Limited** having its registered office at 505, 5th Floor, LSe Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore through its Company Secretary

PETITION UNDER SECTIONS 279, 280, 282 READ WITH 285 (8) OF THE COMPANIES ACT, 2017 AND ALL OTHER ENABLING PROVISIONS OF LAW FOR SANCTIONING OF SCHEME OF COMPROMISE, ARRANGEMENT, RECONSTRUCTION AND DEMERGER IN RESPECT OF THE PETITIONER COMPANIES.

Respectfully; |

Preliminary Information

1. The petitioner No. 1 (hereinafter 'LSEFSL') is the erstwhile Lahore Stock Exchange (Guarantee) Limited (hereinafter 'LSE'). On 27.08.2012, LSE's legal status was changed from "company limited by guarantee" to "company limited by shares" under the Stock Exchanges (Corporatization, Demutualization and Integration) Act of 2012 (hereinafter 'Corporatization

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Compliance with proviso to s. 279

31. The financial position of the petitioner companies has not materially altered since the respective dates stated in the financial statements save changes made in the ordinary course of business. The audited accounts of the petitioner companies are on record. There are no secured creditors of the petitioner companies. Search reports are appended herewith as Annex I.
32. 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.
33. No proceedings in relation to investigation into the affairs of the petitioner companies are pending against them under the Companies Act of 2017.

Jurisdiction

34. 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 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.

It is further prayed that this Honourable Court may graciously dispense with the holding of general meeting of the members of the petitioner companies as the unanimous approval of the same has already been obtained in the Annual General Meetings held on 17.09.2022.

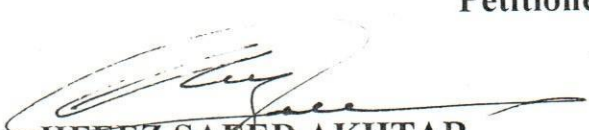
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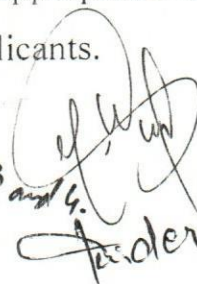
It is further prayed that this Honourable Court may graciously give such directions regarding any matter relevant to the Scheme as it may consider necessary for the proper working of the Scheme.


Any other relief that this learned Court may deem appropriate in the facts and circumstances of the case be further granted to the applicants.

Petitioners No. 1, 2 and 3

Through


HFEEZ SAEED AKHTAR
LL.M (London),
Gray's Inn, Barrister
Advocate Supreme Court


HAIDER RASUL MIRZA
Lincoln's Inn, Barrister-at-Law
Advocate Supreme Court


Sayeed, Hfeez & Mirza
Barristers and Legal Advisors
19 Ganga Ram Mansions, The Mall, Lahore





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SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR

DEMERGER/SPLIT OF

LSE FINANCIAL SERVICES LIMITED
(AND ITS MEMBERS)

WITH AND INTO

1. LSE VENTURES LIMITED
(AND ITS MEMBERS)
2. LSE PROPTECH LIMITED
(AND ITS MEMBERS)
3. LSE FINANCIAL SERVICES LIMITED
(AND ITS MEMBERS)

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SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR

AMALGAMATION/MERGER OF

DATA TEXTILES LIMITED
(AND ITS MEMBERS)

WITH AND INTO

1. LSE VENTURES LIMITED
(AND ITS MEMBERS)
2. LSE PROPTECH LIMITED
(AND ITS MEMBERS)

Muhammad Asad
Addl. Registrar (Court)
Lahore High Court Lahore

(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 282
AND ALL OTHER ENABLING PROVISIONS
OF THE COMPANIES ACT, 2017)



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C.O. No. 5813/5-23
28/3/23
Examiner: JIS (Commercial Branch)
Lahore High Court, Lahore

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Muhammad Asad
Addl. Registrar (Court)
Lahore High Court Lahore

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SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR

DEMERGER/SPLIT OF

**LSE FINANCIAL SERVICES LIMITED
(AND ITS MEMBERS)**

WITH AND INTO

1. **LSE VENTURES LIMITED
(AND ITS MEMBERS)**
2. **LSE PROPTECH LIMITED
(AND ITS MEMBERS)**
3. **LSE FINANCIAL SERVICES LIMITED
(AND ITS MEMBERS)**

SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR

AMALGAMATION/MERGER OF

**DATA TEXTILES LIMITED
(AND ITS MEMBERS)**

WITH AND INTO

1. **LSE VENTURES LIMITED
(AND ITS MEMBERS)**
2. **LSE PROPTECH LIMITED
(AND ITS MEMBERS)**

Muhammad Asad
Addl. Registrar (Court)
Lahore High Court Lahore

**(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 282
AND ALL OTHER ENABLING PROVISIONS
OF THE COMPANIES ACT, 2017)**



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PREAMBLE

1. 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, Sukuk, debentures, commercial papers and other securities.

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.

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.

2. LSE VENTURES LIMITED

BACKGROUND

LSE Ventures Limited (LVL) is incorporated under the Companies Act, 2017 with the principal business of carrying out the business of making strategic & long-term investments and equity injection in other companies and undertakings in the form of equity, debentures, sukuk, commercial papers, hybrid instruments, warrants and any other type of shares or securities. The Company has been incorporated to operate as a public limited Company.

The registered office of the Company is located at 19 Khyaban-e-Aiwan-e Iqbal (old Kashmir-Egerton Road), Lahore. The Corporate Unique Identification Number (UIN) of LVL is **0206407** and the date of incorporation is July 18, 2022.

Currently, the LVL is a wholly owned subsidiary of LSEFSL. It has been formed by LSEFSL to implement the instant Scheme.



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3. LSE PROPTECH LIMITED

BACKGROUND

LSE PropTech Limited (LPL) is 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 permission of relevant authorities.

The registered office of the Company is located at 19 Khyaban-e-Aiwan-e Iqbal (old Kashmir-Egerton Road), Lahore. The Corporate Unique Identification (CUIN) of LPL is 020194 and the date of incorporation is May 11, 2022.

Currently, the LPL is a wholly owned subsidiary of LSEFSL. It has been formed by LSEFSL to implement the intended Scheme.

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4. DATA TEXTILES LIMITED

BACKGROUND

DATA TEXTILES LIMITED (hereinafter referred to as "DATM" or the "Company") is a public listed company limited by shares, incorporated in Pakistan under the Companies Ordinance, 1984, which is listed on Pakistan Stock Exchange (PSX), having its registered office located at Office No. 505, 5th Floor, LSE Plaza, Khayaban-e-Aiwan-e-Iqbal, Lahore.

The main activity of the company had been the manufacturing and sale of yarn; however, the Company had ceased to conduct its business from 2008 onwards. Being a publicly listed Company on PSX, the Company has 897 shareholders/members of the investing public.

Due to stoppage of business/commercial operations and various other defaults the Listed Regulations of PSX, the shares of the Company had been placed on the defaulters trading counter by the Exchange (PSX). Subsequently, on the receipt of the winding up Show Cause notice to the Company from the SECP, the trading in the shares of the Company at PSX had been suspended on August 01, 2012.

Subsequent to the failure of the Company to defend the Show Cause notice of the SECP for the winding up of the Company, the Additional Registrar of the Companies, Company Registration Office (CRO), of the SECP, Lahore, filed an application (C.O. No.19/2017) in accordance with Section 305, read with Section 309 of the then Companies Ordinance 1984, together with all enabling provisions of the law, to the Honorable Court for the winding up of the Company, which has been allowed by the Honorable Lahore High Court on March 08, 2022. Upon this, the Honorable Court also appointed an Official Liquidator (Mr. Muhammad Faizan Saleem, Advocate) for completing the process of liquidation of the Company. Accordingly, the Official Liquidator assumed the powers of the Board of Directors of the Company to pursue the liquidation process of the Company.

Since all the assets and the entire undertakings of the Company had already been disposed of by the sponsors, the shareholders of the Company have become the ultimate economic losers due to the pending liquidation of the Company. However, there is only one remaining usable asset, which is the listing status of the Company at PSX. Having no residual assets and weak financial position, the already suffering shareholders lack any entrepreneurial involvement besides having no capacity to raise requisite capital from the market and to resume the Company's business operations and activities.

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In the above situation, the only option left for the Company's myriad shareholders was to somehow find a method of utilizing the continued listing status of the Company at PSX by voting to combine/merge/amalgamate the Company with some willing unlisted operating company. This would enable the shareholders of the Company to SWAP their shares with the shares of some potentially profitable and economically strong company.

It has been due to the above economic consideration that some shareholders of the Company had written to the Official Liquidator to consider the reverse merger of the Company with the subsidiaries of LSE Financial Services Limited.

The reverse merger of the Company will benefit the shareholders of DATM with the opportunity to convert their shares in the surviving entities.

Thus, wherever, the Board of Directors of DATM (and their power) is appearing in the Scheme, this would mean as the Official Liquidator (to exercise the full power of the Board of Directors of DATM).

5. OBJECTIVES AND BENEFITS

1) Reorganization/Restructuring of LSEFSL

Under Regulation 28 on the subject of "Other Terms and Conditions applicable to Lending NBFCs" of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, an Investment Finance Company is required to invest at least **seventy per cent (70%)** of its assets in Finance, i.e, the provision of credit, loans etc., on quarterly average basis, provided that cash, deposits with financial institutions, and investment in government securities are required to be excluded to calculate this limit. The Condensed Financial Position of LSEFSL as on **July 31, 2022** is as follows:

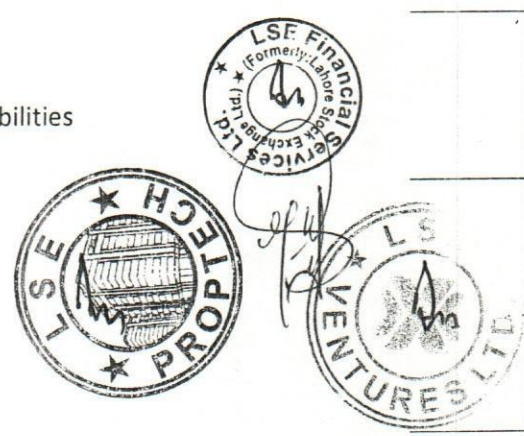
LSE Financial Services Limited
Statement of Financial Position

	July 31, 2022
	Rs. in 000
Property Plant and Equipment (including Investment Properties)	1,669,566
Investments accounted for using the equity method	1,149,399
Other Non-Current Assets	68,253
Short term investments	510,922
Other Current Assets	78,322
Cash & Bank Balances	346,411
	3,822,873
Less:	
Long Term Liabilities & Deferred Liabilities	(137,879)
Current Liabilities	(172,101)
Net Assets	3,496,616
Represented by:	
Issued and Subscribed Capital	1,795,979
Revaluation Surplus	774,569
Retained Earnings	926,068
	3,496,616

It is pertinent from the above Financial Position that it is not possible for LSEFSL to comply with **Regulation 28** and to place 70% of its assets in Finance since the property, plant and equipment (including investment property) of LSEFSL represents 44% of the assets besides its long-term strategic equity investments in Pakistan Credit Rating Agency Limited (PACRA), Central Depository Company of Pakistan Limited (CDC) and National Clearing Company of Pakistan Limited (NCCPL) (collectively being classified under

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Investments accounted for using the equity method) which account for 32% of the assets of the Company. Moreover, LSEFSL has also made equity investment in the Pakistan Mercantile Exchange Limited (PMEX), which is classified under "Short term investment". The other equity investments of LSEFSL include its investments in other companies, like Pakistan General Insurance Limited (PGI) and Digital Custodian Company Limited (DCCL). All of the above shows that LSEFSL does not have the requisite liquid assets to place under Finance.

