



VENTURES

LSE's TIMELINE

From the establishment of the Stock Exchange to its transformation into a Multi-Business holding Group

October, 1970, as a guarantee with the purpose of promoting agricultural and industrial activities, constituted 62% of the population.

1971: The first-ever trading at LSE floor took on place May 11th, 1971 with the future trading of shares and bonus vouchers.

1975: PTV and mainstream national press started broadcasting the trading activities of LSE.

1980: The first ever telephone exchange was installed at LSE.

1981: The allotment papers for the new LSE site were handed over by Maj. Gen. M. H. Ansari, Director General LDA.

1982: The layout plan of Exchange Plaza were finalized and Group (Pakistan) was constructed.

The country's first-ever listing institution under the supervision of the Credit Rating Agency of Pakistan (CRAP) and IFC (World Bank Group) of London.

1993: Provided anchor investment for the establishment of Central Depository Company of Pakistan, along with KSE & LSE and few other financial institutions.

1993: The Clearing House operations were computerized.

1992: The Exchange Plaza building was completed.

1989: A dedicated telephonic line was set up between Karachi and Lahore Stock Exchanges. First fax machine was installed in the Exchange to enable the quick transfer of voice and data.

Annual Report

Stock exchange in Pakistan.

2000: Developed its in-house software for the automated trading under the name of "Ultra Trading System".

2001: LSE, along with KSE & ISE became the founding equity partners for the establishment of the nationwide clearing & settlement entity under the name of National Clearing Company of Pakistan Limited (NCCPL).

2004: LSE became the founding partner for the establishment of The Pakistan Institute of Corporate Governance (PICG).

2007: LSE & ISE started a common platform for the Ultra Trading System.

Large operations of LSE in the other two stock exchanges (KSE & ISE) for the formation of the Exchange under the name of Stock Exchange (PSX).

2013: The construction project for the South Tower of the Exchange Plaza was launched.

2012: LSE became a Demutualized Exchange.

2010: A new software "Stock Borrowing & Lending System" was developed for NCCPL.

2008: LSE participated in the establishment of The Institute of Capital Markets [now The Institute of Financial Markets of Pakistan (IFMP)].

2008: The first trading system was launched in Ghana Stock Exchange.

Company of LSE, was granted license to operate as a financial services company (NBFC).

2017: The South Tower of the Exchange Plaza was completed.

2022: The new owners group took over the management control of LSE FSL.

2023: Acquired strategic equity positions in Digital Custodian Company, Pakistan General Insurance, Pakistan Gas Port Limited, and Berlitz Pakistan.

2023: LSE FSL was demerged from LSE Ventures Limited and became a separate company and successor company of the Exchange.

2023



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Vision Statement

To become a leading player in accelerating the creation of new investable assets.

Mission Statement

To source and manage portfolio companies for optimal returns to our shareholders.



Company Information

Board of Directors

1. Mr. Muhammad Iqbal	Chairman
2. Mr. Aftab Ahmad Ch.	Chief Executive Officer
3. Mr. Abid Latif Khan	Non-Executive Director
4. Ms. Minahil Ali	Non-Executive Director
5. Mr. Shahnawaz Mahmood	Independent Director
6. Mr. Muhammad Tabassum Munir	Independent Director
7. Mr. Yaser Manzoor	Independent Director

Audit Committee

1. Mr. Shahnawaz Mahmood	Chairman
2. Ms. Minahil Ali	Member
3. Mr. Muhammad Tabassum Munir	Member
4. Mr. Muhammad Usman	Secretary

Human Resource and Remuneration Committee

1. Mr. Yaser Manzoor	Chairman
2. Mr. Abid Latif Khan	Member
3. Mr. Muhammad Tabassum Munir	Member
4. Mr. Muhammad Usman	Secretary

Company Secretary

Mr. Muhammad Usman

Chief Financial Officer

Mr. Rashid Matin Khan

Auditors

Crowe Hussain Chaudhry & Co. Chartered Accountant

Legal Advisor

Allied Legal Services

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S., Main
Shahrah-e-Faisal, Karachi

Registered Office

LSE Plaza, 19 – Khayaban-e-Aiwan-e-Iqbal,
Lahore



Chairman's Review

Dear Shareholders,

We welcome you to the 1st Annual General Meeting of your Company for the year ended 30th June 2023. The year was marked by a shrinking economy, with multiple sectors experiencing an overall decline. Your Company had no exception and similarly faced significant challenges due to the economic slowdown. In the face of these hurdles, we remained committed to adopting our strategies to navigate the changing market conditions successfully.

LSE Ventures Limited (LSEVL) is engaged in the business of investment management in portfolio companies, pre-IPO/startups/seed capital stage, Tier 1, Tier 2, Tier 3 ventures equity investments and treasury management. LSEVL also holds strategic investments in several companies, representing diversified sectors, such as capital market infrastructure companies, financial services, commodity exchange, credit rating agency, digital technology and growth enterprises, technology and hard-core infrastructure companies.

During the year, the Company acquired the listing status at Pakistan Stock Exchange Limited. We are actively seeking out strategic partnerships and collaborations to harness synergies and unlock new opportunities for mutual growth. These alliances will enable us to broaden our portfolio, penetrate untapped markets and enhance vibrant economic ecosystem of the country. Under the depressed economic environment, the Company successfully managed, enhanced the shareholders wealth through prudent investment decisions.

It is with heartfelt appreciation that I acknowledge the exceptional contributions of our remarkable Management team. Their unwavering dedication and commitment and tireless efforts have been the cornerstone of our resilience and accomplishments as the company was got listed within a shorter period of time.

The Board has diligently performed its duties and responsibilities and has effectively guided the Company in all its strategic affairs. The Board was essential in reviewing the management performance and focusing on significant risk areas. The Board recognizes that well-defined governance practices are critical in strengthening corporate responsibility and is dedicated to achieving excellence in corporate governance practices to conserve and sustain stakeholders' value. All Directors, including the Independent Directors, actively contributed to the Board's decision-making processes.

As Chairman of your Company, I remained firmly committed to ensuring that your Company complies with all relevant codes and regulations and that our management team continues to take decisions that will create value for you in the short, medium, and long term. The Board carried out its annual self-evaluation in line with best practices of corporate governance and found its performance to be satisfactory. The focus remained on business opportunities, risk management, and providing oversight to the management. The Company has an independent Internal Audit department that follows a risk-based audit methodology. Internal Audit reports are presented to the Board Audit Committee quarterly and areas for improvement are discussed and highlighted. Your Company is continuously exploring new avenues of investments for the benefit of all the stakeholders. As always, we are dedicated to ensuring the implementation of the best policies in favour of the Company.

On behalf of the Board, I wish to acknowledge all our employee's contributions to the Company's success. I also wish to thank our outgoing directors, shareholders, business partners, and other stakeholders for their confidence and support. The Board looks forward to next year with greater confidence in meeting the challenges ahead. We place our trust in Allah Almighty for His blessings in all our future endeavors.

A handwritten signature in black ink, appearing to read 'Muhammad Iqbal', is written over a horizontal line.

Muhammad Iqbal
Chairman



Directors' Report

Dear Shareholders,

The Board of Directors of LSE Ventures Limited is pleased to present its report, together with the audited financial statements and Auditors' report thereon, for the year ended June 30th, 2023.

Economic Review

During the fiscal year 2022-23, Pakistan's economy confronted various challenges, including large trade deficit, high inflation, exorbitant discount rate, steep devaluation of Pakistani Rupee, exponential rise in public & foreign debt, depleting foreign reserves, devastating floods in various parts of the country and political uncertainty. The Government was able to get support from IMF and friendly countries, which has sustained macro-economic stability to some extent.

Rising cost of production, high power and fuel prices, rising financial cost, shortage of raw material due to strict restrictions on imports, increase in various taxes and duties have restricted the business activities and growth in all the sectors of the economy.

The KSE-100 index of Pakistan Stock Exchange (PSX) opened at 41,540.8 points on 1st July 2022 and closed at 41,452.6 points on 27th June 2023, declined by 0.21%. Market capitalization of the companies listed at PSX recorded at Rs. 6,956 billion on 30th June 2022 and closed at Rs 6,369 billion on 27th June 2023, reflecting a decline of 8.43%. The current situation calls for some drastic actions and measures from the Government to restore the confidence of the investors.

Listing at PSX

During the year under review, LSE Financial Services Limited (LSEFSL) was revitalized by virtue of the scheme of compromises, arrangement and reconstruction for demerger/split of LSEFSL (the "scheme"), with the approval of the Lahore High Court, Lahore, vide Order dated April 26th, 2023. Under the scheme, the non-NBFC business and strategic investments/assets of the former entity have been transferred to LSEVL and LSE Proptech Limited (LSEPL), both of which subsequently attained the listing status by virtue of reverse merger/amalgamation with Data Textile Mills Limited (DATM), under the scheme. DATM has been dissolved by the Order of the Court, without winding up.

As per scheme, the shares already issued to members of LSEFSL have been cancelled and in return, each shareholder of LSEFSL has been given shares of LSEVL as per swap ratio of 99.862:100 and shares of LSEPL as per swap ratio of 501.62:1000. The shareholders of DATM have been allotted 25 shares of LSEVL and LSEPL against every 1,000 shares of DATM. Moreover, LSEFSL has issued 10 million new shares to LSEVL and as such LSEFSL, with a paid-up capital of Rs. 100 million, has become a wholly owned subsidiary of LSEVL (the group parent company) and LSEPL has become an associated company. After demerger/splitting, LSEFSL continue to exist as NBFC and its present capital structure and investment are in full compliance with NBFC Rules and Regulations.

As per the scheme, all the strategic, long-term and short-term investments held by LSEFSL before demerger/splitting have been transferred to LSEVL. Likewise, the Land & Building, Property, Plant & Equipment (including investment properties) have been transferred to LSEPL.



LSEVL was listed on Pakistan Stock Exchange Limited (PSX) on June 27th, 2023, where its Company Code/Security Symbol is “LSEVL”. It is quoted in the “Investment Banks/Investment Companies/Securities Companies” Sector in the Daily Quotation of PSX. The Company has a rich capital base with a paid-up capital of Rs. 1.795 billion and with a free float of 65%.

LSE’s Ventures

LSEVL aims at providing financing to startup as well as emerging companies, that are believed to have exceptional long-term growth potential. It also offers technical or managerial expertise to the growth enterprises at various stages of their evolution. In addition to investment capital, LSEVL often provides business planning, due diligence and mentoring services to help companies to establish themselves, and provide networking services to help them find additional capital.

Strategic Investments of LSEVL

Sr. No.	Company Name	Qty of Shares
1	Pakistan Credit Rating Agency Limited (PACRA)	2,683,044
2	Central Depository Company Limited (CDC)	35,000,000
3	National Clearing Company Private Limited (NCCPL)	23,730,462
4	Pakistan Mercantile Exchange Limited (PMEX)	2,272,727
5	Digital Custodian Company Limited (DCCL)	5,221,973
6	LSE PropTech Limited (LSEPL)	26,952,897
7	LSE Financial Service Limited (LSEFSL)	10,000,000
8	Pakistan Gasport Consortium Limited (PGPCL)	28,000,000
9	Berlitz (International Learning Center)	400,000
10	Reckitt & Benckiser Pakistan Limited	656
11	RB Hygiene Home Pakistan Limited.	176
12	First Dawood Investment Bank Ltd. (FDIBL)	3,026,500

Financial Performance

Financial Highlights	2023
	Rs. in ‘000
Revenue	313,516
Operating expenditures	(75,236)
Profit/ (Loss) before Taxation	238,280
Taxation	(16,405)
Net Profit for the period	221,875
Earnings Per Share (EPS) – Basic	Rs. 1.24
Earnings Per Share (EPS) – Diluted	Rs. 1.35

As per the approved scheme, the investments in the equity shares (including long term investments, investments in associated companies, short term investments) cash and bank balances, investment under margin trading system etc. have been transferred to LSEVL from LSEFSL from effective date i.e., 31st July 2022.

At the initial stage of establishment, the company has to face some teething problems and has to incur inevitable expenses and incorporate adjustments. As per the scheme and section 97(a) of ITO 2001 that the disposal of asset under a scheme of arrangement and reconstruction under Companies Act 2017 section 282L and 284 to 287 are tax neutral therefore, the tax deducted and deposited on the name of LSEFSL till sanctioned date i.e., 26th April 2023 have not been accounted for in LSEVL.

Proposed Final Cash Dividend

In view of profitable results of the Company, the directors have recommended a final cash dividend of Rs. 0.50 per share, i.e., @ 5%, for the year ended June 30th, 2023, for the approval of the shareholders in the AGM.

External Auditors

The present auditors, M/s. Crowe Hussain Chaudhury & Co., Chartered Accountants due to retire and being eligible, are offering themselves for reappointment, may be appointed as Auditors of your Company for another term at mutually agreed remuneration.

Internal Financial Control

The Company has completely outsourced its Internal Audit function to M/s. Kreston Hyder Bhimji & Co, Chartered Accountants. The Board has adequately ensured that the system of internal financial controls is sound in design and has been effectively implemented and monitored through outsourced Internal Auditors.

The financial statements, prepared by the management of your company, fairly present its state of affairs, the result of its operations, cash flows and changes in equity. Proper books of account have been maintained by your company. Appropriate accounting policies are consistently applied by your Company in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment. International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of these financial statements and any departure there from, if any, has been adequately disclosed. The system of Internal Control, being implemented in your Company is sound and has been effectively persisted throughout the year.

Corporate Social Responsibility & Environmental Management

The Company remained committed and engaged to undertake CSR and Environmental Management programs during the year. LSEVL focused its activities on education, health care and protection of environment programs. LSEVL endeavors to ensure that it qualifies as a responsible corporate citizen.

In compliance with section 227 of the Companies Act, 2017, the followings are hereby specifically disclosed:

- a. The names of the persons who, at any time during the financial year, were directors of the Company:
- b.

Sr. No.	Name of Director	Category
1	Mr. Muhammad Iqbal	Chairman/Non-Executive Director
2	Mr. Aftab Ahmad Ch.	Chief Executive Officer
3	Mr. Amir Zia*	Non-Executive Director
4	Ms. Minahil Ali	Non-Executive Director
5	Mr. Ammar ul Haq**	Non-Executive Director
6	Mr. Abid Latif Khan***	Non-Executive Director
7	Mr. Shahnawaz Mahmood	Independent Director
8	Mr. M. Tabassum Munir	Independent Director
9	Mr. Yaser Manzoor****	Independent Director

* Mr. Amir Zia resigned on 17-01-2023

** Mr. Ammar ul Haq resigned on 02-05-2023

*** Mr. Abid Latif Khan was appointed on 02-05-2023

**** Mr. Yaser Manzoor was appointed on 17-01-2023

- a. The principal line of business of the Company is to invest in shares, bonds, stocks, units of mutual funds or any other securities or its related instruments, or otherwise in all types of real assets and in such manner as may from time to time be determined by the Company and to hold, or sale such real assets, shares, bonds, stocks, units of mutual funds or any other securities or its related instruments, subject to the compliance with applicable law.

This business is exposed to several threats such as credit risk, liquidity risk, operational risk, market risk and regulatory risk, economic uncertainty etc. Furthermore, venture capital is a high-risk, high-reward type of investment, and there is no guarantee of success.

Risk Management policies and procedures adopted by the Company enable it to proactively manage uncertainty and changes in internal and external environment to limit negative impacts and capitalize on opportunities. The profitability of the Company is also influenced by the overall economic, geo-political conditions of the country, policies of the Government and the performance of associated companies as well as the capital markets.

- c. At present the Chief Executive Officer is being paid the salary and such other benefits as approved by the Board under the Articles of Association and as per HR Manual of the Company. No other director is being paid any extra remuneration by the Company, except the meeting fee for attending the Board and Committee meetings. The relevant figures have been disclosed in the financial statements.

In compliance with the Regulation No. 34(2) of the with Listed Companies (Code of Corporate Governance) Regulations, 2019, the following information is provided: -

1. The total number of directors are seven (7) as per the following: -
 - a. Male: 6
 - b. Female: 1

2. The composition of the Board is as follows: -

- | | | |
|------|--------------------------|---|
| i. | Independent directors: | Mr. M. Tabassum Munir
Mr. Shahnawaz Mahmood
Mr. Yaser Manzoor |
| ii. | Non-Executive directors: | Mr. Muhammad Iqbal
Mr. Abid Latif Khan
Ms. Minahil Ali |
| iii. | Executive director: | Mr. Aftab Ahmad Chaudhry |
| iv. | Female director: | Ms. Minahil Ali |

3. Board Committees

During the year, the Board constituted following committees to assist the Board and provide recommendations on relevant functions:

Audit Committee:

- | | | |
|----|------------------------|----------|
| 1. | Mr. Shahnawaz Mahmood: | Chairman |
| 2. | Mr. M. Tabassum Munir: | Member |
| 3. | Ms. Minahil Ali: | Member |

Human Resource and Remuneration Committee:

- | | | |
|----|------------------------|----------|
| 1. | Mr. Yaser Manzoor: | Chairman |
| 2. | Mr. Abid Latif Khan: | Member |
| 3. | Mr. M. Tabassum Munir: | Member |

With respect to the statement of compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019, attached to this report, we are to explain that since the Company was listed at Pakistan Stock Exchange Limited in the month of June 2023, therefore the applicable and relevant requirements of Regulations 3, 6, 7, 8, 32 and 36 were complied with and the compliance of Regulations 27 and 33 can be verified in the subsequent period

Future Outlook

The Company is very vigilantly monitoring its investments in associates and other strategic investments and will always endeavor for their optimization through prudent investment decision. However, the present socio-economic environment and investment climate is quite challenging.



Aftab Ahmad Chaudhry
Chief Executive Officer



Director

Date: October 6, 2023



VENTURES

ڈائریکٹرز رپورٹ

سورٹیز ہولڈرز

LSE ڈیٹریڈ لیڈرز کے بورڈ آف ڈائریکٹرز 30 جون 2023ء کو اختتام پذیر سال کے لئے اپنی رپورٹ بعد پڑتال شدہ مالیاتی ایشیٹس اور آڈیٹرز رپورٹ ازراہ مسرت پیش کرتے ہیں۔

اقتصادی جائزہ

مالیاتی سال 2022-23ء کے دوران پاکستان کی معیشت کئی مشکلات کا شکار رہی جس میں بھاری تجارتی خسارہ، افراط زر کی بلند شرح، حد سے زیادہ ڈسکاؤنٹ ریٹ، پاکستانی روپے کی مسلسل بے قدری، بجلی وغیر جی ٹی قرضوں میں نمایاں اضافہ، گرتے ہوئے زرمبادلہ کے ذخائر، ملک کے کئی حصوں میں تازہ کن سیلاب اور سیاسی افراتفری شامل ہیں۔ حکومت آئی ایم ایف اور دوست ممالک سے سپورٹ حاصل کرنے میں کامیاب رہی جس سے کچھ حد تک کئی اقتصادی استحکام میں مدد ملی۔ پیداواری لاگت میں اضافہ، توانائی اور پٹرولیم مصنوعات کی بلند قیمتیں، قرضوں پر بڑھتی ہوئی لاگت، درآمدات پر سخت پابندی کے باعث خام مال کی قلت، جسدہ دیکسوں اور ڈیوٹی میں اضافے نے کاروباری سرگرمیوں اور معیشت کے تمام شعبوں میں شوکو محدود کر کے رکھ دیا۔

پاکستان اسٹاک ایکچینج (PSX) کے KSE-100 انڈیکس کا ٹیم جولائی 2022ء کو آغاز 41,540.8 پوائنٹس پر ہوا جو 27 جون 2023ء کو 0.21% کمی کے ساتھ 41,452.6 پوائنٹس پر بند ہوا۔ 30 جون 2022ء کو PSX میں درج کمپنیوں کی سرمایہ کاری 6,956 ملین روپے رہی جو 27 جون 2023ء کو 8.43% کمی کے ساتھ 6,369 ملین روپے پر بند ہوئی۔ سرمایہ داروں کے اعتماد میں بحالی کے لئے حالیہ صورتحال کے پیش نظر حکومت نے سخت ترین اقدامات کئے۔

PSX میں اسٹاک

زیر جائزہ سال کے دوران، سمجھوتے کی سکیم، LSEFSL کی علیحدگی کے لئے انتظامات اور تشکیل نو ("اسکیم") کے تحت لاہور ہائی کورٹ لاہور کے حکم مؤرخہ 26 اپریل 2023ء کے مطابق منظوری سے LSE فنانس لیمیٹڈ (LSEFSL) کو نئی توانائی بخشی۔ اسکیم کے تحت، براہ راست ادارے کے ذریعے NBFC بزنس اور اسٹریٹجک سرمایہ/ادبیات کو دو حالیہ درج ذیلی کمپنیوں یعنی LSE ڈیٹریڈ لیڈرز (LSEVL) اور LSE پراپرٹی ٹیک لیڈرز (LSEPL) کو منتقل کر دیا گیا جنہوں نے بعد میں اسکیم کے تحت واجیکسٹیکسٹ (DATM) کے ساتھ دوبارہ انضمام کے ذریعے علیحدگی سے حاصل کی۔ DATM کو اسٹریٹجک اپ کے بغیر عدالتی حکم کے نتیجے میں تحلیل کر دیا گیا۔

اسکیم کے مطابق، LSEFSL کے اراکین کو پہلے سے جاری کردہ حصص کو منسوخ کر دیا گیا اور جواب میں LSEFSL کے ہر شیئر ہولڈر کو 99.862:100 اور 501.62:100 کے مبادلہ کے تناسب سے بائریٹیپ LSEVL

اور LSEPL کے حصص دے دیے گئے۔ DATM کے شیئر ہولڈرز کو DATM کے ہر 1000 حصص کے مقابلے میں LSEVL اور LSEPL کے بچھوس بچھوس حصص الاٹ کئے گئے۔ مزید برآں، LSEFSL نے 100 ملین روپے ادا شدہ سرمایہ حصص کے ساتھ LSEVL کو 10 ملین نئے حصص جاری کئے جو LSEVL کی کئی ملکیٹی ڈیوٹی کمپنی (گروپ کی مرکزی کمپنی) اور LSEPL ایوی سی ایٹل کمپنی بن گئی۔ علیحدگی کے بعد، LSEFSL لاہور NBFC قائم ہے اور اس کا حالیہ سرمایہ کاری ڈھانچہ اور انویسٹمنٹ NBFC قواعد و ضوابط کے مین مطابق ہیں۔

اسکیم کے مطابق لیڈنگ سے قبل تمام اسٹریٹجک، طویل وقبلی مدتی سرمایہ کاری کو LSEVL کو منتقل کر دیا گیا۔ اسی طرح سے اراضی و عمارت، پلانٹ و ایکویپمنٹ (بشمول انویسٹمنٹ پراپرٹی) کو LSEPL کو منتقل کر دیا گیا۔