Furthermore, Rule 7(2)(ba) of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 also requires that an NBFC shall not hold or make investment in a subsidiary other than that which is a financial services company provided that an NBFC may make strategic investments in financial services company with the approval of the SECP. Under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, a "financial services company", is defined as a financial institution incorporated in Pakistan or outside Pakistan, including an insurance company, broker i.e. of stock market or money market or commodities market or a company which is primarily involved in the distribution of securities, insurance products and units or certificates of a notified entity, and any other company as notified by the SECP in the official Gazette. As mentioned above, LSEFSL had made long-term strategic equity investments in various companies, which now do not qualify under the definition of a "financial services company". Moreover, the LSEFSL's intending business activities of carrying out equity capital investments and the revival of listed shell companies etc., do not come under the ambit of NBFC rules and regulations.

Thus, prima-facie, the current operations and the activities of LSEFSL bring it under the violation of various NBFC rules and regulations, which prevent it from maximizing the wealth of its shareholders and play as a useful agent in the development of the country's capital market.

In this way, being the successor company of the former Lahore Stock Exchange, existing as an NBFC, shall be able to exist by transferring its non-NBFC business into two other entities.

2) Revival of Data Textiles Limited (DATM)

DATM has formerly been a shell listed company. The honorable LHC has already appointed an Official Liquidator to wind-up the Company (DATM), however, due to very weak financial position of DATM, it is unlikely that the shareholders of DATM would get anything out of residual assets in case of liquidation. The bleak financials of DATM also means that the Company has limited capacity to raise requisite capital for resuming its business operations and activities.

The only benefit that the shareholders of DATM can have is the revival and the utilization of the listed status of the Company through the intended Scheme.

Data Textiles Limited
Statement of Financial Position

Tax refunds due from Government - net

Less:
Liabilities

Represented by
Share Capital
Retained Earnings (Loss)

July 31, 2022
Rs. in 000

3,111

3,111

(59,716)
(56,605)

99,096
(155,701)
(56,605)



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

3) Objective of the Scheme

The proposed de-merger scheme (along with merger of DATM into LPL and LVL) intends to fulfill the following objects and benefits to the LSEFSL and to the shareholders of LSEFSL and DATM respectively.

The principal object of this Scheme of Arrangement, formulated pursuant to the provisions of Sections 279 to 282 of the Act, is to affect the merger/ amalgamation of DATM with and into LPL and LVL for the purposes amongst others of combining the assets of DATM with LPL and LVL whereby the shareholders of the entities involved shall get the shares of two surviving companies, both of which shall become listed under the intended Scheme.

The merger/amalgamation involves the transfer to and vesting in LPL and LVL (as described in Schedule - 6) of the whole undertaking and business of DATM, together with all the properties, assets, privileges, rights including the listing status, the CDC eligibility, licenses, guarantees, obligations and liabilities of every description of DATM against allotment of shares of LPL and LVL (as per the SWAP ratio) to the registered members of DATM as defined in Article - 4 hereinafter.

4) Benefits of the Scheme

To DATM and its Shareholders:

- Once the Scheme is implemented, the shareholders of DATM will get the shares of LSE Proptech Limited (LPL) and LSE Ventures Limited (LVL) under the Scheme, as per the determined SWAP ratio.
- The combined value (based on book value) of LPL and LVL shares that are being given to DATM's shareholders under the SWAP ratio is in excess of the book value (and market value) of DATM's shares. Thus, the shareholders of DATM shall gain from the merger transaction.
- The long-stuck shareholders of the Company shall also get a chance to exit from their investments upon the resumption of trading in DATM shares at PSX.
- Those shareholders who will continue to keep the shares swapped under the Scheme, will become the shareholders of two prestigious and potentially profitable entities.

To LSEFSL and its Shareholders:

- Once the Scheme is implemented, LSEFSL shall be able to ensure compliance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and related regulations under the Non-Banking Finance Companies and Notified Entities Regulations, 2008.
- LSEFSL shall be able to carry on the intended/planned permissible activities, including the provision of Finance, and will be able to take the licenses for Underwriting and Consultant to the Issue activities subject to compliance with the relevant regulations (e.g. investments in companies in pre IPO stage and revival of listed shell companies etc.).
- LSEFSL shall continue to operate and abide by the Integration Order 1/2016, especially with regards to the role prescribed in the Order relating to the legacy matters from the period of its stock exchange operations, and more particularly handling litigations/matters for the settlement of investors' claims, defaulted members and the management of the legacy regulatory funds through the prescribed Funds Committee and the Trustees of the relevant Funds.
- LSEFSL will become wholly owned subsidiary of LVL under the Scheme.
- The shareholders of the LSEFSL shall become the shareholders of the LVL under the SWAP Ratio. Issued capital of LSEFSL shall be restructured and changed and LVL shall own 100% shares of LSEFSL under the Scheme.
- LVL shall become the holding company of LSEFSL and the other associated company of LPL.

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- viii. Currently, LVL and LPL are wholly owned subsidiary of LSEFSL. Shares issued to LSEFSL by LVL and LPL respectively shall be cancelled under the Scheme.
- ix. All existing strategic, long term and short-term investments presently held in LSEFSL shall be transferred to LVL. In this respect, LVL shall be bound to designate/classify its investments in CDC and NCCPL as "Available for Sale" in its balance sheet, and shall dispose of these shares in accordance with the valuation report from a reputable practicing Chartered Accountancy firm (which is already ongoing at the time of filing of this Scheme) to comply with the SECP's instructions on the subject.
- x. LPL shall retain the property, plant and equipment (including investment properties) and shall refocus its business on property management and shall specialize in digital property platform/management.
- xi. The existing land and building of LSEFSL transferred to LPL under this Scheme, shall be retained by LPL and the disposal thereof shall not be allowed without the prior written approval of the SECP. This restriction shall be included in the Memorandum of Association of LPL.
- xii. LPL and LVL shall be listed on PSX by virtue of merger of DATM (as a transferee) with and into LPL and LVL (as a transferees).
- xiii. LPL will become the associated company of LVL by virtue of merger of DATM (as a transferee) with and into LPL and LVL (as a transferees) and shall have common directorship under the Scheme.

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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) **"Commission"** means the Securities and Exchange Commission of Pakistan including its regional offices;
- (c) **"Completion"** or **"Completion Date"** means date when undertaking and business are transferred (as per Article – 3) from Transferor to the Transferee within 120 days of Sanction Date and shares are issued/ swapped / cancelled as per SWAP ratio determined in this Scheme (as per Article-4);
- (d) **"Court"** means the Lahore High Court, Lahore or any other court of competent jurisdiction for the time being having jurisdiction under Sections 279 to 282 of the Companies Act, 2017 in connection with this Scheme;
- (e) **"DATM"** means Data Textiles Limited, a public limited company formed under Companies Ordinance, 1984;
- (f) **"Effective Date"** means 00:00 hours on **July 31, 2022** or such other date as may be approved by the Court;
- (g) **"LPL"** means LSE Proptech Limited, a public limited company formed under Companies Act, 2017;
- (h) **"LSEFSL"** means LSE Financial Services Limited, a public limited company formed under Companies Ordinance, 1984;
- (i) **"LVL"** means LSE Ventures Limited, a public limited company formed under Companies Act, 2017;
- (j) **"NBFC Rules and Regulations"** means the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (and related regulations under the Non-Banking Finance Companies and Notified Entities Regulations, 2008);
- "PSX"** means Pakistan Stock Exchange Limited;
- "Rs."** shall mean "Rupees", being the legal tender money of the Islamic Republic of Pakistan;
- (m) **"Sanction Date"** has the meaning ascribed thereto in Article 6 (I)(iv), being the day on which the honorable Lahore High Court approves the Scheme and becomes operative;
- "Scheme"** means this Scheme of Arrangement in its present form with any modification thereof or addition hereto approved by the Court and/or the Securities and Exchange Commission of Pakistan and/or the general meeting of members of the respective companies;
- (o) **"Undertaking and Business - DATM"** means the assets, undertaking, business, liabilities of the **Data Textiles Limited** (including shares allocated under the Scheme) as more particularly described in Schedule - 6 hereto;

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(p) "Undertaking and Business - LSEFSL" means the assets, undertaking, business, liabilities of the LSE Financial Services Limited (including shares allocated under the Scheme) as more particularly described in Schedule - 1 and Schedule - 2 hereto;

II. The headings and marginal notes are inserted for convenience and shall not affect the construction of this Scheme.



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ARTICLE – 2 – SHARE CAPITAL and MANAGEMENT

I. LSE FINANCIAL SERVICES LIMITED

The authorized share capital of the Company is Rs. 2,000,000,000 divided into 200,000,000 of ordinary shares of Rs. 10/- each, out of which **179,597,880** ordinary shares are fully paid and issued as follows:

No. of Shares Issued	Issued for/Against	Rs.
51,313,680	Cash	513,136,800
128,284,200	Consideration other than Cash	1,282,842,000
-	Bonus Shares	-
179,597,880		1,795,978,800

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

	No. of Shares	%
Modaraba Al-Mali	46,695,467	26.00%
Humera Muhammad Iqbal	20,178,780	11.24%
Iqbal Usman	2,207,489	1.23%
Acme Mills (Private) Limited	3,000,000	1.67%
Icon Management Limited	3,000,000	1.67%
Others	104,516,144	58.19%
	179,597,880	

The list of the shareholders is attached as **Schedule – 3** (List of Shareholders)

2) Total number of shareholders of LSEFSL as of the Effective Date is **262**.

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

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

Name of Director	Position
1. Mr. Zahid Latif Khan	Chairman / Independent Director
2. Mr. Asif Baig Mirza	Non-Executive Director
3. Mr. Ammar-ul-Haq	Non-Executive Director
4. Mr. Aftab Ahmad Chaudhry	Executive Director
5. Mr. Rizwan Ejaz	Independent Director
6. Ms. Huma Ijaz	Independent Director
7. Mr. Shahnawaz Mahmood	Independent Director
8. Mr. Muhammad Iqbal	Non-Executive Director
9. Mr. Khalid Waheed	Non-Executive Director
10. Mr. Salman Majeed	Non-Executive Director
11. Mr. Yasir Manzoor*	Non-Executive Director
12. Mr. Amir Zia	Chief Executive Officer / Non-Director

*subject to the approval from SECP

Impact of the Scheme: -

5) The Share Capital of LSEFSL shall be SWAPPED under the Scheme with the shares of LVL as per the SWAP ratio determined in the Scheme. Each shareholder of LSEFSL shall get the shares of LVL as per

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the SWAP Ratio and shareholders of LSEFSL shall also get the shares of LPL (70% of share capital of LPL) as per the SWAP ratio determined in the Scheme.