27 جون 2023ء کو LSEVL کا پاکستان اسٹاک ایکچینج (PSX) میں اندراج ہوا جہاں اس کا کمپنی کوڈ/اسکیورٹی علامت "LSEVL" ہے۔ کمپنی کو PSX کی یو پی ٹریڈ میں "انویسٹمنٹ لیکس/انویسٹمنٹ کمپنی/اسکیورٹیز کمپنی" کے شعبے میں رکھا گیا۔ LSEVL کا حالیہ ادا شدہ سرمایہ حصص 65% قری قلوٹ کے ساتھ 1.795 ملین روپے ہے۔



VENTURES

LSE کے ڈیڑر

LSEVL اشارت اپ اور ابھرتی ہوئی کمپنیوں کو قرض فراہم کرنے کا مزم کرتی ہے جن کی طویل مدتی نمو کے روشن امکانات ہوں۔ یہ اپنے اہلیاء کے کئی مراحل میں ترقی یافتہ اداروں کو تکنیکی و سرمایہ کاری تجزیہ کی بھی پیش کرتی ہے۔ انویسٹمنٹ کمپنیز کے علاوہ، LSEVL اکثر کاروباری منصوبہ بندی اور معاونت کی خدمات بھی فراہم کرتی ہے تاکہ کمپنیوں کو اپنی خاص مدد مل سکے اور اضافی سرمایہ کی تلاش میں مدد کے لئے نئی درگت سرور فرہم کی جائیں۔

LSEVL کی اسٹریٹجک انویسٹمنٹس

نمبر شمار	نام کمپنی	تقدیر صوص
1.	پاکستان کریٹ ریٹ ریٹنگ ایجنسی لمیٹڈ (PACRA)	2,683,044
2.	سنٹرل ڈیپازٹری کمپنی لمیٹڈ (CDC)	35,000,000
3.	نیشنل گیس ریٹنگ کمپنی پرائیویٹ لمیٹڈ (NCCPL)	23,730,462
4.	پاکستان مرکنگ ایل ایچ لمیٹڈ (PMEX)	2,272,727
5.	ایسٹیل کسٹومرز اینڈ سروسز لمیٹڈ (DCCL)	5,221,973
6.	LSE پر وپ ٹیک لمیٹڈ (LSEPL)	26,952,897
7.	LSE فائننس لیمٹڈ (LSEFSL)	10,000,000
8.	پاکستان گیس پورٹ کنسورشیم لمیٹڈ (PGPCL)	28,000,000
9.	ریلو (انٹرنیشنل ایر کسٹنٹ)	400,000
10.	ریٹنگ اینڈ ٹرانسپورٹ پاکستان لمیٹڈ	656
11.	RB ہائی ٹیکنالوجی ہوم پاکستان لمیٹڈ	176
12.	فرسٹ ڈاڈا انویسٹمنٹ بینک لمیٹڈ (FDIBL)	3,026,500

مالیاتی خلاصہ

2023ء	مالیاتی تبدیلیات
313,516	آمدنی
(75,236)	آپریٹنگ اخراجات
238,280	نفع/ (تھماں) ملاوہ ٹیکسیشن
(16,405)	ٹیکسیشن
221,875	نکودت کے لئے خاص نتائج
1.24 روپے	نی صوص آمدنی (EPS) - بنیادی
1.35 روپے	نی صوص آمدنی (EPS) - تھمیل

منظور شدہ سکیم کے تحت ایکویٹی صوص (بشمول طویل مدتی سرمایہ کاری، ایسوسی ایٹڈ کمپنی میں سرمایہ کاری، قبضہ مدتی سرمایہ کاری)، ایکس اور بینک بیلنس، انویسٹمنٹ بذریعہ مارجن ٹریڈنگ سسٹم وغیرہ میں سرمایہ کاری LSEVL سے LSEVSL کو سونپ کر کے 31 جولائی 2022ء کو منتقل کر دی گئی ہے۔

قیام کے ابتدائی مرحلے پر، کمپنی کام شروع کرنے میں مشکلات کا شکار رہی اور اسے ہائڈریڈ اخراجات اور کاروباری رد و بدل کو برداشت کرنا پڑا۔ اکتوبر 2001 ITO کے سیکشن 97(a) کے تحت کمپنیاں ایکٹ 2017 کے سیکشن 282L اور 284 کے مطابق اکتیم کو مد نظر رکھتے ہوئے اخراجات کی فروخت لیس سے پاک ہے لہذا تاریخ منظوری یعنی 26 اپریل 2023ء سے LSEFSL کے نام پر لیس کی کوئی ڈی بیازٹ ہوا جسے LSEVL کے کھاتے میں نہیں ڈالا گیا۔



VENTURES

مجوزہ حتمی نقد منافع حصص

کمپنی کے منافع بخش نتائج کی روشنی میں ڈائریکٹرز نے 30 جون 2023ء کو اختتام پذیر سال کے لئے 0.50 روپے فی حصص کے حتمی نقد منافع حصص یعنی 5% کی تجویز دی جسے AGM میں شیئرز ہولڈرز کے سامنے پیش کیا جائے گا۔

سودنی آؤٹرز

حالیہ آؤٹرز میسرز کروہسٹن چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹائر ہونے والے ہیں اور اہلیت کی بنا پر اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ انہیں باہمی طے شدہ معاوضے پر اگلی مدت کے لئے آپ کی کمپنی کا آؤٹرز تعینات کیا جاسکتا ہے۔

داخلی مالیاتی کنٹرول

کمپنی نے اپنا داخلی آؤٹ کنٹیکشن مکمل طور پر کریڈٹ سٹیشن حیدر بھیم جی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کو سونپ دیا ہے۔ پورے نئے چینی بنایا ہے کہ داخلی مالیاتی کنٹرول کا نظام ایک مربوط نظام ہو جس کی ٹیکس اور آؤٹرز کی جانب سے سٹریٹگریٹیکل ڈیٹا ڈیکریٹا جاتا ہے۔ آپ کی کمپنی کی انتظامیہ کی جانب سے تیاری کی گئی مالیاتی اسٹیٹمنٹس اس کے کاروباری امور، آپریشنز کے نتائج، کمیشن ٹھکانے اور ایکویٹی میں تبدیلی کی بھرپور عکاسی کرتی ہیں۔ آپ کی کمپنی نے کھاتوں کی باقاعدہ کتابیں تیاری کی ہیں اور اکاؤنٹنگ تخمینہ جات معقول اور جائز فیصلوں کی بنیاد پر لگائے جاتے ہیں۔ ان مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی مالیاتی اسٹیٹنڈرڈز کا بھرپور اطلاق کیا گیا ہے اور اس میں کسی بھی تخمینہ کو واضح درج کیا گیا ہے۔ کمپنی میں نافذ انٹرنل کنٹرول کا نظام ایک مربوط نظام ہے جس کی سال بھر میں سٹریٹگریٹیکل اور لگاؤ تازہ گرائی ہوتی ہے۔

کاروباری وساطتی ذمہ داری

ذکورہ سال کے دوران کمپنی CSR اور ماحولیاتی انتظام کے پروگراموں میں بھرپور شرکت کرتی ہے اور اس کے لئے ہمیشہ سے پرعزم ہے۔ LSEVL نے تعلیم، صحت و نگہداشت اور ماحولیاتی تحفظ کے پروگراموں پر بھرپور توجہ دی ہے۔ LSEVL یہ یقینی بنانے کے لئے پرعزم ہے کہ وہ ایک ذمہ دار کاروباری شہری کی حیثیت سے اپنا کردار ادا کرتا رہے۔

a. ڈائریکٹرز کے نام جو مالیاتی سال کے دوران کمپنی کے ڈائریکٹرز رہے:

نمبر	نام ڈائریکٹر	دور
1	مستور احمد نقال	جنوری 2023ء تا 31 اگست 2023ء
2	مستور احمد چوہدری	جنوری 2023ء تا 31 اگست 2023ء
3	مستور حامد ضیاء	31 اگست 2023ء تا 31 اگست 2023ء
4	مس منال علی	31 اگست 2023ء تا 31 اگست 2023ء
5	مستور فاروق	31 اگست 2023ء تا 31 اگست 2023ء
6	مستور عادل علیف خان	31 اگست 2023ء تا 31 اگست 2023ء
7	مستور شامز محمود	خود مختار ڈائریکٹر
8	مستور ایم ایم محمود	خود مختار ڈائریکٹر
9	مستور ناصر منظور	خود مختار ڈائریکٹر

* مستور حامد ضیاء 17-01-2023 کو مستعفی ہوئے۔

** مستور فاروق 02-05-2023 کو مستعفی ہوئے۔

*** مستور عادل علیف خان 02-05-2023 کو ڈائریکٹر مقرر ہوئے۔

**** مستور ناصر منظور 17-01-2023 کو ڈائریکٹر مقرر ہوئے۔



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a. کمپنی کے بنیادی کاروباری امور میں حصص، بانڈز، سٹاکس، میچل فنڈ پننس اور دیگر سیوریٹیز یا ان سے متعلقہ انسٹرومنٹس اور علاوہ واز میں ہر قسم کے ریٹیل اثاثہ جات میں کمپنی کے وقتاً فوقتاً طے شدہ طریقہ کار کے مطابق سرمایہ کاری شامل ہے۔ اس میں مروجہ قوانین کی تعمیل میں ریٹیل اسٹیٹ، حصص، بانڈز، سٹاکس، میچل فنڈز جو حصص یا دیگر سیوریٹیز یا متعلقہ انسٹرومنٹس کو رکھنا یا فروخت کرنا بھی شامل ہے۔

یہ کاروبار کئی خطرات یعنی کریڈٹ رسک، لیکویڈٹی رسک، آپریشنل رسک، مارکیٹ رسک اور ریگولیٹری رسک، معاشی افراتفری وغیرہ سے دوچار ہو سکتا ہے۔ مزید برآں، دیگر کمپنیاں بلند خطرہ - بلند منافع قسم کی سرمایہ کاری ہے اور اس میں کامیابی کی کوئی ضمانت نہیں ہے۔

کمپنی کی جانب سے اپنائی گئی رسک مینجمنٹ پالیسیاں اور طریقہ کار کمپنی کو بے قیمتی صورت حال سے نقل از وقت بردار نہ ہونے اور اندرونی و بیرونی ماحول میں تبدیلی لانے میں مدد کرتے ہیں تا کہ ضمنی اثرات کو محدود کیا جاسکے اور مواقع سے فائدہ اٹھایا جاسکے۔ کمپنی کا منافع ملک کی مجموعی معاشی اور جوہر پالیسیاں، حکومتی پالیسیوں اور ایسوسی ایٹ کمپنیوں اور ریٹیل مارکیٹ کی کارکردگی سے شروٹ ہے۔

b. فی الوقت چیف ایگزیکٹو آفیسر کو کمپنی کے آرگنکلائز آف ایسوسی ایشن اور HR میٹیکل کے مطابق بورڈ کی منظوری سے تجویز و دیگر مراعات دی جارہی ہیں۔ دیگر ڈائریکٹرز کو بورڈ و کمپنی اجلاس میں شرکت کی فیس کی علاوہ کوئی منافع ادا نہیں کیا جا رہا۔ متعلقہ اعداد و شمار کا اظہار مالیاتی اسٹیٹمنٹس میں کیا گیا ہے۔

لٹیکینیٹر (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کے ضابطہ نمبر (2) 34 کی تعمیل میں مندرجہ ذیل معلومات فراہم کی گئی ہیں۔