- 6) After the de-merger under the Scheme, the authorized share capital and issued share capital of LSEFSL shall be the following:

Authorized Capital - Rs. 520,000,000 divided into 52,000,000 ordinary shares of Rs.10/- each

Issued, Subscribed and Paid-up Capital - Rs. 100,000,000 divided into 10,000,000 ordinary shares of Rs. 10/- each

- 7) The existing Board of Directors of LSEFSL shall continue to serve as directors of the Company after the de-merger/ split/arrangement, duly complying with the limitation prescribed under the Companies Act, 2017, and complete their remaining period. Next election of directors to elect the Board under Section 159 and 166 of the Companies Act, 2017 shall due on February 28, 2025.
- 8) LVL shall hold the entire shareholding of LSEFSL. The directors of LSEFSL shall hold at-least one share each being the nominee directors of LVL.
- 9) LSEFSL's equity investment in LPL and LVL shall stand cancelled as described in Article - 3. Neither goodwill nor any capital reserve shall arise for LSEFSL under the Scheme (except as mentioned in Article - 4).
- 10) LSEFSL shall continue under the ambit of NBFC Rules and Regulations, and shall continue to hold the license of investment finance services (IFS). Moreover, LSEFSL shall continue to comply with 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.

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II. LSE PROPTECH LIMITED

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The authorized share capital of the Company is Rs. 1,500,000,000 divided into 150,000,000 ordinary shares of Rs. 10/- each out of which Rs. 50,000,000 ordinary shares are fully paid and issued as follows:

No. of Shares Issued	Issued for/Against	Rs.
5,000,000	Cash	50,000,000
-	Bonus Issue	-
5,000,000		50,000,000



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

	No. of Shares	%
1. LSE Financial Services Limited	4,999,993	100%
2. Khalid Waheed	1	0%
3. Muhammad Iqbal	1	0%
4. Habib Ur Rehman Gilani	1	0%
5. Maleeha Humayun Bangash	1	0%
6. Imran Amjad Khan	1	0%
7. Asif Baig Mirza	1	0%
8. Muzaffar Ahmad Virk	1	0%

5,000,000

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- (b) The total number of shareholders of LPL, as of the Effective Date is 8. LSEFSL owns 100% shares of LPL. However, the rest of the directors hold **one** share each being the nominees of LSEFSL.
- (c) The Share Capital of the LPL will not be changed for Ordinary Shares under the Scheme as described in Article-3 (IV). However, the pattern of shareholding can be changed till the Sanction Date.
- (d) The Board of Directors of the Company (LPL) before the Scheme is as follows:

Name of Director	Position
1. Mr. Habib Ur Rehman Gilani	Chairman / Director
2. Mr. Asif Baig Mirza	Non-Executive Director
3. Mr. Khalid Waheed	Non-Executive Director
4. Mr. Kashif Shabbir	Independent Director
5. Ms. Maleeha Humayun Bangash	Independent Director
6. Mr. Aftab Ahmad Chaudhry	Non-Executive Director
7. Mr. Imran Amjad Khan	Chief Executive Officer / Executive Director

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- (e) The Board of Directors of the Company (LPL) after the Scheme shall be nominated by LSEFSL (immediately on Sanction Date before LSEFSL becomes the subsidiary of LPL) duly complying with the limitation prescribed under the Companies Act, 2017.

Impact of the Scheme:-

- (f) LPL shall become an associated company of LSE Ventures Limited (LVL). LVL shall hold 30% shares of LPL and remaining 70% shares will be held by the shareholders of LSEFSL (and by the shareholders of DATM) at the outset of Scheme.
- (g) The directors of LPL shall hold at-least **one** share each being the nominee directors of LVL.
- (h) After the de-merger under the Scheme, authorized share capital and issued share capital of LPL shall be the following:

Authorized Capital
Rs.10/- each

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Rs. 1,500,000,000 divided into 150,000,000 ordinary shares of

Issued, Subscribed and Paid-up Capital - Rs. 900,907,320 divided into 90,090,732 ordinary shares of Rs. 10/- each



- (i) The Property (land & building), equipment, investment property of LSEFSL shall be transferred to LPL from LSEFSL (as defined in Schedule – 1). Corresponding, revaluation surplus on fixed assets shall also be transferred to LPL from LSEFSL. The Undertaking and Business of DATM shall be transferred to LPL as per Schedule – 6.
- (j) The shares issued to LSEFSL by LPL shall stand cancelled and new shares shall be issued to LVL and to the shareholders of LSEFSL and to the shareholders of DATM under the Scheme.

No. of Shares after Implementation of the Scheme
Shares to be held by:
LSE Ventures Limited
Shareholders of DATM
Shareholders of LSEFSL

90,090,732

26,952,897
247,740
62,890,094

(k) Neither goodwill nor capital reserves are arisen for LPL under the Scheme (except as mentioned in Article – 4).

(l) After the Scheme, LPL shall operate as a public listed entity.

III. LSE VENTURES LIMITED

The authorized share capital of the Company is Rs. 400,000,000 divided into 40,000,000 ordinary shares of Rs. 10/- each out of which **Rs. 10,000,000** ordinary shares are fully paid and issued as follows:

No. of Shares Issued	Issued for/Against	Rs.
1,000,000	Cash	10,000,000
-	Bonus Issue	-
1,000,000		10,000,000

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

	No. of Shares	%
1. LSE Financial Services Limited	999,992	100%
2. Shahnawaz Mahmood	1	0%
3. Ammar Ul Haq	1	0%
4. Ghulam Mustafa	1	0%
5. Inam Ullah	1	0%
6. Muhammad Sajjad Hyder	1	0%
7. Muhammad Usman	1	0%
8. Amir Zia	1	0%
	1,000,000	

(b) The total number of shareholders of LVL, as of the Effective Date is **08**. LSEFSL owns 100% shares of LVL. However, the directors hold **one** share each being the nominees of LSEFSL.

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

(d) The Board of Directors of the Company (LVL) before the Scheme is as follows:

Name of Director	Position
1. Mr. Muhammad Iqbal	Chairman / Non-Executive Director
2. Mr. Ammar Ul Haq	Non-Executive Director
3. M/s Minahil Ali	Independent Director
4. Mr. Shahnawaz Mahmood	Non-Executive Director
5. Mr. Tabassum Munir	Independent Director
6. Mr. Amir Zia	Non-Executive Director
7. Aftab Ahmad Chaudhry	Chief Executive Officer / Executive Director

Impact of the Scheme:-

(e) The Board of Directors of the Company (LVL) after the Scheme shall be nominated by LSEFSL (immediately on Sanction Date before LSEFSL becomes the subsidiary of LVL) duly complying with the limitation prescribed under the Companies Act, 2017.

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- (f) LSEFSL shall become the wholly owned subsidiaries of LVL.
- (g) After the de-merger under the Scheme, the authorized share capital and issued share capital of LVL shall be the following:

Authorized Capital - Rs. 2,000,000,000 divided into 200,000,000 ordinary shares of Rs.10/- each

Issued, Subscribed and Paid-up Capital - Rs. 1,795,978,800 divided into 179,597,880 ordinary shares of Rs. 10/- each

- (h) No additional fee shall be paid to the Commission for the increase in the authorized capital of LVL since the total value of the authorized capital under the Scheme is not changed as follows:

Name of the Company	Authorized Capital before the Scheme	Authorized Capital after the Scheme
LSE Financial Services Limited (LSEFSL)	Rs. 2,000,000,000 divided into 200,000,000 ordinary shares of Rs. 10/- each	Rs. 520,000,000 divided into 52,000,000 ordinary shares of Rs. 10/- each
LSE PropTech Limited (LPLP)	Rs. 1,500,000,000 divided into 150,000,000 ordinary shares of Rs. 10/- each	Rs. 1,500,000,000 divided into 150,000,000 ordinary shares of Rs. 10/- each
LSE Ventures Limited (LVL)	Rs. 400,000,000 divided into 40,000,000 ordinary shares of Rs. 10/- each	Rs. 2,000,000,000 divided into 200,000,000 ordinary shares of Rs. 10/- each
Data Textiles Limited (DATM)	Rs. 120,000,000 divided into 12,000,000 ordinary shares of Rs. 10/- each	Dissolved by the Order of the Honorable Lahore High Court, Lahore without winding up
Total in Rs.	Rs. 4,020,000,000	Rs. 4,020,000,000

- (i) Investments in the equity shares (including long term investments, investments in associated companies, short term investments), cash and bank balances, investments under margin trading system etc. shall be transferred to LVL from LSEFSL (as described in Schedule – 2).
- (j) The corresponding, trade and other liabilities, deferred tax liabilities and retained earnings shall also be transferred to LVL from LSEFSL.
- (k) The Undertaking and Business of DATM shall be transferred to LVL as per Schedule – 6.
- (l) The shares of LSEFSL issued to the shareholders (immediately before the Sanction date) shall stand cancelled. Shareholders of LSEFSL (and shareholders of DATM) shall get the shares of LVL as per the SWAP ratio defined in Article-3 of the Scheme.

No. of Shares after Implementation of the Scheme
 Shares to be held by:
 Shareholders of DATM 179,597,880
 Shareholders of LSEFSL 247,740
 179,350,140

- (m) Neither goodwill nor capital reserves shall arise for LVL under the Scheme (except as mentioned in Article – 4).
- (n) The shares issued to LSEFSL by LVL shall stand cancelled.
- (m) LVL shall operate as a publicly listed company only.

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IV. DATA TEXTILES LIMITED

The authorized share capital of the Company is Rs. 120,000,000 divided into 12,000,000 of ordinary shares of Rs. 10 each out of which **9,909,616** ordinary shares are fully paid and issued as follows:

No. of Shares Issued	Issued for/Against	Rs.
9,909,616	Cash	99,096,160
-	Consideration other than Cash	-
-	Bonus Shares	-
9,909,616		99,096,160

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

Shareholders	No of Shares	% Held
Sponsors	6,575,416	66.36%
NBP (Trustee) NI(UT) Fund	618,595	6.24%
Public & Others	2,715,605	27.40%
Total	9,909,616	100.00%

Note: Some share transfer requests have been pending at the end of the Company/Share Registrar, which shall be subject to transfer upon the removal of suspension of the Company under PSX Rulebook.



- (b) The total number of shareholders of DATM, as of the Effective Date is **897**.
- (c) The Share Capital of the Company (DATM) will not be changed for Ordinary Shares under the Scheme as described in Article-3 (IV). However, any other class of shares can be issued, redeemed, or converted, if provided in the Memorandum and Articles of Association and conversion ratio will be adjusted according to SWAP ratio determined under the Scheme if conversion takes place after the Sanction Date. However, SWAP ratio will not be changed if conversion occurs before the Sanction Date. Moreover, pattern of shareholding can be changed till the Sanction Date.

(d) As of now, no Board of Directors of the Company (DATM) exists due to the appointment of an Official Liquidator by the Honorable Lahore High Court. The functions and the role of the Board of the Company are performed by the Official Liquidator.

Impact of the Scheme:-

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(e) On the completion of merger and amalgamation and after the issuance of shares of LPL and LVL to the registered members of DATM, DATM will be dissolved by the order of the Honorable Lahore High Court, without winding up.

(f) The Shares of LPL and LVL to be issued to the registered member of DATM is as follows:

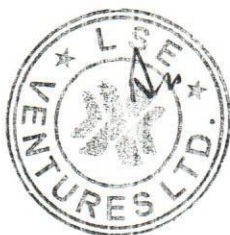
No. of Shares Outstanding	9,909,616
No. of Shares to be Issued (to the shareholders of DATM) of:	
- LSE PropTech Limited	247,740
- LSE Ventures Limited	247,740

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(g) The Undertaking and Business of DATM shall be transferred to LPL and LVL (as described in Schedule – 6). Moreover, the listing status at PSX [along with CDS rights with Central Depository Company of Pakistan Limited (CDC)] shall be transferred to LPL and LVL.

- (h) LVL and LPL shall become listed entities at PSX and will be declared as eligible securities in CDS by the CDC on the Sanction date.
- (i) Neither goodwill nor any capital reserves shall arise for LVL under the Scheme (except as mentioned in Article – 4).



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ARTICLE – 3 – SCHEME OF ARRANGEMENT

GENERAL

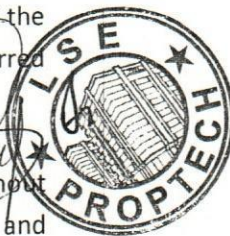
- I. This Scheme of Arrangement has been formulated pursuant to the provisions of Sections 279 to 282 of the Act for the transfer and vesting of the Undertaking and Business of LSEFSL on partial basis from LSEFSL (as a Transferor) into LVL and LPL (as Transferees) and for the complete transfer and vesting of the Undertaking and Business of DATM on full basis from DATM (as a Transferor) into LVL and LPL (as Transferees).
 - II. LSEFSL shall continue as an NBFC and shall operate as an "Investment Finance Service" company under its current license granted under the NBFC Rules and Regulations. However, the designated assets and liabilities shall be transferred to LVL and LPL as described below.
 - III. A balance sheet has been prepared by LSEFSL (along with LPL, LVL, DATM) (appended herewith as Schedule 4 – Statement of Financial Position showing Demerger (of LSE Financial Services Limited) Effect and Merger (of Data Textiles Limited) Effect) of the Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of LSEFSL, LPL, LVL and DATM, as reflected in the books of account of LSEFSL, LVL, LPL and DATM respectively immediately preceding the Effective Date and which has been audited by the respective auditor. This balance sheet shows the assets and liabilities and reserves that are being transferred from LSEFSL and DATM to LPL and LVL. Schedule – 4 shall be certified by the practicing Chartered Accountants along with SWAP ratios.
 - IV. Balance sheet 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. This balance sheet shall determine the assets, liabilities and reserves to be transferred to LPL and LVL.
 - V. A balance sheet shall be prepared by DATM 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 DATM, as reflected in the books of account of DATM as of the Sanction Date and which shall be audited by the Auditors of DATM, within sixty (60) days of the Sanction Date. This balance sheet shall determine the assets, liabilities and reserves to be transferred to LPL and LVL.
 - VI. The Balance Sheet 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 LSEFSL.
- The transferee (LPL and LVL respectively) 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 (LSEFSL and DATM as the case may be) 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.

TRANSFER OF THE UNDERTAKING AND BUSINESS FROM LSEFSL TO LPL

- VIII. The Undertaking and Business of LSEFSL shall be transferred and vested in LPL in the following manner:



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- a. The designated immovable and movable assets, liabilities, revaluations reserves, capital and revenue reserves described in Schedule – 1 (The Undertaking and net assets of LSEFSL to LPL) shall be transferred to LPL from LSEFSL. Generally, these net assets include land, building, equipment, investment property, cash and bank balances, revaluation reserves and related liabilities.
- b. The Undertaking of LSEFSL as at the effective date shall, without any further act, Instrument or deed, be and the same shall stand transferred to and be vested or deemed to have been transferred to or vested in LPL on the Effective Date.
- c. The transfer / vesting shall be subject to the existing charges/ mortgages/ hypothecation, if any. There are, however no charges/mortgages/hypothecation registered on the assets of LSEFSL.
- d. Such assets of LSEFSL, which are moveable in nature or are capable of transfer by manual / physical delivery or by endorsement and delivery, shall be so transferred and shall become the property of LPL as its integral part. All the bodies, departments and concerned institutions/companies, wherever required, shall transfer the assets without any cost, taxes, any further act or deed by the LPL.
- e. All the utility licenses, connections, meters, and other facilities for electricity, gas, water, telecommunications and others allowed, licensed or provided by any Government agency (including Water and Power Development Authority, Water and Sanitation Agency, Sui Northern Gas Pipelines Limited, Sui Southern Gas Limited) or other agency to the LSEFSL with the respective benefits including the deposits and prepayments, Government approvals, (if any) will stand transferred without any additional charges/costs to the LPL. The security deposits and any other cost paid by LSEFSL against any of these and other existing facilities shall remain unchanged and the charge of name shall take place without any additional fee, charges or costs whatsoever and without any delay.

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- f. All the registrations, rights, powers, licenses, permits, sanctions, permissions, privileges of the LSEFSL (related to transferred assets to LPL) shall stand transferred to LPL.

All the titles of land and other immovable property registered in the name of the LSEFSL will stand transferred in the name of LPL. However, the existing land and building of LSEFSL after transfer to LPL, shall not be disposed of without the prior written approval of the Commission.



The lease rights (short term and long term), equitable rights, legal rights given by LSEFSL to the third parties shall be transferred (with all rights and obligations) from LSEFSL to LPL.

Undertaking and Business – LSEFSL (Schedule-1) transferred to LPL commensurate to principal business under Object Clause of Memorandum of Association of LPL.



TRANSFER OF UNDERTAKING AND BUSINESS FROM LSEFSL TO LVL

IX. The Undertaking and Business of LSEFSL shall be transferred and vested in LVL in the following manner:

- a. Designated movable assets, liabilities, revaluations reserves, capital and revenue reserves described in Schedule – 2 (The Undertaking and net assets of LSEFSL to LVL) shall be transferred to LVL from LSEFSL. Specifically, these net assets include long-term investments, investment in associated companies and Undertaking, investment in margin trading system, cash and bank balances, revaluation reserves and related liabilities.

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- b. The Undertaking of LSEFSL, as at the effective date shall, without any further act, instrument or deed, be and the same shall stand transferred to and be vested or deemed to have been transferred to or vested in LVL on the Effective Date.
- c. The transfer / vesting shall be subject to the existing charges/ mortgages/ hypothecation, if any. There are, however no charges/mortgages/hypothecation registered on the assets of LSEFSL.
- d. Such of the assets of LSEFSL which are moveable in nature or are capable of transfer by manual / physical delivery or by endorsement and delivery, the same shall be so transferred and shall become property of the LVL as its integral part. All the bodies, departments and concerned institutions/companies, wherever required, shall transfer the assets without any further act or deed or charges or taxes upon/by the LVL.
- e. All the registrations, rights, powers, licenses, permits, sanctions, permissions, privileges of the LSEFSL (related only to transferred assets of LSEFSL to LVL) shall stand transferred to LVL.
- f. Undertaking and Business - LSEFSL (Schedule-2) transferred to LVL commensurate to principal business under Object Clause of Memorandum of Association of LVL.



TRANSFER OF UNDERTAKING AND BUSINESS FROM DATM TO LVL AND LPL

- X. The Undertaking and Business of DATM shall be transferred and vested in LVL and LPL in the following manner:

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FROM DATM TO LPL

- a. The Undertaking and Net Assets of DATM shall be transferred to LPL (as per Schedule - 6 hereinafter may be called "designated net assets for LPL") as at the Effective Date shall, without any further act, Instrument or deed, be and the same shall stand transferred to and be vested or deemed to have been transferred to or vested in LPL on the Effective Date.
- b. The transfer / vesting shall be subject to the existing charges/ mortgages/ hypothecation, if any. There are, however no charges/mortgages/hypothecation registered on the assets of DATM.
- c. Such of the designated net assets for LPL, which are moveable in nature or are capable of transfer by manual / physical delivery or by endorsement and delivery, shall also be so transferred and shall become the property of LPL as its integral part. All the bodies, department and concerned institutions/companies wherever required shall transfer the assets without any further act or deed or charges or taxes by LPL.
- d. All the immovable assets and properties and other rights, connections (as described in "designated net assets for LPL in Schedule - 6), of DATM shall stand transferred in the name of LPL on the Effective Date, without any fee, charges, cost, act or formality, and all the bodies, institutions, companies and concerned Government departments and functionaries shall effect the transfer of the rights, privileges and status in the name of LPL without any act or deed and without payment of any amount whatsoever. Any unforeseen assets not mentioned in Schedule - 6, which may become known (becomes right) shall also become the assets of LPL.
- e. The listing status of DATM with Pakistan Stock Exchange (PSX) and CDS rights, if so held, with Central Depository Company of Pakistan Limited (CDC) etc. (as described in "designated net assets for LPL in Schedule - 6), shall stand transferred in the name of LPL on the Effective



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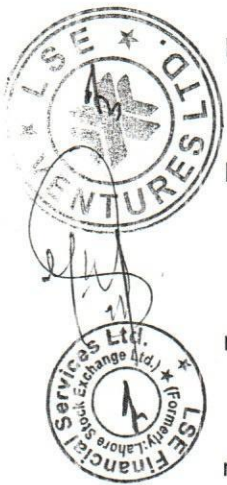
Date, without any fee, charges, cost, act or formality, and PSX, CDC, and concerned Government departments and functionaries shall effect the transfer of the listing rights, privileges and status in the name of LPL without any act or deed and without payment of any amount whatsoever.