1 مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (7) ہے:

a. مرد 6

b. خاتون 1

2. بورڈ کی ترکیب

i. خود مختار ڈائریکٹرز

مسٹر ایم ایم منیر

مسٹر شامز مامو

مسٹر یاسر منظور

مسٹر محمد اقبال

مسٹر جاوید لطیف خان

مس منائل علی

مسٹر آفتاب احمد چوہدری

مس منائل علی

ii. نان ایگزیکٹو ڈائریکٹرز

iii. ایگزیکٹو ڈائریکٹرز

iv. خاتون ڈائریکٹرز

3. بورڈ کیسیاں

ذکورہ سال کے دوران، بورڈ نے معاونت کے لئے مندرجہ ذیل کیسیاں تشکیل دی ہیں جو متعلقہ امور پر غور و خیرات مرتب کرتی ہیں۔



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آڈٹ کمیٹی

1. مسز شائبا احمد
2. مسز انجم قاسم
3. مس منال علی

ہیومن ریسورس اینڈ ریٹرنیشن کمیٹی

1. مسز سمر منظور
2. مسز عابدہ لیلیف خان
3. مسز انجم قاسم

مستقبل کا مہتر نامہ

کمیٹی ایسوسی ایشن اور دیگر اسٹریٹجک انویسٹمنٹس میں اپنی سرمایہ کاریوں کی انتہائی مربوط انداز میں نگرانی کی جاتی ہے اور قابل انویسٹمنٹ فیصلوں کے ذریعے ان کو نکھارنے کی جدوجہد کی جاتی ہے۔ البتہ، حالیہ سماجی و معاشی اور انویسٹمنٹ ماحول کچھ چیلنجنگ ہے۔

آپ احمد چوہدری

چیف ایگزیکٹو آفیسر

ڈائریکٹر



VENTURES

Pattern of Shareholding

as at June 30, 2023

# Of Shareholders	Shareholding's Slab			Total Shares Held
953	1	to	100	18,722
193	101	to	500	46,761
46	501	to	1000	34,583
49	1001	to	5000	88,641
7	5001	to	10000	49,509
3	15001	to	20000	50,213
1	20001	to	25000	24,350
1	45001	to	50000	49,931
1	50001	to	55000	52,923
1	80001	to	85000	84,280
1	125001	to	130000	1,26,422
1	130001	to	135000	1,34,850
1	165001	to	170000	1,68,562
1	195001	to	200000	1,99,724
1	210001	to	215000	2,10,703
2	290001	to	295000	5,89,968
1	325001	to	330000	3,29,545
60	335001	to	340000	2,02,27,337
1	370001	to	375000	3,70,837
1	380001	to	385000	3,84,182
1	385001	to	390000	3,87,055
10	470001	to	475000	47,18,338
60	505001	to	510000	3,03,41,175
1	525001	to	530000	5,26,648
1	670001	to	675000	6,74,249
11	705001	to	710000	77,87,571
1	755001	to	760000	7,58,530
1	805001	to	810000	8,09,098
32	840001	to	845000	2,69,69,849
1	985001	to	990000	9,87,623
5	1175001	to	1180000	58,99,675
1	1180001	to	1185000	11,81,331
1	2200001	to	2205000	22,04,444
2	2995001	to	3000000	59,91,722
1	20150001	to	20155000	2,01,50,943
1	46965001	to	46970000	4,69,67,586
1455				17,95,97,880



LSE VENTURES LIMITED
Pattern of Shareholding
as at June 30, 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer and their spouse(s) and minor children			
MUHAMMAD IQBAL	1	22,04,444	1.23
AFTAB AHMAD	1	1	0.00
Shahnawaz Mahmood (022839)	1	1	0.00
Executives	1	1	0.00
Associated Companies, undertakings and related parties	2	6,71,18,529	37.37
NIT and ICP	2	870	0.00
Banks Development Financial Institutions, Non-Banking Financial Institutions	2	8,44,283	0.47
Insurance Companies	2	125	0.00
Modarabas and Mutual Funds	2	3,52,589	0.20
General Public			
a. Local	1259	1,72,67,069	9.61
b. Foreign	3	86	0.00
Foreign Companies	-	-	0.00
Others	179	9,18,09,882	51.12
Totals	1455	17,95,97,880	100.00
Share holders holding 10% or more			
		Shares Held	Percentage
MODARABA AL-MALI		4,69,67,586	26.15
HUMERA MUHAMMAD IQBAL		2,01,50,943	11.22



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LSE وڈیولپمنٹ
شیر ہولڈنگ کمپنیز
30 جون 2023ء

کل ملکی حصص	شیر ہولڈنگ کی سیب	تعداد شیر ہولڈنگ
18,722	100 تا 1	953
46,761	500 تا 101	193
34,583	1000 تا 501	46
88,641	5000 تا 1001	49
49,509	10000 تا 5001	7
50,213	20000 تا 15001	3
50,213	25000 تا 20001	1
49,931	50000 تا 45000	1
52,923	55000 تا 50001	1
84,280	85000 تا 80001	1
1,26,422	130000 تا 125001	1
1,34,850	135000 تا 130001	1
1,68,562	170000 تا 165001	1
1,99,724	200000 تا 195001	1
2,10,703	215000 تا 210001	1
5,89,968	29500 تا 290001	2
3,29,545	330000 تا 325001	1
2,02,27,337	340000 تا 335001	60
3,70,837	375000 تا 370001	1

3,84,182	385000 تا 380001	1
3,87,055	390000 تا 385001	1
47,18,338	475000 تا 470001	10
3,03,41,175	510000 تا 505001	60
5,26,648	530000 تا 525001	1
6,74,249	675000 تا 670001	1
77,87,571	710000 تا 705001	11
7,58,530	760000 تا 755001	1
8,09,098	810000 تا 805001	1
2,69,69,849	845000 تا 840001	32
9,87,623	990000 تا 985001	1
58,99,675	1180000 تا 1175001	5
11,81,331	1185000 تا 1180001	1
22,04,444	2205000 تا 2200001	1
59,91,722	3000000 تا 2995001	2
2,01,50,943	20155000 تا 20150001	1
4,69,67,586	46970000 تا 46965001	1
17,95,97,880		1455



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LSE ونٹورز لمیٹڈ

شریکہ مالک کا بیان

30 جون 2023ء تک

حصہ	کل حصص	حصص کا تناسب	شریکہ مالک کا نام
			11 اسکوائر ہولڈنگز پرائیویٹ لمیٹڈ کے ذریعے مندرجہ ذیل کمپنیوں کے ذریعے
1.23	22,04,444	1	اسٹار
0.00	1	1	آئی بی سی
0.00	1	1	ایچ ایچ ایچ (022839)
0.00	1	1	ایگزیکٹو
37.37	6,71,18,529	2	ای سی ڈی ٹیکنالوجیز پرائیویٹ لمیٹڈ کے ذریعے مندرجہ ذیل کمپنیوں کے ذریعے
0.00	870	2	ICP، IIT
0.47	8,44,283	2	ای سی ڈی ٹیکنالوجیز پرائیویٹ لمیٹڈ کے ذریعے مندرجہ ذیل کمپنیوں کے ذریعے
0.000	125	2	ای سی ڈی ٹیکنالوجیز
0.20	3,52,589	2	ای سی ڈی ٹیکنالوجیز
			1259
9.61	1,72,67,069	3	ای سی ڈی ٹیکنالوجیز
0.00	86	-	ای سی ڈی ٹیکنالوجیز
0.00	-	-	ای سی ڈی ٹیکنالوجیز
51.12	9,18,09,882	179	ای سی ڈی ٹیکنالوجیز
100.00	17,96,87,880	1466	مجموعی
			10% سے زیادہ حصص ہولڈنگ کے ساتھ
26.15	4,69,67,586		ای سی ڈی ٹیکنالوجیز
11.22	2,01,50,943		اسٹار



Notice of the Annual General Meeting

NOTICE is hereby given that the 1st Annual General Meeting (AGM) of the Members of LSE Ventures Limited (“the Company”) will be held on **Saturday, October 28th, 2023, at 12:00 p.m.**, at the Registered Office of the Company, in the Auditorium of LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore, and virtually through a video-link facility to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements, together with the Directors’ Report, the Auditors’ Report, thereon for the financial year ended June 30th, 2023.

[As required under Section 223 of the Companies Act 2017 and in terms of S.R.O No. 389(I)/2023 dated March 21, 2023, the Annual Report including Financial Statements of the Company has been transmitted to the Shareholders and uploaded on the website of the Company which can be viewed using the web-link and QR enable code provided with this notice.]

2. To consider and approve the payment of Rs. 0.50 per share (i.e., @5%) as the final cash dividend for the financial year ended June 30, 2023, as recommended by the Board of Directors of the Company.
3. To appoint the Auditors of the Company for the financial year ending June 30th, 2024 and to fix their remuneration.

SPECIAL BUSINESS:

4. To approve, as and by way of an Ordinary Resolution, the transmission of the annual balance sheet, profit & loss account, auditors report, directors report (the “Annual Audited Financial Statements”) and the notice of general meetings etc. to the Company’s shareholders through QR enabled code and weblink as allowed by the Securities and Exchange Commission of Pakistan via S.R.O No. 389(I)/2023 dated March 21st, 2023:

“**RESOLVED THAT** as notified by the Securities and Exchange Commission of Pakistan, via S.R.O No. 389(I)/2023, dated March 21, 2023, transmission of Annual Audited Financial Statements of the Company to the members through QR enabled code and weblink instead of transmitting the Audited Annual Financial Statements through CD/DVD/USB, be and is hereby ratified and approved for future.”

5. To approve, as and by way of an Ordinary Resolution, the placement of Quarterly Accounts of the Company at its website, instead of sending the same by post to the members, as allowed by the Securities and Exchange Commission of Pakistan, via Circular No. 19 of 2004:

“**RESOLVED THAT** as had been allowed by the Securities and Exchange Commission of Pakistan, via Circular No. 19 of 2004, the placement of Quarterly Accounts of the Company at its website, instead of circulating the same by post to the members, be and is hereby approved for future.”

By Order of the Board of Directors:



Company Secretary

Lahore, Dated October 6, 2023.

Notes:

1. CLOSURE OF SHARE TRANSFER BOOKS

The Register of Members and the Share Transfer Books will be closed from October 22nd, 2023 to October 28th, 2023 (both days inclusive). Transfers received in order at the office of the Company's Registrar namely, CDC Share Registrar Services Limited, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400, by the close of business on October 21st, 2023, will be considered in time for the purpose of determining the entitlement for final cash dividend and to establish the right to attend and vote at the Annual General Meeting.

2. ATTENDING AGM AND APPOINTMENT OF PROXY

A Member entitled to attend, speak and vote at the AGM is entitled to appoint another member as his/her proxy to attend, speak and vote on his/her behalf. An instrument appointing proxy must be deposited at the registered office of the Company, at least 48 hours before the time of the meeting. Form of Proxy is attached. CDC Account Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.

3. PARTICIPATION IN THE AGM VIA THE VIDEO CONFERENCING FACILITY:

Shareholders interested in attending the meeting through video conferencing are requested to email the following information with the subject "Registration for AGM 2023" along with a valid copy of both sides of their Computerized National Identity Card (CNIC) to info@lse.com.pk. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.

1. Folio No. / CDC Investors A/c No./ Sub-A/c No.: _____
2. Name of Shareholder : _____
3. Cell Phone Number: _____
4. Email Address: _____
5. No. of Shares held: _____

4. ELECTRONIC VOTING

The members are hereby notified that pursuant to Section 143-145 of the Companies Act, 2017 and Companies (Postal Ballot) Regulations, 2018. Members will be allowed to exercise their right to vote through the electronic voting facility or voting by post for the **special business** in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations. For the convenience of the Members, the ballot paper is annexed to this notice and the same is also available on the Company's website at www.lse.com.pk for download.

• **Procedure for E-Voting:**

- (a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company on the book closure date.
- (b) The web address, and login details, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal M/s. CDC Share Registrar Services Limited (being the e-voting service provider).



- (c) Identity of the Members intending to cast a vote through e-Voting shall be authenticated through electronic signature or authentication for login.
- (d) E-Voting lines will start on October 25, 2023, at 9:00 a.m. and shall close on October 27, 2023, at 5:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.
- **Procedure for Voting Through Postal Ballot:**
 - (a) The members shall ensure that duly filled and signed ballot paper along with a copy of the Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's registered address, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore or email at info@lse.com.pk, one (1) day before the Annual General Meeting. The signature on the ballot paper shall match the signature on CNIC.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY TO BE HELD ON OCTOBER 28, 2023.

Agenda Item # 4

The Securities and Exchange Commission of Pakistan has allowed listed companies, through its S.R.O. No.389(I)/2023, dated March 21st, 2023, to circulate the annual balance sheet and profit and loss account, auditors' report and directors' report etc. ("Annual Audited Financial Statements") to their Members through QR-enabled code and weblink instead of transmitting the same through CD/DVD/USB, subject to approval of the shareholders in the general meeting. Considering the optimum use of advancements in technology and in order to avail cost effective measure, approval of members is sought as per requirement of the above SRO, for circulation/transmission of the Annual Audited Financial Statements to the members through QR-enabled code and weblink.

Agenda Item # 5

The Securities and Exchange Commission of Pakistan through Circular No. 19 of 2004 had allowed the listed companies to place the Quarterly Accounts on their website instead of transmitting the same to the shareholders by post. In order to best use of technology and save the printing and distribution cost, approval of members is sought as per requirement of the above circular, for placement of Quarterly Accounts of the Company at its website, instead of circulation/transmission of the hard copies by post.

Note: None of the Directors of the Company have any direct or indirect interest in this special business except to the extent of their respective shareholding in the Company.



Ballot paper for voting through post at the Annual General Meeting to be held on Saturday, October 28, 2023, at 11:00 a.m., at the Registered Office of the Company, in the Auditorium of LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.

Contact Details of the Chairman, at which the duly filled in ballot paper may be sent:

Business Address: The Chairman, LSE Ventures Limited, LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.

Designated email address: info@lse.com.pk

Name of shareholder/joint Shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	

Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	
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I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (v) mark in the appropriate box below (delete as appropriate);

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	Circulation/transmission of Annual Audited Financial Statements through QR enabled Code and web-link.			
2	Placement of Quarterly Accounts of the Company at its website, instead of circulating the same by post to the members.			

Signature of shareholder(s) Place: Date:

NOTES:

1. Dully filled postal ballot should be sent to Chairman at above mentioned postal or email address.
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Postal ballot forms should reach chairman of the meeting on or before October 27, 2023. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. Company shall draft ballot paper whereby explicit information, terms and conditions and choice of selection is provided and ensure that no confusion arise for voters that may defeat the objective of voting.



VENTURES

LSE ونیچر زلمیٹڈ

اطلاع سالانہ اجلاس عام

ذریعہ ذرا مطلع کیا جاتا ہے کہ LSE ونیچر زلمیٹڈ (کمپنی) کے ارکان کا پیرو سالانہ اجلاس عام (AGM) کمپنی کے دفتر لہور، LSE پلازما کے آؤٹریچ 19- نیپا پان ایجن ان اقبال آباد میں بروز جمعہ 28 اکتوبر 2023 کو دوپہر 12:00 بجے صبح اعلیٰ سہری اگہام سہری کیمپ منصفہ ہوگا۔

عام طور پر

1. 30 جون 2023 کو ختم ہونے والے سال کے لئے کمپنی کے تقریبی شدہ مالی گوشواروں میں سے ہذا انریکٹرز ہذا آؤٹریچ کی ریویژن کی وصولی بخورہ خوش اور شہوری اور ہذا (اگست تا جات 2017 کی رتد 223 کے حصہ اور 2023 کے حصہ اور S.R.O No. 389 (I)/2023 کی شرائط میں مطلوب کے مطابق کمپنی کے مالی گوشواروں میں سے سالانہ رتد سے حصص داران کو ترسیل اور کمپنی کی ویب سائٹ پر اپ لوڈ کر دی گئی ہیں جو لوٹس ہذا کے ساتھ فراہم کر دوں گے اور QR ان اعلیٰ کو استعمال کرتے ہوئے ملاحظہ کی جا سکتی ہیں۔
2. 30 جون 2023 کو ختم ہونے والے سال کے لئے ہذا آؤٹریکٹرز کی طارشات کے مطابق اسی تقد نامی حصر 0.00 روپے فی شیئر یعنی 30,00,00,000 روپے عمور خوش اور شہوری۔
3. 30 جون 2024 کو ختم ہونے والے سال کے لئے آؤٹریکٹرز اور ارکان کے ساتھ رکا تعین کرنا۔

مضمون سامور

4. سیکورٹیز اینڈ ایکسچین کمیشن آف پاکستان کی طرف سے 2023 (I)/2023 S.R.O No. 389 (I) مور 121 مارچ 2023 کی رتد سے دی گئی اجازت کے مطابق سالانہ تینس ٹینٹ لٹغ و تصان کا رتد آؤٹریکٹرز کی رتد سے سالانہ آؤٹریکٹرز کی رتد سے (سالانہ آؤٹریکٹرز کی رتد سے) اور عام اجلاسوں کے لوٹس و عمور کی کمپنی کے شیئر ہولڈرز کو QR ان اعلیٰ کو استعمال کر دوں گے اور ویب سائٹ کے ذریعے ترسیل کی عام قرارداد کے طریقہ سے شہوری دیا جاتا۔

4. قرارداد کی جہاں سیکورٹیز اینڈ ایکسچین کمیشن آف پاکستان کی طرف سے 2023 (I)/2023 S.R.O No. 389 (I) مور 121 مارچ 2023 کی رتد سے وضع کردہ کے مطابق آؤٹریکٹرز سالانہ ہذا گوشواروں کو CD/DVD/USB کے ذریعے نقل کرنے کی اجازت ہے مستثنیٰ میں کمپنی کے سالانہ آؤٹریکٹرز میں سے QR ان اعلیٰ کو استعمال کر دوں گے اور ویب سائٹ کے ذریعے عمور تک پہنچانے کی ذریعہ ہذا ترسیل اور شہوری دی جاتی ہے۔
5. سیکورٹیز اینڈ ایکسچین کمیشن آف پاکستان کی طرف سے دی گئی اجازت کے مطابق کمپنی کے سرمایہ کار اور شیئر ہولڈرز کو آؤٹریکٹرز کے ذریعے جیسے کے ہجائے اعلیٰ ویب سائٹ پر رکھنے کی ایک عام قرارداد کے طریقہ سے شہوری دیا جاتا۔

قرارداد کی جہاں سیکورٹیز اینڈ ایکسچین کمیشن آف پاکستان کی طرف سے سیکورٹیز اینڈ ایکسچین کمیشن آف پاکستان کی طرف سے 2004 آؤٹریکٹرز کے ذریعے دی گئی اجازت کے مطابق کمپنی کے سرمایہ کار اور شیئر ہولڈرز کو آؤٹریکٹرز کے ذریعے نقل کرنے کے ہجائے مستثنیٰ میں اعلیٰ ویب سائٹ پر رکھا جائے اور ذریعہ ہذا شہوری دی جاتی ہے۔

مضمون ہورا

کمپنی سیکرٹری

لاہور۔

مور 06 اکتوبر 2023ء

نوٹ:-

1۔ حصص منگنی آؤٹریکٹرز کی بندش

کمپنی کے ارکان کا رتد اور حصص منگنی آؤٹریکٹرز 22 اکتوبر 2023ء تا 28 اکتوبر 2023ء (شامل ہذا رتد) بند ہیں گی۔ منگنی کمپنی کے شیئر ہولڈرز کے دفتر یعنی سی ڈی سی شیئر ہولڈرز اور سیکورٹیز اینڈ ایکسچین کمیشن آف پاکستان کے رتد اور حصص منگنی آؤٹریکٹرز 74400 کے پاس 21 اکتوبر 2023ء کو رکا رتد کے اختتام تک موصول ہونے والی سالانہ اجلاس میں حصص داران کی شرکت اور رجسٹریشن کے لئے (اسی تقد نامی حصر کے احوال اور نام) کے لئے بروقت تصور ہوگی۔

2۔ AGM میں شرکت اور برائگی کی تقرری کے لئے



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AGM میں شرکت، غیر برادریوں سے اپنے کا اہل رکن کی دستخط کی کو اپنی، ہمارے شرکت، غیر برادریوں سے اپنے کیلئے اپنا پر کسی مقرر کر سکتا ہے۔ ہر کسی مقرر کی آؤ گئی کے جزو دفتر میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل از بائیں کرنا چاہئے۔ ہر کسی مقرر کے لیے، ہر کسی کی آؤ گئی کے وقت سے کم از کم 48 گھنٹے قبل از بائیں کرنا چاہئے۔ ہر کسی مقرر کے لیے، ہر کسی کی آؤ گئی کے وقت سے کم از کم 48 گھنٹے قبل از بائیں کرنا چاہئے۔

2000 میں دی گئی کا پتہ لاہور کی پری پری کرنا ہوگی۔

دفعہ کا دفتر سے اجلاس کے وقت سے کم از کم 48 گھنٹے قبل از بائیں کرنا چاہئے۔ ہر کسی مقرر کے لیے، ہر کسی کی آؤ گئی کے وقت سے کم از کم 48 گھنٹے قبل از بائیں کرنا چاہئے۔ ہر کسی مقرر کے لیے، ہر کسی کی آؤ گئی کے وقت سے کم از کم 48 گھنٹے قبل از بائیں کرنا چاہئے۔

- 1۔ فوٹو نمبر ای سی ای او نیٹ ورک اور ڈی ای او نیٹ ورک نمبر:
 - 2۔ حصص دار کا نام:
 - 3۔ تعلق ڈون نمبر:
 - 4۔ ای سی سی ڈی نمبر:
 - 5۔ منتخب حصص کی تعداد:
- 4۔ ای سی سی ڈی نمبر:

ممبران کو بڑھانے کا طریقہ کیا گیا ہے۔ ہر کسی مقرر کے لیے، ہر کسی کی آؤ گئی کے وقت سے کم از کم 48 گھنٹے قبل از بائیں کرنا چاہئے۔ ہر کسی مقرر کے لیے، ہر کسی کی آؤ گئی کے وقت سے کم از کم 48 گھنٹے قبل از بائیں کرنا چاہئے۔

ای سی سی ڈی نمبر ای سی ای او نیٹ ورک اور ڈی ای او نیٹ ورک نمبر:

ای سی سی ڈی نمبر ای سی ای او نیٹ ورک اور ڈی ای او نیٹ ورک نمبر:

ای سی سی ڈی نمبر ای سی ای او نیٹ ورک اور ڈی ای او نیٹ ورک نمبر:

ای سی سی ڈی نمبر ای سی ای او نیٹ ورک اور ڈی ای او نیٹ ورک نمبر:

ای سی سی ڈی نمبر ای سی ای او نیٹ ورک اور ڈی ای او نیٹ ورک نمبر:

ای سی سی ڈی نمبر ای سی ای او نیٹ ورک اور ڈی ای او نیٹ ورک نمبر:

ای سی سی ڈی نمبر ای سی ای او نیٹ ورک اور ڈی ای او نیٹ ورک نمبر:

ای سی سی ڈی نمبر ای سی ای او نیٹ ورک اور ڈی ای او نیٹ ورک نمبر:



VENTURES

Form of Proxy

I/We, _____, the undersigned member, being a member of **LSE Ventures Limited**, hereby appoint _____, the undersigned proxy, as my proxy to vote for me and on my behalf at the AGM of the Company to be held on _____ and/or at any adjournment thereof.