- f. All the liabilities of DATM (as per Schedule – 6) as at the **Effective Date** shall, without any further act, deed or instruments be and shall stand transferred and vested in LPL so as to become as and from the effective date the debts, liabilities and obligations of LPL. LPL will discharge all such outstanding liabilities and obligations in due course as if they der originally the liabilities and obligations of LPL instead of DATM.
- g. All the banking balances, if any, whether current deposit, investment of all natures, saving or others and other accounts maintained in the name of DATM will stand transferred to LPL (as mentioned in Schedule – 6). There are however, no such deposits in the name of DATM.
- h. All the utility licenses, connections, meters, and other facilities for electricity, gas, water, telecommunications and others allowed, licensed or provided by any Government agency (including Water and Power Development Authority, Water and Sanitation Agency, Sui Northern Gas Pipelines Limited, Sui Southern Gas Limited) or other agency to the DATM will stand transferred without any additional charges to the LPL with the respective benefits including the deposits and prepayments, Government approvals, (if any). The security deposits and any other cost paid by DATM against any of these and other existing facilities shall remain unchanged and the charge of name shall take place without additional fee, charges or costs whatsoever and without any delay.
- i. All the registrations, rights, powers, licenses, permits, ~~sanctions~~ permissions, privileges of the DATM shall stand transferred to LPL.
- j. All the titles of land and other immovable property registered in the name of the DATM (as mentioned in Schedule – 6) will stand transferred in the name of LPL.
- k. All the rights in respect of any and all trade-marks, patents, copy rights and other rights and obligations in respect thereof of DATM shall stand transferred to LPL.
- l. All the contracts, agreements and other instruments executed by the merging companies and subsisted in favor of the DATM and its right and obligations there under shall stand transferred to LPL.
- m. All the employment contracts and obligations there under of the DATM shall stand transferred to the LPL.
- n. All obligations including payment of any taxes, duties and rights in respect of any entitlements, refunds, tax losses (revenue, capital. depreciation or otherwise) tax credits from any assessment, deemed assessment, appeal, rectification or modification of assessment under the law in respect of DATM shall also stand transferred and vested in LPL.
- o. Since presently DATM does not have any operating assets that could be transferred to LPL, no change/ alteration in the Object Clauses of Memorandum of the Association of LPL is required.

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FROM DATM TO LVL

- a. The Undertaking and Net Assets of DATM shall be transferred to LPL (as per Schedule – 6 hereinafter may be called “**designated net assets for LVL**”) as at the effective date shall, without any further act, Instrument or deed, charges or taxes, be and the same shall stand

transferred to and be vested or deemed to have been transferred to or vested in LVL on the Effective Date.

- b. The transfer / vesting shall be subject to the existing charges/ mortgages/ hypothecation, if any. There are, however no charges/mortgages/hypothecation registered on the assets of DATM.
- c. Such of the designated net assets for LVL which are moveable in nature or are capable of transfer by manual / physical delivery or by endorsement and delivery, the same shall be so transferred and shall become property of the LVL as its integral part. All the bodies, department and concerned institutions/companies wherever required shall transfer the assets without any further act or deed by the LVL.
- d. All the immovable assets and properties and other rights, connections (as described in "designated net assets for LVL in Schedule - 6), of DATM shall stand transferred in the name of LPL on the **Effective Date**, without any fee, charges, cost, act or formality, and all the bodies, institutions, companies and concerned Government departments and functionaries shall effect the transfer of the rights, privileges and status in the name of LVL without any act or deed and without payment of any amount whatsoever. Any unforeseen assets not mentioned in Schedule - 6, which may become known (becomes right shall also become the assets of LPL.
- e. The listing status of DATM with Pakistan Stock Exchange and CDC rights, if so held, with Central Depository Company of Pakistan Limited (CDC) etc. (as described in "designated net assets for LPL in Schedule - 6), shall stand transferred in the name of LVL on the **Effective Date**, without any fee, charges, cost, act or formality, and PSX, CDC, and concerned Government departments and functionaries shall effect the transfer of the listing rights, privileges and status in the name of LVL without any act or deed and without payment of any amount whatsoever.
- f. All the liabilities of DATM (as per Schedule - 6) as at the effective date shall, without any further act, deed or instrument be and shall transferred and vested in LVL so as to become as and from the effective date the debts, liabilities and obligations of LVL. LVL will discharge all such outstanding liabilities and obligations in due course as if they der originally the liabilities and obligations of LVL instead of DATM. Any unforeseen liabilities not mentioned in Schedule - 6 which becomes known and due shall be the liability of LVL.
- g. All the legal proceedings instituted, causes, suits, appeals, petitions, revisions of whatever nature by or against DATM in the Court of Law which will be pending on the effective date will be continued prosecuted and enforced by or against LVL as if this Scheme had not been made, and the same shall not abate, be discontinued or be in any way prejudiced or affected by the provisions of this Scheme. Thereafter, upon completion date, such legal proceedings shall stand transferred to LVL.
- h. All the banking, whether current deposit, investment of al natures, saving or others and other accounts maintained in the name of DATM will stand transferred to LVL (as mentioned in Schedule - 6).
- i. All the titles of land and other immovable property registered in the name of the DATM (as mentioned in Schedule - 6) will stand transferred in the name of LVL.
- j. Since presently DATM does not have any operating assets that could be transferred to LVL, no change/ alteration in the Object Clauses of Memorandum of the Association of LVL is required.



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CONDUCT OF BUSINESS BY DATM TILL THE COMPLETION DATE

XI. Till the Sanction Date, DATM shall not sell, transfer or dispose of the Undertaking and Business.

- (i) The amalgamation / merger in accordance with this Scheme shall be treated as having taken effect from the Sanction Date and as from that time and until the Effective Date when the DATM Undertaking and Business is transferred to and vested in LPL and LVL. DATM shall carry on and be deemed to carry on all its business and activities, if any, and shall stand possessed of its properties and assets, if any, for and on account of and in trust for LPL and LVL and all the profits accruing to DATM or losses arising or incurred by them, if any, shall for all purposes be treated as the profits or losses, if any, of LPL and LVL.
- (ii) It is hereby undertaken by DATM (through the Official Liquidator) that it will carry on its businesses, if any, until the Sanction Date with reasonable diligence, business prudence and shall not except, in the ordinary course of business or without the prior written consent of the Official Liquidator and/or LSESFL alienate, charge, mortgage, hypothecate, encumber or otherwise deal with or dispose of the respective Undertakings or any part thereof.



DETERMINATION OF UNDERTAKING AND BUSINESS

XII. A balance sheet:

- (i) has been prepared by DATM (appended herewith as Schedule 7) of the Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of DATM, as reflected in the books of account of DATM immediately preceding the Effective Date and which has been audited by the Auditors of DATM;



shall be prepared by DATM 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 DATM, as reflected in the books of account of DATM as of the Sanction Date and which shall be audited by the Auditors of DATM, within sixty (60) days of the Sanction Date;

- (iii) 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 DATM.



XIII. A balance sheet:

- (i) has been prepared by LSEFSL (appended herewith as Schedule 7) 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 which has been audited by the Auditors of LSEFSL;
- (ii) 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;
- (iii) 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 LSEFSL.

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XIV. A balance sheet:

- (i) has been prepared by LPL (appended herewith as Schedule 7) of the Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of LPL, as reflected in the books of account of LPL immediately preceding the Effective Date and which has been audited by the Auditors of LPL;
- (ii) shall be prepared by LPL 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 LPL, as reflected in the books of account of LPL as of the Sanction Date and which shall be audited by the Auditors of LPL, within sixty (60) days of the Sanction Date;
- (iii) 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 LPL.

XV. A balance sheet:

- (i) has been prepared by LVL (appended herewith as Schedule 7) of the Undertaking and Business, including without limitation, the capital reserves, revenue reserves, revaluation surplus and accumulated profits and losses of LVL, as reflected in the books of account of LVL immediately preceding the Effective Date and which has been audited by the Auditors of LVL;
- (ii) shall be prepared by LVL 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 LVL, as reflected in the books of account of LVL as of the Sanction Date and which shall be audited by the Auditors of LVL, within sixty (60) days of the Sanction Date;
- (iii) 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 LVL.



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ARTICLE – 4 – SHARES

CONSIDERATION

- I. Upon the Scheme being effective in terms of the order of the Court, as a consideration for the transfer to and vesting in LSE Ventures Limited and LSE PropTech Limited of the Undertaking and Business of **LSE Financial Services Limited** as defined in the Scheme, shares shall be issued at par value subject to the terms of this Scheme and without any further application, deed or instrument.
- II. Upon the Scheme being effective in terms of the order of the Court, as a consideration for the transfer to and vesting in LSE Ventures Limited and LSE PropTech Limited of the Undertaking and Business of **Data Textiles Limited** as defined in the Scheme, shares shall be issued at par value subject to the terms of this Scheme and without any further application, deed or instrument.
- III. Shares shall be issued as follows:

SHARES ISSUANCE BY LSE PROPTech LIMITED

Type of Share to be Issued by LPL	No. of Shares to be Issued	Shares to be Issued to	Remarks
Ordinary Shares of Rs. 10/- each	26,952,897	LSE Ventures Limited	Directors shall hold at-least one share each being the nominees of LVL
	247,740	Shareholders of DATM	
	62,890,094	Shareholders of LSEFSL	

SWAP Ratio

	from LSEFSL	from DATM	LPL	Total Position
	Rs. in 000	Rs. in 000	Rs. in 000	Rs. in 000
LSE PropTech Limited				
Assets Transferred	1,669,692	3,111	50,216	1,723,019
Liabilities Transferred	-	(20,494)		(20,494)
	1,669,692	(17,383)	50,216	1,702,525
Represented by:				
Share Capital				900,907
Retained Earnings	4,203			4,419
Merger Reserves				22,630
Revaluation Reserves	774,569			774,569
Transferred				
Retained Earnings	155,701	(155,701)		-
				1,702,525
No. of Shares allocated to DATM's Shareholders		00.27%		247,740
No. of Shares allocated to LSEFSL's Shareholders		69.81%		62,890,094
No. of Shares allocated to LVL		29.92%		26,952,897
				90,090,732

SHARES ISSUANCE BY LSE VENTURES LIMITED

Type of Share to be Issued by LVL	No. of Shares to be Issued	Shares to be Issued to	Remarks
Ordinary Shares of Rs. 10/- each	179,350,140	Shareholders of LSEFSL on Sanction Date	Directors shall hold at-least one share each being the nominees of LVL. Moreover, SWAP Ratio for LSEFSL's shareholder is 99.862:100 i.e. 99,862 shares of LVL shall be issued against 100,000 shares of LSEFSL
	247,740	Shareholders of DATM on Sanction Date	

SWAP Ratio

	from LSEFSL	from DATM	LVL	Total Position
	Rs. in 000	Rs. in 000	Rs. in 000	Rs. in 000
LSE Ventures Limited				
Assets Transferred	1,890,218	-	10,000	1,900,218
Investment in LSEFSL				100,000
Investment in LPL				270,272
Goodwill arising on De-Merger				22,630
Liabilities Transferred	(257,775)	(39,222)		(296,997)
	1,632,443	(39,222)	10,000	1,996,123
Represented by:				
Share Capital				1,795,979
Retained Earning	200,144			200,144
				1,996,123

No. of Shares allocated to DATM's Shareholders	00.138%	247,740
No. of Shares allocated to LSEFSL's Shareholders	99.862%	179,350,140
		179,597,880

SHARES ISSUANCE BY LSE FINANCIAL SERVICES LIMITED

Type of Share to be Issued by LSEFSL	No. of Shares to be Issued	Shares to be Issued to	Remarks
Ordinary Shares of Rs. 10/- each	10,000,000	LSE Ventures Limited	Shares of LSEFSL issued to the shareholders of LSEFSL as on Sanction Date shall be cancelled. Directors shall hold at-least one share each being the nominees of LSEFSL.