<p>The Member: Signature: _____</p> <div style="border: 1px solid black; padding: 5px; text-align: center; margin: 10px auto; width: 80%;"> <p>Signature over Revenue Stamp of Rs. 50/-</p> </div> <p>_____ Seal/Stamp of the Company Name and Designation of the Appointer:</p> <p>_____ CNIC No.: _____ Father's name: _____ Address: _____ Date: _____ CDC Participant ID No.: _____ CDC Account/Sub-Account No.: _____ No. of Shares held: _____</p>	<p>The Proxy: Signature: _____ Name: _____ CNIC No.: _____ Father's name: _____ Address: _____ _____ Date: _____</p>
--	---

Witness 1: _____
Signature: _____
Name: _____
CNIC No.: _____
Address: _____

Witness 2: _____
Signature: _____
Name: _____
CNIC No.: _____
Address: _____

Notes:

- Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
- CDC beneficial owners and Proxy Holders must bring with them their Computerize National Identity Cards (CNIC)/Passports in original to prove his/her identity and in case of Proxy, CDC beneficial owners and Proxy Holders must enclose an attested copy of their CNIC/Passport with Proxy Form.
- In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee (unless it has been provided earlier) should be attached with the proxy form.



E-DIVIDEND Mandate Letter

According to Section 242 of Companies Act, 2017 and Circular No. 18/2017 dated August 1, 2017, issued by Securities and Exchange Commission of Pakistan (SECP), with effect from November 1, 2017, all listed companies are to pay dividend only through electronic mode directly into the bank accounts designated by the entitled shareholders.

In view of above, Shareholder(s) are advised to provide their complete bank account/IBAN detail as per format given below required under Clause 7, 8 and 9(ii) of the Companies (Distribution of Dividends) Regulations, 2017 issued under S.R.O.1145(i)/2017 dated November 06, 2017, by SECP enabling us to comply with the above Section/Circular.

For Physical Shareholder(s)	M/s. CDC Share Registrar Services Limited, Head Office, CDC House, 99-B, Block B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi – 74400
For CDC Account Holder(s)	In case of CDC account holder / sub-account holder, please provide said details to CDC / to respective TREC Holder/Member of Stock Exchange.

E-DIVIDEND MANDATE Details:

It is requested that all my cash Dividend amounts declared by the Company may be credited into the following bank account:

Name of Shareholder	
Folio Number/CDC Account No.	of shares of LSE Ventures Limited
Mobile Number of Shareholder	
Title of Account	
Account Number	
IBAN Number (24 digits)	
Name of Bank	
Bank Branch & Code	
Mailing Address of Branch	
CNIC No. (attach attested copy)	
NTN (in case of corporate entity)	

It is stated that the above particulars given by me are correct and to the best of my knowledge; I shall keep the Company informed in case of any changes to the said particulars in future.

Shareholder's Signature

(As per specimen signature registered with the Share Registrar)

Date

Please Note that:

1. Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.
2. All Shareholders are requested to attach valid copy of their CNIC along with the Form.
3. The payment of cash dividend will be processed on the basis of IBAN alone. **LSE Ventures Limited** is entitled to rely on the IBAN information as per your instructions (provided by you).

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

NAME OF THE COMPANY: LSE VENTURES LIMITED
YEAR ENDED: FOR THE PERIOD FROM JUNE 27, 2023 TO JUNE 30, 2023

The Company has complied with the requirements of the Regulations in the following manner: -

1. The total number of Directors are 07 as per the following:
 - a) Male: 06
 - b) Female: 01

* The Company is listed on Pakistan Stock Exchange on June 27, 2023. The Company has formalized the Board, its composition, the senior management and its committees in the initial time of 3 days before the close of financial year end. While, compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 shall be ensured in the next financial year. We present hereunder relevant information as on 30th June 2023 for the readers.

2. The composition of the Board is as follows:

CATEGORY	NAMES
Independent Directors	Mr. Muhammad Tabassum Munir Mr. Shahnawaz Mahmood Mr. Yaser Manzoor
Executive Directors	Mr. Aftab Ahmad Chaudhry
Non-Executive Directors	Mr. Muhammad Iqbal Mr. Abid Latif Khan Ms. Minahil Ali
Female Director	Ms. Minahil Ali

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this, Company.
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. Three Directors out of Seven Directors have acquired prescribed certification under Directors' Training Program. The Company shall arrange Directors' Training Program for its remaining four Directors in due course.
10. The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below. -

a) Audit Committee:

Sr. No.	Name	Status
1.	Mr. Shahnawaz Mahmood	Chairman
2.	Mr. Muhammad Tabassum Munir	Member
3.	Ms. Minahil Ali	Member

b) Human Resource & Remuneration Committee:

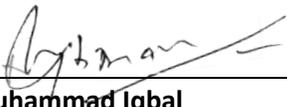
Sr. No.	Name	Status
1.	Mr. Yaser Manzoor	Chairman
2.	Mr. Abid Latif Khan	Member
3.	Mr. Muhammad Tabassum Munir	Member

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
14. The frequency of meetings (quarterly / half yearly / yearly) of the committees were as per following:
 - a) Audit Committee: -*
 - b) Human Resource and Remuneration Committee: -*



***The Company is listed on Pakistan Stock Exchange on June 27, 2023. Therefore, compliance for the frequency of meeting shall be ensured in next financial year.**

15. The Board has set up an effective Internal Audit Function led by Head of Internal Audit (who is also an employee of the Company) and has outsourced the Internal Audit Function to M/s. Kreston Hyder Bhimji & Co. Chartered Accountants for the year ended June 30, 2023, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We e confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with. And
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):



Muhammad Iqbal
Chairman

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
LSE VENTURES LIMITED****REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN
LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of LSE Ventures Limited ("the Company") for the period from June 27, 2023 to June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

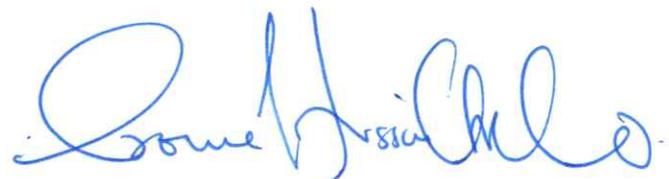
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the period from June 27, 2023 to June 30, 2023.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Sr. No	Paragraph Reference	Description
1	1	The Company is listed at Pakistan Stock Exchange limited ("PSX") on June 27, 2023. The Company shall ensure compliance as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 from the next financial year.

**CROWE HUSSAIN CHAUDHURY & CO.**
*Chartered Accountants*Lahore
Dated: October 09, 2023
UDIN: CR202310051DuYhaqsSA

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LSE VENTURES LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **LSE VENTURES LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2023 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit, its comprehensive profit, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following is the key audit matter:

Key Audit Matter	How the Matter was Addressed in our Report
Scheme of Arrangement of the Companies	
<p>Refer to note 4 of the financial statements.</p> <p>A scheme of arrangement was formulated pursuant to the provisions of Section 279 to 282 of the Companies Act, 2017 for the transfer and vesting of the undertaking and business of LSE Financial Services Limited on partial basis from LSE Financial Services Limited (as transferor) into LSE Ventures Limited and LSE Proptech Limited [an associated undertaking of LSE Ventures Limited] (as transferees) and for the complete transfer and vesting of the undertaking and business of Data Textiles Limited (as transferor) on full basis into LSE Ventures Limited and LSE Proptech Limited (as transferees).</p> <p>The aforementioned scheme was approved by Honorable Lahore High Court, Lahore under court order no. 58175/2022 dated April 26, 2023.</p> <p>We identified this transaction as the key audit matter due to the complexity and the materiality of this and the importance of the matter to intended users' understanding of the financial statements as a whole.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • Obtained and reviewed the court order and related documentation of scheme of arrangement. • Discussed with the management as to how the scheme of arrangement has been complied with and books of accounts streamlined to effect the resultant transaction / balances. • Reviewed the schedule of transfer of assets and liabilities and assessed whether the transferred assets / liabilities have been incorporated appropriately in the transferee entities. • Sought legal opinion to verify that the demerger scheme has been executed in compliance with all relevant legal and regulatory requirements and the transfers of balances are made as per demerger scheme from the effective date. • Assessed the adequacy of the disclosures in the financial statements and appropriateness of management's assumptions and estimates.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

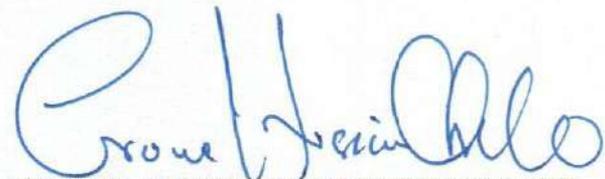
Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Amin Ali.

Lahore
Dated: October 06, 2023
UDIN: AR2023100511oqdHTfmk



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

LSE VENTURES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees in thousands
ASSETS		
Non Current Assets		
Investment in subsidiaries	5	369,529
Investment in associates	6	1,231,363
Financial assets	7	715,242
Long term deposits	8	100
		2,316,234
Current Assets		
Trade and other receivables	9	51,817
Prepayments		7,929
Advance income tax		224
Bank balances	10	83,903
		143,873
		<u>2,460,107</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized Share Capital		
200,000,000 ordinary shares of Rs. 10 each		2,000,000
Issued, subscribed and paid-up share capital	01	1,795,979
Capital reserves:		
- Demerger reserve		26,533
- Fair value reserve		11,883
		38,416
Revenue reserves:		
- Unappropriated profit		362,776
Total Equity		2,197,171
Non Current Liabilities		
Deferred tax liability	12	156,997
Current Liabilities		
Trade and other payables	13	47,585
Provision for taxation		9,331
Un-paid dividend		33,455
Un-claimed dividend		15,568
		105,939
Contingencies and Commitments	14	-
		<u>2,460,107</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHC


Chief Executive Officer


Chief Financial Officer


Director

LSE VENTURES LIMITED

STATEMENT OF PROFIT OR LOSS FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

	Note	For the period from July 18, 2022 to June 30, 2023 Rupees in thousands
Revenue	15	181,966
Operating Expenses		
Administrative and general expenses	16	(67,237)
Other operating expenses	17	<u>(7,994)</u>
Operating Profit		106,735
Finance cost - bank charges		(5)
Share of profit of associates		<u>131,550</u>
Profit before Taxation		238,280
Taxation	18	<u>(16,405)</u>
Net Profit for the Period		<u><u>221,875</u></u>
Earnings Per Share - Basic and Diluted	19	<u><u>1.35</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

CEC

Chief Executive Officer

Chief Financial Officer

Director

LSE VENTURES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

	For the period from July 18, 2022 to June 30, 2023
Rupees in thousands	
Net Profit for the Period	221,875
Other Comprehensive Income	
Items that may be subsequently reclassified to profit or loss	-
Items that may not be reclassified to profit or loss:	
Share in OCI of associate - net of tax	(20)
Less: deferred tax	6
Fair value gain on investments (under FV through OCI)	16,736
Less: deferred tax	(4,853)
	11,868
Total Comprehensive Income for the Period	233,743

The annexed notes from 1 to 28 form an integral part of these financial statements.