Residual Balance Sheet

LSE Financial Services Limited

Rs. in 000

Assets remaining in LSEFSL	202,963
Less: Liabilities	(68,482)
	134,481
Represented by:	
Share Capital	100,000
Retained Earning	34,481
	134,481

No. of Shares to be Issued to LVL 10,000,000

SHARES ISSUED TO SHAREHOLDERS OF DATA TEXTILES LIMITED

Data Textiles Limited

Rs. in 000

Share Capital	99,096
Accumulated Loss	(155,701)
Net Worth	(56,605)

No. of Shares Outstanding	9,909,616
Market Value	0.50
Total Market Capitalization	4,954,808



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	LPL	LVL
Market Capitalization allocated	2,477,404	2,477,404
No. of Shares allocated	247,740	247,740

	LSE PropTech Limited	LSE Ventures Limited
	Rs. in 000	Rs. in 000
Tax refunds due from Government – net	3,111	
	3,111	-
Long term financing		39,222
Trade and other payables	20,494	
	20,494	39,222
Net Assets Transferred	(17,383)	(39,222)

- IV. Any cross holding, if any, existing at the Sanction Date will be eliminated and no shares will be issued under the SWAP ratio i.e. such shares of LVL and LPL held by LSEFSL shall stand cancelled on the Sanction date.
- V. The SWAP ratio has been calculated on the basis of valuation of shares of all companies (LSEFSL, LPL, LVL and DATM) by Kreston Hyderbhimji & Co., Chartered Accountants. The resulting SWAP ratio, so worked out, will benefit the members of all companies.
- VI. Normally, the following three factors are given considerations while working out the SWAP ratio:
- book value/net asset value/break-up value;
 - market value of shares; and
 - dividend earning capacity of the merging companies.

As LSEFSL, along with LPL and LVL, are unlisted companies; therefore, the market value of shares has not been considered as one of the factors in calculating the SWAP ratio. Similarly, the dividend earning capacities of LPL and LVL have not been considered as the other factor as these companies have not declared any dividend as yet. However, only the last applicable market value of DATM has been considered in the valuation since operations of this Company had long been discontinued and net worth (book value) of the Company is negative.

TRANSFER/CANCELLATION OF SHARES

- VII. All members whose names shall appear in the register of member of LSEFSL, on such date after the Sanction Date as the Board of Directors of LVL and LPL respectively may determine, shall surrender their share certificates for cancellation thereof to LVL and LPL respectively. In default, upon the new shares being allotted and issued by LVL to the members of LSEFSL, to those whose names shall appear on the respective register of members on such date, as aforesaid, the share certificate in relation to the shares held by them in LSEFSL shall be deemed to have been duly cancelled. At least fourteen (14) days' notice shall be given to the members of LSEFSL of the date fixed by the directors of LVL and LPL respectively, for determining the entitlements to ordinary shares of LVL and LPL to be issued to the members of LSEFSL. The members holding physical shares, if any, will deliver the share certificates to the company for cancellation and shall be issue the shares of LVL and LPL in physical form within thirty (30) days from the reopening of Book Closure. As the shares of LSEFSL are eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC"), the scrip-less shares of LVL and LPL shall be directly credited by book entries in the CDS in lieu of the scrip-

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less shares of LSEFSL to their respective Investors' accounts or sub-accounts with CDC participants within thirty (30) days from the reopening of Book Closure made for the determination of the merger entitlements.

- VIII. All members whose names shall appear in the register of member of DATM on such date, after the Sanction Date, as the Board of Directors of LVL and LPL respectively may determine, shall surrender their share certificates for cancellation thereof to LVL. In default, upon the new shares being allotted and issued by LVL and LPL to those members of DATM whose names shall appear on the respective register of members of DATM on such date, as aforesaid, the share certificates in relation to the shares held by them in DATM, shall be deemed to have been duly cancelled. At least fourteen (14) days' notice shall be given to the members of DATM of the date fixed by the directors of LVL and LPL respectively for determining the entitlements to ordinary shares of LVL and LPL respectively to be issued to the members of DATM. The members holding physical shares will deliver the share certificates to the company (DATM) for cancellation and shall be respectively issued the shares of LVL and LPL in physical form within thirty (30) days from the reopening of the Book Closure. As DATM's shares are eligible for Central Depository System (the "CDS") of Central Depository Company of Pakistan Limited (the "CDC"), the scrip-less shares shall be directly credited by book entries in the CDS in lieu of the scrip-less shares of DATM to their respective Investors' accounts or sub-accounts with CDC participants within thirty (30) days from the reopening of the Book Closure made for determination of merger entitlements.
- IX. Upon allotment of the Ordinary shares of LVL to the members of LSEFSL and DATM (and ordinary shares of LPL to the members of LSEFSL and DATM) in the manner aforesaid, all share certificates representing the ordinary shares of LSEFSL and DATM respectively shall stand cancelled.
- X. While making allotment of the new shares, the fractional allotments above 0.5 shares shall be rounded up to one share and any fraction below 0.5 shall be ignored.
- XI. Shares will be issued by LVL to the members of LSEFSL under the SWAP ratio. The working of the merger adjustment and the Balance Sheet of LVL, to emerge immediately after the merger is attached herewith in Schedule 2 and Schedule 4. Neither any Goodwill nor any merger reserve (as capital reserve) has arisen on this demerger/arrangement.
- XII. Shares will be issued by LPL to the members of LSEFSL under the SWAP ratio. The working of the merger adjustment and the Balance Sheet of LPL, to emerge immediately after the merger is attached herewith in Schedule 1 and Schedule 4. Neither any Goodwill nor any merger reserve (as capital reserve) has arisen on this demerger/ arrangement.
- XIII. Shares will be issued to the shareholders of DATM by LVL and LPL under the SWAP ratio. The working of the merger adjustment and the Balance Sheet, to emerge immediately after the merger is attached herewith in Schedule 6. Neither any Goodwill nor any merger reserve (as capital reserve) has arisen on this demerger/ arrangement.
- XIV. New shares shall be issued by LSEFSL to LVL.
- XV. New Shares shall be issued by LPL to LVL.
- XVI. Any share issued by LVL to LSEFSL shall stand cancelled.
- XVII. Any share issued by LPL to LSEFSL shall stand cancelled.
- XVIII. Effective date of the Scheme is July 31, 2022 or any other date which is determined by the honorable Lahore High Court. Final 'Scheme' shall be submitted to the honorable Lahore High Court after July 31, 2022 along with financial statements, schedules, and other financial figures based on



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July 31, 2022. However, this will not affect the SWAP ratio determined in the Scheme. Any difference, if any, will be adjusted either in goodwill or merger reserves, as the case may be. Moreover, actual transfer will be effectuated on sanctioned date, when the Scheme shall become the operative (as defined in Article - 3 of the Scheme). No further approval shall be required from the shareholders of the Company.

Based on July 31, 2022, Goodwill is arisen in LVL under the Scheme and corresponding Merger Reserves is arisen in LPL under the Scheme.



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ARTICLE – 5 – RIGHTS AND OBLIGATIONS

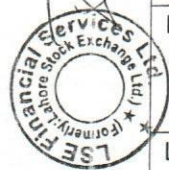
RIGHTS AND OBLIGATIONS OF LSEFSL, DATM, LPL AND LVL IN RESPECT OF THE UNDERTAKING AND BUSINESS

- I. All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against LSEFSL in respect of the Undertaking and Business (as defined in Schedule 1) and pending before any court, tribunal, regulatory body or any other authority shall be treated as suits, appeals and legal proceedings by or against LPL, and may be continued, prosecuted and enforced by or against LPL accordingly.
- II. All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against LSEFSL in respect of the Undertaking and Business (as defined in Schedule 2) and pending before any court, tribunal, regulatory body or any other authority shall be treated as suits, appeals and legal proceedings by or against LVL and may be continued, prosecuted and enforced by or against LVL accordingly.
- III. All taxes on income, including but not limited to, advance tax and withholding taxes, collected/deducted from the Effective Date till the Sanction Date in respect of the Undertaking and Business shall, shall be deemed to, be to the benefit and credit of LSEFSL and shall not be transferred.
- IV. The capital reserves, revenue reserves, revaluation surpluses and accumulated profits and losses of LSEFSL, as at the day preceding the Effective Date and immediately preceding the Sanction Date respectively, as audited by the Auditors relating to the Undertaking and Business, shall constitute and be treated as reserves and revaluation surpluses of a corresponding nature in LPL and LVL (as defined and mentioned in Schedule 4), and shall be accounted on that basis in the books of accounts of LPL and LVL respectively.
- V. The authorized share capital of LSEFSL and DATM shall be reduced in the same proportion as the share capital of LVL.

Name of the Company	Authorized Capital before the Scheme	Authorized Capital after the Scheme
LSE Financial Services Limited (LSEFSL)	Rs. 2,000,000,000 divided into 200,000,000 ordinary shares of Rs. 10/- each	Rs. 520,000,000 divided into 52,000,000 ordinary shares of Rs. 10/- each
LSE Proptech Limited (LPLP)	Rs. 1,500,000,000 divided into 150,000,000 ordinary shares of Rs. 10/- each	Rs. 1,500,000,000 divided into 150,000,000 ordinary shares of Rs. 10/- each
LSE Ventures Limited (LVL)	Rs. 400,000,000 divided into 40,000,000 ordinary shares of Rs. 10/- each	Rs. 2,000,000,000 divided into 200,000,000 ordinary shares of Rs. 10/- each
Data Textiles Limited (DATM)	Rs. 120,000,000 divided into 12,000,000 ordinary shares of Rs. 10/- each	To be dissolved under the Order of the Honorable Lahore High Court, Lahore, without winding up
Total in Rs.	Rs. 4,020,000,000	Rs. 4,020,000,000

- VI. The merged authorized capital will also be increased further, if so required, with the approval of the shareholders by passing a special resolution in the general meeting, in accordance with the requirements of the Companies Act, 2017.
- VII. The transferee (LPL and LVL) must undertake to discharge any liability in respect of the assets acquired, if any, and any liability in respect of the assets must not exceed the transferor's cost of

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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 of such assets takes place.

VIII. The assets acquired by the transferees (LVL and LPL) shall be treated as having the same character as the same had in the hands of the transferor (LSEFSL).

IX. The rights and obligations related to DATM are fully described and explained in Article - 3.

TRANSFER OF STAFF AND EMPLOYEES

X. Every officer, staff or other employees of LSEFSL and DATM (if any) on the **Effective Date** shall become the officers, staff or employees, as the case may be, of LVL and LPL (as mentioned in Schedule 5) on the basis that their services have not been interrupted by the transfer and vesting of Undertaking and Business of LSEFSL (and of DATM) into LVL and LPL under this Scheme and on the same remuneration and other conditions of service, rights, privileges as to the provident fund, gratuity, if any, and other matters as had been applicable to them, before the effective date.



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ARTICLE – 6 – GENERAL PROVISIONS

SANCTION AND EFFECTIVENESS OF SCHEME

I. Sanctions and Provisions of the Scheme:

- (i) This Scheme has been formulated in terms of the provisions of Section 279 and all other enabling provisions of the Act and for an order under Section 282 of the Act for bringing the Scheme into effect.
- (ii) This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with or without any modification thereof or addition thereto as the Court may approve and this Scheme shall become effective, with such modification or addition, if any, also subject to any conditions, which the Court may impose.

- (iii) The respective Boards of Directors of LSEFSL, LPL and LVL have approved the foregoing Scheme for submission to the Court, while the shareholders (and subsequently the Board) of DATM have also approved the Scheme, for obtaining the sanction of the Court thereupon. The respective Board of Directors of LSEFSL, LPL and LVL and DATM, have also been authorized to, consent, singly or jointly on behalf of all concerned, to any modifications or additions or alterations 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.

- (iv) The provisions of this Scheme shall become binding and operative on the date (the "Sanction Date") that a certified copy of the order or orders of the Court under Section 279 of the Act, sanctioning this Scheme and by making any necessary provisions under Section 282 of the Act, and upon such Scheme having been filed with the office of the Registrar of Companies, SECP Lahore.

Notwithstanding that the Scheme becomes binding and operative on the Sanction Date, the demerger of LSEFSL and merger of DATM, and transfer to and vesting in LPL and LVL, of the Undertaking and Business shall be deemed to have taken place on the "Effective Date" and shall be treated accordingly, as per the provisions of this Scheme.

Except as expressly otherwise stated herein, following the Sanction Date, the Undertakings and the Businesses shall be recorded in the books of account of LPL (as per Schedule 1) and LVL (as per Schedule 2) at the respective values appearing in the books of account of LSEFSL on the date preceding the **Effective Date**.

- (vii) Except as expressly otherwise stated herein, following the Sanction Date, the Undertakings and the Businesses shall be recorded in the books of account of LPL (as per Schedule 1) and LVL (as per Schedule 6) at the respective values appearing in the books of account of LSEFSL on the date preceding the **Effective Date**.

- (viii) Each of LSEFSL, LPL and LVL as well as DATM 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 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.

- (ix) Without prejudice to the generality of the foregoing, the respective Boards of Directors of LSEFSL, LPL, LVL and DATM, may generally or with regard to any specific issue or matter related to the



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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.

(x) The Board of Directors of LSEFSL, LPL, LVL and DATM have given their assent to any modification or amendment to the Scheme or 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 do all acts, deed and things as may be necessary or desirable or expedient for putting the Scheme into effect.

(xi) For the purposes of giving effect to the Scheme or any modification or amendment thereof, the directors of LSEFSL are hereby authorized by LPL and LVL 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 of difficulty, whatsoever that may arise from time to time.

II. As of the **Sanction Date**, the terms of this Scheme shall be binding on each of LSEFSL, LPL, LVL and DATM and all their respective shareholders, members, employees, debtors and creditors and any person having any right or liability in relation to them.

III. All the costs, charges and expenses incurred / to be incurred in relation to or in connection with the Scheme of Arrangement and of carrying out the implementation of the Scheme or incidental to the completion of the amalgamation/merger in pursuance of the Scheme shall be borne and paid by LSEFSL.

IV. This Scheme shall become null and void, subject to the following and in that event, no rights and liabilities shall accrue to or be incurred in terms of this Scheme:

(i) if the Scheme is not approved by the requisite majority of the shareholders and members of any of LSEFSL, LPL, LVL and DATM;

(ii) 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, LPL, LVL and DATM.

V. After the **Sanction Date**, the shares of LVL shall be technically listed on the Pakistan Stock Exchange under the order of the Court without any further, act, deed, formality or fee, subject to the filing of such documentation as may be required by it in accordance with applicable rules and regulations.

VI. After the **Sanction Date**, the shares of LPL shall be technically listed on the Pakistan Stock Exchange under the order of the Court without any further, act, deed, formality or fee, subject to the filing of such documentation as may be required by it in accordance with applicable rules and regulations.

VII. After the **Sanction Date**, DATM will be dissolved by the Order of the Honorable Lahore High Court, Lahore without winding up.

DELISTING / LISTING

VIII. DATA TEXTILES LIMITED shall stand de-listed from the Pakistan Stock Exchange Limited on the Sanction Date, and the members of DATM shall be allotted the shares by LPL and LVL. Prior to the Sanction Date, the members of DATM shall also be able to exit their investments from the moment of the Company being classified/declared as a "listed Shell Company" and the start of trading of the shares of DATM.

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- IX. On the Sanction Date, the shares of LSE PROPTECH Limited and LSE VENTURES LIMITED shall stand listed on the Pakistan Stock Exchange Limited without any further, act, deed, formality or fee except that LPL and LVL respectively shall file the documentations as may be required by PSX. The opening price shall be based on the P/E ratio, which is determined on the basis of the market equivalent share and earning potential of the merged balance sheet of both these companies as determined by the Auditors' Certificate after taking impact of the SWAP ratio, but it shall not be less than the par value of the shares of LPL and LVL respectively.

MISCELLANEOUS

- X. This Scheme shall be governed by and be construed in accordance with the substantive and procedural laws of Pakistan.
- XI. Section headings are solely for convenience of reference, and shall not affect the meaning or interpretation of this Scheme or any of its provisions.
- XII. The transfer, vesting and amalgamation of the Undertaking and Business 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.
- XIII. This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve; and this Scheme is also subject to any such modification or addition or conditions, if any, which the Court may impose.
- XIV. SWAP ratio (as mentioned in this Scheme) will not be changed unless directed (and accepted by the Company) by the honorable Lahore High Court or the Securities and Exchange Commission of Pakistan. Any difference, if any, will be adjusted either in goodwill or merger reserves, as the case may be. No further approval shall be required from the shareholders of the Company.



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SCHEDULE - 1 - The Undertaking and Net Assets of LSEFSL to LPL

	Rs. in 000
Note - 1	
Property, plant and equipment	1,291,135
Investment property	378,431
Other Assets and Liabilities	126
	1,669,692
Revaluation surplus on property, plant and equipment	(774,569)
Retained Earnings	(4,203)
	890,920
Shares to be issued to LVL	269,529
Shares to be issued to LSEFSL's Shareholders	628,901
Cancellation of Investment in LPL by LSEFSL	(50,000)
Merger Reserves	22,630
Merger Adjustment*	19,860
	890,920

*to be off-set with Merger Adjustment of The Undertaking and Net Assets of DATM to LPL (Schedule-6)

Note - 1: It includes land, building, furniture and fixtures, office equipment, vehicles, computers, generators, elevators, electric fittings and appliances, security equipment including arms, leaseholds, lease hold improvements, capita work in process, usufruct, and investment properties. Land and building include legal rights and interest, equitable rights and interest. All the leases (short term and long terms) granted by LSEFSL (as lessor) shall be transferred and vested in the LPL with related rights and obligations.

- All connections and utilities (and related deposits), lease agreements by LSEFSL (as lessee), and all registrations, licenses, permits, authorizations, sanctions, permissions and approvals issued or granted by any government, governmental department or agency, or any statutory, local authority or any municipal corporation (related to land and building) and all concessions, entitlements duty and tax exemptions and remissions related thereto shall be transferred to LPL.
- All liabilities, including those relating to health, safety and environment, to the extent arising exclusively or primarily in the ordinary course of business and related to land and building, arising as a result of LSEFSL's failure to comply with any relevant and legally enforceable corporate or other laws, rules, ordinances, or regulations prior to the Sanction Date;
- Any suit, action, arbitration, charge, governmental investigation, claim, litigation or proceedings, costs, demands and expenses relating to paragraphs as above.



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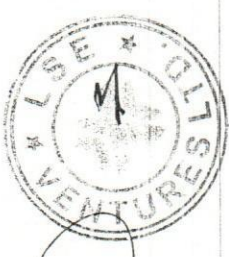
SCHEDULE - 2 - The Undertaking and Net Assets of LSEFSL to LVL

	Rs. In 000
Note - 1 Investments accounted for using the equity method	1,149,399
Note - 1 Short term investments	510,922
Note - 1 Cash and bank balances	229,897
Goodwill arising on De-Merger	22,630
	1,912,848
Un-appropriated profits	(200,144)
Deferred tax	(148,497)
Trade and other payables	(109,278)
	1,454,929
Shares to be issued to LSEFSL's Shareholders	1,793,501
Merger Adjustment*	41,700
Investment in LSE Financial Services Limited	(100,000)
Investment in LSE Protech Limited	(270,272)
Cancellation of investment in LVL by LSEFSL	(10,000)
	1,454,929

*to be off-set with Merger Adjustment of The Undertaking and Net Assets of DATM to LVL (Schedule-6)

Note -1: It includes short terms investments, long term investments (in the equity shares of Central Depository Company of Pakistan Limited (CDC), National Clearing Company of Pakistan Limited (NCCPL), Pakistan Credit Rating Agency Limited (PACRA), Pakistan General Insurance Limited (PGIL), Digital Custodian Company Limited (DCCL), Pakistan Mercantile Exchange Limited (PMEX), and investments in Margin Trading System (MTS), cash and bank balances.

- All investments in equities, debts instruments(whether short term or long terms), quasi and hybrid instruments, commercial papers, ijarah, musharikah finance, modaraba finance , claims, assignments and receivables as mentioned above.
- All contracts which remain in whole or in part to be performed at the Sanction Date entered into by or subsisting in favor of LSEFSL, inclusive of all rights and obligations of LSEFSL arising thereunder.
- All liabilities, including those relating to and to the extent arising exclusively or primarily in the ordinary course of business and related to above designated assets, arising as a result of LSEFSL's failure to comply with any relevant and legally enforceable corporate or other laws, rules, ordinances, or regulations prior to the Sanction Date;
- Any suit, action, arbitration, charge, governmental investigation, claim, litigation or proceedings, costs, demands and expenses relating to paragraphs as above.