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Chief Executive Officer


Chief Financial Officer


Director

LSE VENTURES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

Share Capital	Surplus on Revaluation of Property and Equipment	Capital Reserves		Revenue Reserve	Total	Total Equity
		Fair Value Reserve	Demerger Reserve			

..... Rupees in Thousands

Net profit for the period	-	-	-	221,875	221,875	221,875
Other comprehensive income - net of tax	-	11,883	-	(14)	(14)	11,868
Total comprehensive income for the period	-	11,883	-	221,861	221,861	233,743
Transfer of revaluation surplus of associate to retained earnings	-	-	-	67,164	-	67,164
Fresh issuance of share capital	10,000	-	-	-	-	10,000
Charge of expenses incurred on listing of company	-	-	-	(43,190)	(43,190)	(43,190)
Balance as at June 30, 2023 before demerger adjustments	10,000	-	11,883	245,834	178,670	267,717

Adjustments / Transfers as per Scheme of Demerger

Transfer of retained earnings as per demerger scheme to:	-	-	-	116,942	116,942	116,942
Demerger reserve	(26,533)	-	-	26,533	-	-
Issuance of subsidiary share capital						
LSE Financial Services Limited	100,000	-	-	-	-	100,000
LSE Proptech Limited	269,529	-	-	-	-	269,529
Transfer of share capital from LSE Financial Services Limited	1,442,983	-	-	-	-	1,442,983
Balance as at June 30, 2023	1,795,979	-	11,883	26,533	362,776	322,145
						2,197,171

The annexed notes from 1 to 28 form an integral part of these financial statements.

CAK

Chief Executive Officer

Chief Financial Officer

Chief Executive Officer

LSE VENTURES LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

	Note	For the period from July 18, 2022 to June 30, 2023 Rupees in thousands
Cash Used in Operations	20	(92,501)
Finance cost paid		(5)
Income tax paid		<u>(224)</u>
Net Cash Used in Operating Activities		(92,730)
Cash Flows from Investing Activities		
Investment in MTS		(316,526)
Investment in unlisted securities		(27,041)
Interest bearing Loan to associate		(14,420)
Sale Proceed from disposal of listed securities		70,000
Dividend Received		42,720
Long term Deposits		<u>(100)</u>
Net Cash Used in Investing Activities		<u>(245,367)</u>
Cash Flows from Financing Activities		
Receipt from right issue of shares		10,000
Funds Received under Demerger Scheme from LSE FSL		412,000
Net Cash Generated from Financing Activities		<u>422,000</u>
Net Increase in Cash and Cash Equivalents		83,903
Cash and cash equivalents at the beginning of the period		-
		<u><u>83,903</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

CAC


Chief Executive Officer


Chief Financial Officer


Director

LSE VENTURES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD FROM JULY 18, 2022 TO JUNE 30, 2023

Note 1

Legal Status and its Nature of Business

1.1 Legal status and operations

LSE Ventures Limited (the Company) was registered on July 18, 2022 under the Companies Act, 2017 (XIX of 2017) as a public unlisted company limited by shares. In June 2023, the Company obtained the listing status under the symbol "LSEVL" at Pakistan Stock Exchange as a result of demerger scheme approved on April 26, 2023 by the Honorable Lahore High Court, accomplished through a reverse merger with Data Textiles Limited.

The Company is domiciled in Pakistan and the principal line of business of the Company is to invest in shares, bonds, stocks, units of mutual funds or any other securities or its related instruments or otherwise in all types of real assets and in such manner as may from time to time be determined by the Company and to hold, or sale such real assets, shares, bonds, stocks, units of mutual funds or any other securities or its related instruments, subject to the compliance with applicable laws.

The geographical location and address of the Company is as under:

Business Unit	Geographical Location
Head office / Registered Office	19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.

Note 2

Basis of Preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise:

- International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except to the extent of following:

Investment in associates	Note - 6	(stated under equity method - fair value through other comprehensive income)
Financial assets	Note - 7	(stated at amortised cost and fair value)

2.3 Presentation and functional currency

These financial statements are prepared and presented in Pak Rupees (Rs.) which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made. Significant management estimates in these financial statements relate primarily to:

- Impairment loss of non-financial assets - Note 3.2.1.5
- Estimation of provisions and contingent liabilities - Note 3.4, 3.8 & 14
- Fair value of equity shares - Note 3.1 & 6
- Estimation of Current income tax expense, provision for current tax and recognition of deferred tax - Note 3.5, 12 & 18

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these financial statements.

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Note 2, Basis of Preparation - Continued...

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation	Effective Date - Annual Beginning on or After
IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 16 Property, Plant and Equipment (Amendments)	January 1, 2022
Annual Improvements to IFRS Standards 2018-2020	January 1, 2022

2.5.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation	Effective Date - Annual Beginning on or After
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 1, 2023
IAS 12 Income Taxes (Amendments)	January 1, 2023
IAS 12 Deferred tax related to assets and liabilities arising from a single transaction — (Amendments)	January 1, 2023
IAS 1 Classification of liabilities as current or non-current — (Amendments)	January 1, 2024
IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements (Amendments)	January 1, 2024

The Company is in process to assess the impact of these amendments.

Note 3

Significant Accounting Policies

Significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

3.1 Investments accounted for using the equity method

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income.

Dividends received or receivable from associates are recognised as a reduction in the carrying amount of investment. When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the investee company. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

3.2 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

CHC

Note 3, Significant Accounting Policies - Continued...

3.2.1 Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognized and derecognized, as applicable, using trade-date accounting or settlement date accounting.

3.2.1.1 Classification

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost and fair value through profit or loss. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

3.2.1.2 Initial recognition and measurement

Except for trade receivables, financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss. Trade receivables are initially measured at the transaction price if these do not contain a significant financing component in accordance with IFRS 15.

3.2.1.3 Subsequent measurement

Financial assets carried at amortized cost are subsequently measured using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Financial assets measured at fair value through profit or loss are subsequently measured at fair value prevailing at the reporting date. The difference in fair value and dividend arising on equity is charged to the profit or loss.

Financial assets at fair value through other comprehensive income are marked to market using the closing market rates and are carried in the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are recognized in other comprehensive income. Interest calculated using the effective interest rate method is credited to the statement of profit or loss. Dividends on equity instruments are credited to the statement of profit or loss when the Company's right to receive payments is established.

3.2.1.4 Derecognition

Financial assets are derecognized when:

- the contractual rights to receive cash flows from the assets have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Company has transferred substantially all the risks and rewards of the asset; or
 - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the consideration received is recognized in profit or loss.

If the Company transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability which cannot be offset with the related asset. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

If the Company's continuing involvement is in only a part of a financial asset, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the consideration received for the part no longer recognized is recognized in profit or loss.

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Note 3, Significant Accounting Policies - Continued...

3.2.1.5 Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

3.2.2 Financial liabilities

3.2.2.1 Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, loans or borrowings and accrued mark up etc.

The Company does not reclassify any of its financial liabilities.

Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognized at fair value and transaction costs are credited in the profit and loss.

3.2.2.2 Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. Difference between carrying amount and consideration paid is recognized in the statement of profit or loss when the liabilities are derecognized.

3.2.2.3 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective of carrying amounts is recognized in the profit or loss. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

3.2.3 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.3 Trade and other receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified. Provision for loss allowance on doubtful debts is charged to statement of profit or loss directly.

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Note 3, Significant Accounting Policies - Continued...

3.4 Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

3.5 Taxation

Income tax comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

3.5.1 Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001. Super tax, if applicable, on the Company is calculated as per applicable tax rates as per Income Tax Ordinance, 2001.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments.

Current tax for current and prior periods, to the extent unpaid, is recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, it has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.5.2 Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

Deferred tax is calculated at rates that are expected to apply to the period when the differences reverse based on the tax rates and tax laws that have been enacted or have been notified for subsequent enactment by the reporting date.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Note 3, Significant Accounting Policies - Continued...

3.6 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks which are free of encumbrances.

3.7 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within short period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.8 Contingent liabilities

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.9 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Company has access at that date. There are three levels which are as under:

Level 1

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2

When there is no quoted price in an active market, the Company determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

Level 3

If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

3.10 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

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Note 3, Significant Accounting Policies - Continued...

3.11 Revenue recognition

The Company recognises revenue as follows:

Return on MTS investments and fixed income securities

Return on MTS investments and fixed income securities is recognized on a time proportionate basis over the term of the investments that takes into account the EIR method.

Dividend income

Dividend income is recognized in profit or loss on accrual basis in case of cumulative preference shares and at the time dividend is declared in case of ordinary shares.

3.12 Related party transactions

Related parties comprise the parent Company, associated companies / undertakings, directors of the Company and their close relatives and key management personnel of the Company. Transactions in relation to revenue, purchases and services with related parties are made at arm's length prices determined in accordance with the Company's policy except for the allocation of expenses such as utilities, rental and common overheads shared with related parties, which are on actual basis.

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and its related parties are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company to not to do so.

3.13 Dividend distributions

Dividends to shareholders of the Company and appropriations other than statutory appropriations are recognized as a liability in the period in which these are approved.

3.14 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that made strategic decisions. The management has determined that the Company has a single reporting segment, as board of directors use the Company's operations as one reportable segment.

3.15 Earnings per Share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit after tax attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, if any.

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Note 4
Rearrangement Scheme

LSE Financial Services Limited (LSEFSL or the Company) filed the restructuring scheme with Lahore High Court which was approved through Court order number 58175/2022. Following entities were merged / demerged / amalgamated under the scheme of arrangement (the Scheme):

Part - 1: Demerger of LSE Financial Services Limited

- i. LSE Financial Services Limited; Transferor (LSE FSL, the Company)
- ii. LSE Ventures Limited; Transferee (LVL, a subsidiary company)
- iii. LSE Proptech Limited; Transferee (LPL, a subsidiary company)
- iv. LSE Financial Services Limited (as residual); Transferee (LSE FSL, the Company)

Part - 2: Merger of Data Textiles Limited

- i. Data Textiles Limited; Transferor (DATM)
- ii. LSE Ventures Limited; Transferee (LVL)
- iii. LSE Proptech Limited; Transferee (LPL)

In pursuant to this scheme, following objectives shall be derived from this scheme:

- a. As per scheme, undertakings, assets, businesses and investments of LSE FSL shall be transferred to LVL.
- b. Shareholders of LSE FSL shall surrender their shares to LVL;
- c. LVL shall issue their shares to shareholders of LSE FSL in the ratio of 99.862:100, as mentioned in the Scheme;
- d. Assets and liabilities of DATM shall be merged into assets and liabilities of LVL;
- e. LVL shall issue shares to shareholders of DATM in the ratio as mentioned in the Scheme;
- f. Upon merger, LVL shall obtain listing status and DATM will be dissolved under the order of Honorable Lahore High Court, Lahore (the Court) without winding up.

LSE FSL presented and obtained the approval of the Board of Directors and shareholders in their meetings held on July 20, 2022 and August 26, 2022 and filed said petition under sections 279, 280, 282 read with 285 (8) of the Companies Act, 2017. The Court approved this Schemes vide order dated April 26, 2023.

In consequence of this scheme:

- (i) All suits, appeals, arbitrations, governmental investigations and other legal proceedings instituted by or against LSE FSL in respect of the undertaking and business 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.
- (ii) Specified employees of LSE FSL and DATM (if any) on the effective date shall become the employees of LVL on the basis that their services have not been interrupted by the transfer and vesting of undertaking and business of LSE FSL (and of DATM) into LVL 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.
- (iii) The capital reserves, revenue reserves, revaluation surpluses and accumulated profits and losses of LSE FSL as at the day preceding the effective date and immediately preceding the sanction date respectively, shall constitute and be treated as reserves of a corresponding nature in LVL and shall be accounted for on that basis in the books of accounts of LVL.
- (iv) The shares of LVL and LPL held by LSE FSL shall stand cancelled. The authorised share capital of LVL shall be Rs. 2,000,000,000 divided into 200,000,000 ordinary shares of Rs. 10 each whereas the paid up capital shall be Rs. 1,795,978,800 divided into 179,597,880 ordinary shares of Rs. 10 each.
- (v) LSE FSL shall become the wholly owned subsidiary of LVL.
- (vi) The designated immovable and movable assets, liabilities, revaluations reserves, capital and revenue reserves as shown below shall be transferred to LVL from LSE FSL.
- (vii) All the immovable assets and properties and other rights, connections of DATM shall stand transferred in the name of LVL as shown below.