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SCHEDULE - 3 -

List of the shareholders of LSE Financial Services Limited
List of the shareholders of Data Textiles Limited

As per Attachments

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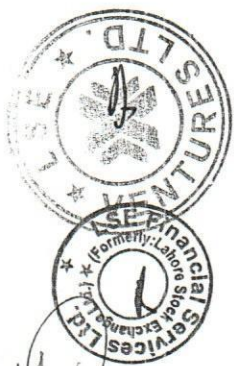


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SCHEDULE - 4 - Statement of Financial Position showing Demerger Effect

ASSETS	LSEPSL		DATM		LVL		LPL		LVA		LSEPSL		LPL	
	Non-NBFC Rs. in 000	Adjusted	Non-NBFC Rs. in 000	Adjusted	Non-NBFC Rs. in 000	Adjusted	Non-NBFC Rs. in 000	Adjusted	Non-NBFC Rs. in 000	Holding Company	Non-NBFC Rs. in 000	Adjusted	Non-NBFC Rs. in 000	Adjusted
Non-Current Assets														
Property, plant and equipment	1,291,135												1,291,135	
Investment property	378,431												378,431	
Investment accounted for using the equity method	1,149,399												1,149,399	
Investment in LSE Financial Services Limited	50,000												100,000	
Investment in LSE Protech Limited	10,000												270,272	
Investment in LSE Ventures Limited	4,279												4,279	
Net investment in finance lease	3,974												3,974	
Long term deposits														
Current Assets														
Stores and spares	2,261												2,261	
Trade and other receivables	20,092												20,092	
Advances and prepayments	10,808												10,808	
Short term investments	510,922												510,922	
Tax refunds due from Government - net	45,161		3,111				33						45,161	
Cash and bank balances	346,411		3,111		10,000		50,183						116,386	
	935,655		3,111		10,000		50,216						194,710	
													53,453	
EQUITY AND LIABILITIES														
SHARE CAPITAL AND RESERVES														
Authorized share capital														
	2,000,000		120,000		400,000		1,500,000						520,000	
													1,500,000	
Share capital														
Issued, subscribed and paid-up share capital	1,795,979		99,096		10,000		50,000						100,000	
													900,907	
Capital reserves														
Revaluation surplus on property, plant and equipment	774,569												774,569	
Revenue reserves														
Reserves/(Goodwill) arising on Merger	926,068		(155,701)				216						(22,630)	
Un-appropriated profits	926,068		(155,701)				216						34,481	
													34,481	
													27,049	
Total equity	3,496,616		(56,605)		10,000		50,216						134,481	
													1,702,525	
Non-Current Liabilities														
Long term financing	5,774		39,222										5,774	
Deferred tax	148,497		39,222										5,774	
	154,271													
Current Liabilities														
Trade and other payables	109,278		20,494										109,278	
Current portion of long term finance	1,924												1,924	
Unpaid dividend	36,118												36,118	
Unclaimed dividend	10,233												10,233	
	157,553		20,494										48,275	
													14,433	
	14,433													
Liabilities related to discontinued operations														
	3,822,873		3,111		10,000		50,216						202,963	
													1,723,019	



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SCHEDULE - 5 - Transfer of Staff and Employees

LSE Financial Services Limited

Employee Cod	Name	Designation	Area of Activities	Function	Transferred to
695	Muhammad Usman	Company Secretary	Corporate Matters	Corporate and Secretarial	LSE Ventures Limited
222	Muhammad Sajid Hyder	Manager	Corporate Matters	Corporate and Secretarial	LSE Ventures Limited
312	Tariq Bashir	Senior Officer	Corporate Matters	Corporate and Secretarial	LSE Ventures Limited
624	M. Safyan	Assistant Manager	Legal Affairs	Legal and Arbitration	LSE Financial Services Limited
200	Ghulam Mustafa	Chief Financial Officer	Financial Management	Accounts and Finance	LSE Ventures Limited
705	Sarmad Rahneel	Deputy Manager	Accounts	Accounts and Finance	LSE Ventures Limited
179	Muhammad Abid	Assistant Manager	Accounts	Accounts and Finance	LSE Ventures Limited
318	Zia Ullah	Senior Officer	Cashier	Accounts and Finance	LSE Ventures Limited
415	Ch. Muhammad Ali Hussain	Senior Officer	Human Resource Management	Human Resource and Administration	LSE Ventures Limited
545	Iram Anwar	Senior Officer	General Management	Digital Operations and Development	LSE Ventures Limited
650	Rabia Munawar	Chief Information Officer	General Management	Digital Operations and Development	LSE Ventures Limited
699	Hafiz Muddassir Alam	Manager	Back Office	Digital Operations and Development	LSE Ventures Limited
388	M. Atiaz Ur Rehman	Senior Officer	Program Development	Digital Operations and Development	LSE Ventures Limited
401	Saira Maqsood	Senior Officer	Support Services	Digital Operations and Development	LSE Ventures Limited
639	Fahad Ali	Senior Officer	Support Services	Digital Operations and Development	LSE Ventures Limited
703	Ameer Hamza	Chief Legal Officer	Legal Affairs	Legal and Arbitration	LSE Financial Services Limited
693	Inam Ullah	Manager	Legal Affairs	Legal and Arbitration	LSE Financial Services Limited
376	Muhammad Ali Malik	Manager	General Management	Procurement	LSE Ventures Limited
692	Fizza Rafiq	Senior Officer	Procurement	Procurement	LSE Ventures Limited
704	Fahad Islam	Senior Officer	Procurement	Procurement	LSE Ventures Limited
375	Gul Muhammad Khan	Assistant Manager	Procurement	Procurement	LSE Ventures Limited
501	Kamran Aslam	Senior Officer	Procurement	Procurement	LSE Ventures Limited
694	Ruhail Ashraf Khan	Manager	Deal Sourcing	Human Resource and Administration	LSE Ventures Limited
422	Iqbal Shabbir	Deputy Manager	Civil Works	Facilities Management	LSE Ventures Limited
700	Abid Hussain	Chief Security Officer	Security Matters	Facilities Management	LSE Ventures Limited
707	Syed Ammar Abbas	Deputy Manager	Health Safety and Environment	Facilities Management	LSE Ventures Limited
708	Amir Rashid	Manager	MEP	Facilities Management	LSE Ventures Limited
419	Muhammad Naeem Zaman	General Staff	Corporate Matters	Corporate and Secretarial	LSE Ventures Limited
706	Ansar Abbas	General Staff	Vehicle Maintenance & Driv	Corporate and Secretarial	LSE Ventures Limited
709	Muhammad Shahid	General Staff	Painter	Facilities Management	LSE Ventures Limited
34284	Muhammad Qadeer	Assistant Officer	Technician	Accounts and Finance	LSE Ventures Limited
34401	Muhammad Zaher Khan	Officer	Rider	Digital Operations and Development	LSE Ventures Limited
34280	Athar Ali	General Staff	Lift Operator	Facilities Management	LSE Ventures Limited
565	Amir Sajjad	General Staff	General Staff	Facilities Management	LSE Ventures Limited
417	Eljaz Hussain	General Staff	Electrician	Facilities Management	LSE Ventures Limited
396	Maqbool Ahmad	General Staff	Electrician	Facilities Management	LSE Ventures Limited
404	Muhammad Shahzad	Assistant Officer	Electrician	Facilities Management	LSE Ventures Limited
651	Syed Zafar Iqbal	Assistant Officer	Electrician	Facilities Management	LSE Ventures Limited
411	Muhammad Fiaz	General Staff	Plumbing	Facilities Management	LSE Ventures Limited
423	Muhammad Waqas	Deputy Officer	Fire Fighter	Facilities Management	LSE Ventures Limited
414	Yasir Ali	General Staff	Office Boy	Facilities Management	LSE Ventures Limited
398	Muhammad Azhar Ashraf	General Staff	Office Boy	Facilities Management	LSE Ventures Limited
503	Nadeem	General Staff	Office Boy	Facilities Management	LSE Ventures Limited
698	Muhammad Ashfaq	General Staff	Office Boy	Facilities Management	LSE Ventures Limited
420	Muhammad Nasir	General Staff	Office Boy	Facilities Management	LSE Ventures Limited
416	Zulfiqar Ali	General Staff	Plumbing	Facilities Management	LSE Ventures Limited
689	Aaliya Naeem	General Staff	Telephone Operation	Facilities Management	LSE Ventures Limited
702	Syed Ghulam Shabbir Shah	Deputy Officer	Security Services	Facilities Management	LSE Ventures Limited
827	Atiah Ditta	General Staff	Security Services	Facilities Management	LSE Ventures Limited
425	Riaz Ahmed	Assistant Officer	Security Services	Facilities Management	LSE Ventures Limited

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Transfer of staff/work force shall be without effecting entitlements and continuity of service.

All staff and work force can be outsourced to third party including a wholly owned subsidiary of LSE Ventures Limited being established for the purpose. However, any arrangement that will be made shall not effect entitlements and continuity of service of workforce/staff.

DATA TEXTILES LIMITED

Currently no employee is on the payroll of the Company (DATM). Transfer of staff/work force to LPL and LVL is NIL.




Muhammad Asad
Addl. Registrar (Court)
Lahore High Court Lahore

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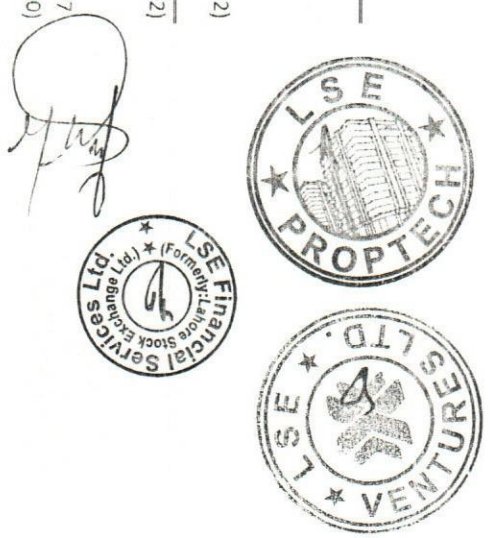
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SCHEDULE - 6 - The Undertaking and Net Assets of DATM to LVL & LPL

	LPL Rs. in 000	LVL Rs. in 000
Tax refunds due from Government - net	3,111	
Trade and other payables	(20,494)	(39,222)
Long term financing		
	(17,383)	(39,222)
Shares of LPL Issued to DATM's Shareholders	2,477	2,477
Shares of LVL Issued to DATM's Shareholders		
Merger Adjustment	(19,860)	(41,700)



- Merger adjustment to be offset with the Net Assets and Undertakings transferred to LPL and LVL as given in Schedule -1 and Schedule 2
- The entire Undertaking and Business of DATM.
 - All contracts which remain in whole or in part to be performed at the Sanction Date entered into by or subsisting in favor of DATM, inclusive of all rights and obligations of DATM arising thereunder.
 - All claims, book trade and other debts or sums (including suppliers' credit notes) due, owing, accrued or payable to DATM (whether or not invoiced and whether or not immediately due or payable), advances, deposits, prepayments and other receivables, investments (both short term and long term, including without limitation, tax claims and refunds, investments in shares, debentures, debt instruments and other securities), cash in hand and at bank, or other depositories.
 - the connections and facilities for telecommunication owned by, or leased or licensed to, DATM and utilized by it including telephones, telexes and facsimile and benefit of all payments and deposits made by DATM in connection therewith.
 - Intangible assets, trademarks, rights, licenses, statutory approvals.
 - the liabilities of DATM on account of taxes, including income tax, sales tax, octroi, infrastructure cess, customs duty, excise duty, stamp duties, registration fees, levies, deductions, imposts, and any other charges and withholdings whatsoever, together with any interest, mark-up or penalties payable in connection with any failure to pay or delay in paying any of the above, and the entitlements of DATM to refunds, credits, advance payments or any other benefits in respect of any of the foregoing.

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Muhammad Asad
Muhammad Asad
Addl. Registrar (Court)
Lahore High Court Lahore

As per Attachments

SCHEDULE - 7

- Statement of Financial Position - LSEFSL
- Statement of Financial Position - DATM
- Statement of Financial Position - LPL
- Statement of Financial Position - LVL

P. W. J.



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