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LSE Financial Services Limited

	Before Merger	Transfer to		Merger Adjustments		After Merger
	LSE FSL	LPL	LVL	LSE FSL	DATM	LSE FSL
Rupees in thousands						
Property and equipment	1,285,028	(1,285,028)	-	-	-	-
Investment property	378,432	(378,432)	-	-	-	-
Investment in subsidiaries	60,000	-	-	(60,000)	-	-
Investment accounted for using the equity method	1,203,015	-	(1,203,015)	-	-	-
Net investment in finance lease	4,214	(4,214)	-	-	-	-
Long term deposits	3,974	-	-	-	-	3,974
Inventory	2,991	(2,991)	-	-	-	-
Trade and other receivables	40,985	(9,273)	(28,798)	-	-	2,914
Advances and prepayments	36,131	(21,940)	(4,191)	-	-	10,000
Short term investment	890,226	-	(373,779)	(477,225)	(39,222)	-
Refund due from Government	42,777	-	-	-	-	42,777
Cash and bank balances	51,087	(10,000)	(412,000)	477,225	-	106,312
Long term financing	(6,253)	-	-	-	-	(6,253)
Deposits against vehicles	(5,153)	5,153	-	-	-	-
Deferred tax liability	(148,437)	3,422	145,075	-	-	60
Trade and other payables	(174,070)	48,498	80,812	-	-	(44,760)
Receivable from / payable to group companies	9,642	4,000	(9,498)	-	(4,144)	-
Unpaid dividend	(33,455)	-	33,455	-	-	-
Unclaimed dividend	(15,568)	-	15,568	-	-	-
Liabilities related to discontinued operations	(14,433)	-	-	-	-	(14,433)
Share capital	(1,795,979)	824,374	1,442,983	(472,282)	(99,096)	(100,000)
Unappropriated profit	(946,385)	155,016	116,942	532,282	142,463	317
Profit for the period	(86,290)	(43,902)	129,283	-	-	(908)
Revaluation surplus on property and equipment	(773,244)	706,080	67,164	-	-	-
Building reserve fund	(9,236)	9,236	-	-	-	-
	-	-	-	-	-	-

DATA TEXTILES LIMITED

	Before Merger	Transfer to		Merger Effect	After Merger
	DATM	LPL	LVL	DATM	DATM
Rupees in thousands					
Property and Equipment	128	(128)	-	-	-
Refund due from Government	1,721	(1,721)	-	-	-
Cash and bank balances	45	(45)	-	-	-
Long term finance	(39,222)	-	-	39,222	-
Trade and other payables	(23,019)	23,019	-	-	-
Payable to LSE Financial Services Limited	(4,144)	-	-	4,144	-
Share capital	(99,096)	-	-	99,096	-
Accumulated loss	163,587	(21,124)	-	(142,463)	-
	-	-	-	-	-

LSE Ventures Limited

	Before Merger	Transfer from		Merger	After Merger	June 30, 2023
	LVL	LSE FSL	DATM	Adjustment	LVL	LVL
Rupees in thousands						
Investment accounted for using the equity method	-	1,203,015	-	-	1,203,015	1,231,363
Investment in subsidiaries - LPL	-	-	-	269,529	269,529	269,529
Investment in subsidiaries - LSE FSL	-	-	-	100,000	100,000	100,000
Long term deposits	-	-	-	-	-	100
Trade and other receivables	-	28,798	-	-	28,798	51,817
Advances and prepayments	(9,266)	4,191	-	-	(5,075)	7,929
Short term investment	16,000	373,779	-	-	389,779	715,242
Refund due from Government	90	-	-	-	90	224
Cash and bank balances	1,572	412,000	-	-	413,573	83,903
Deferred tax liability	-	(145,075)	-	-	(145,075)	(156,997)
Trade and other payables	(178)	(80,812)	-	-	(80,990)	(56,916)
Receivable from / payable to group companies	-	9,498	-	-	9,498	-
Unpaid dividend	-	(33,455)	-	-	(33,455)	(33,455)
Unclaimed dividend	-	(15,568)	-	-	(15,568)	(15,568)
Share capital	(10,000)	(1,416,450)	-	(369,529)	(1,795,979)	(1,795,979)
Unappropriated profit	(0)	(116,942)	-	-	(116,942)	(362,776)
Profit for the period	1,782	(129,283)	-	-	(127,502)	-
Fair value reserve	-	-	-	-	-	(11,883)
Revaluation surplus on property and equipment	-	(67,164)	-	-	(67,164)	-
Demerger reserve	-	(26,533)	-	-	(26,533)	(26,533)
	-	-	-	-	-	-

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Note 5

Investment in Subsidiaries

	Note	2023 Rupees in thousands
LSE Financial Services Limited	5.1	100,000
LSE Proptech Limited	5.2	269,529
		<u>369,529</u>

5.1 This represented 10,000,000 shares of Rs. 10 each acquired in LSE Financial Services Limited representing 100% ownership. These share have been issued through order of the Honorable Lahore High Court dated April 26, 2023.

5.2 This represented 26,952,897 shares of Rs. 10 each acquired in LSE Proptech Limited representing 29.90% ownership. These share have been issued through order of the Honorable Lahore High Court dated April 26, 2023.

Note 6

Investments in Associates

	2023 Rupees in thousands
Under Equity Method	
The Pakistan Credit Rating Agency Limited (PACRA)	67,224
Under Fair value through OCI	
Central Depository Company of Pakistan Limited (CDC)	659,183
National Clearing Company of Pakistan Limited (NCCPL)	504,956
	<u>1,231,363</u>

6.1

	2023			Total
	PACRA	CDC	NCCPL	
	----- Rupees in thousands -----			
Transfer from LSE Financial Services Limited	52,439	599,420	516,386	1,168,245
Equity adjustment	(5,735)	34,893	(4,782)	24,376
Share of profit	36,639	60,437	34,474	131,550
Dividend received	(16,099)	(47,957)	(45,468)	(109,524)
Share in OCI	(20)	-	-	(20)
Fair value gain - OCI	-	12,390	4,346	16,736
Closing balance	<u>67,224</u>	<u>659,183</u>	<u>504,956</u>	<u>1,231,363</u>
No. of shares held	<u>2,683,044</u>	<u>35,000,000</u>	<u>23,730,462</u>	
Shareholding in %age	<u>36.00%</u>	<u>10.00%</u>	<u>23.53%</u>	

6.2 These are locally incorporated companies. The country of incorporation / registration of these companies is also their principal place of business. The Company has significant influence on associates due to its representation on the Board of Directors of investees and consequently investment in PACRA has been treated as associates according to the requirements of IAS 28 'Investment in Associates' and investment in CDC and NCCPL has been recognised at fair value through other comprehensive income. The shares of these associates are not listed on stock exchange, hence published price quotes are not available. Shares of all the associated companies have a face value of Rs. 10 each.

6.3 The investments in associated companies have been made in accordance with the requirements of the Companies Act, 2017.

6.4 The following table summarises the financial information of associates as included in their respective audited financial statements. The table also reconciles the summarised financial information to the carrying amount of the Company's interest in associates.

	2023		
	PACRA	CDC	NCCPL
	----- Rupees in thousands -----		
Current assets	315,710	5,820,229	16,374,396
Non-current assets	113,038	2,105,099	559,380
Current liabilities	(233,859)	(940,031)	(14,745,050)
Non-current liabilities	(8,157)	(393,462)	(42,720)
Net assets of the associate	<u>186,732</u>	<u>6,591,834</u>	<u>2,146,006</u>
Proportion of the Group's ownership interest	36.00%	10.00%	23.53%
Carrying amount of the Group's interest	<u>67,224</u>	<u>659,183</u>	<u>504,956</u>
Cost of Investment	5,400	10,000	164,414

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Note 6, Investments in associates - Contd....

6.8 Reconciliation of transfer as per demerger as per note 4

	PACRA	CDC	NCCPL	Total
Transfer as per Note 4 as on April 26, 2023	55,612	646,793	500,610	1,203,015
Equity adjustment	5,735	(34,893)	4,782	(24,376)
Share of profit	(24,993)	(67,631)	(41,294)	(133,918)
Dividend received	16,099	47,957	45,468	109,524
Share of OCI of associate	(4,843)	-	-	(4,843)
Balance as at July 31, 2022	47,610	592,226	509,566	1,149,402
Income retained by LSE FSL	4,829	7,194	6,820	18,843
Balance as at July 31, 2022	52,439	599,420	516,386	1,168,245

Note 7

Financial Assets

	Note	2023 Rupees in thousands
At amortised cost		
Investment in Margin Trading System of NCCPL via LSE FSL	7.1	316,526
Pakistan GasPort Consortium Limited (PGPC) - Preference shares	7.2	280,000
International Learning Centre (Private) Limited (Berlitz)	7.3	9,000
Investment in SSR Pictures & 5Abbi Films	7.4	17,794
LSE Capital Limited formerly Assetplex Limited [related party]	7.5	14,420
Fair value through profit or loss		
<i>Unlisted - at fair value</i>		
Pakistan Mercantile Exchange Limited (PMEX)	7.6	22,170
Digital Clearing Company Limited (DCCL) [related party]	7.7	54,167
Reckitt Benckiser Pakistan Limited	7.8	490
RB Hyginene Home Pakistan Limited	7.8	428
First Dawood Investment Bank Limited (FDIBL)	7.9	247
		<u>715,242</u>

- 7.1** Investment on margin Trading System of NCCPL via LSE FSL is an undisclosed market of financees and financiers with a participation ratio of 85 to 15 carrying markup of KIBOR with spread of maximum upto 8%. The Company has invested the amount through LSE Financial Services Limited MTS platform and receives markup income net of 2% service charges and MTS charges.
- 7.2** This represents Companys hold of 28 million preference shares in Pakistan GasPort Consortium Limited (PGPC) which are non-voting, privately placed, unlisted, callable, puttable, cumulative and floating rate preference shares with a par value of Rs. 10 each. These preference shares offer dividend at six months KIBOR plus 5.5% per annum every 6 months.
- 7.3** The Company has obtained 5,700 shares of International Learning Centre (Private) Limited for Rs. 9 million during the year which represents 5.00% ownership.
- 7.4** This represents the Company's share of 33.33% of partnership in AOP with Mr. Ifthikhar Thakur and Mr. Muhammad Safdar Malik under the name of SSR Pictures & 5Abbi Films which is established for the purpose of production of movies in Pakistan. Profits / loss will be shared by the partners after project is finalised and audited accordingly.
- 7.5** This represents loan given to LSE Capital Limited formerly Assetplex Limited [a related party]. This amount has been given as advance and carries markup at 3 months KIBOR + spread of 3%.
- 7.6** The Company holds 2,272,727 equity shares of Pakistan Mercantile Exchange Limited which represents 7.25% ownership.
- 7.7** The Company holds 5,221,973 equity shares of Digital Clearing Company Limited (a related party due to common directorship), which is public unlisted entity. Originally 1,110,000 shares were acquired at Rs. 54.05 but DCCL issued 4,111,973 bonus shares during the period, bringing the total number of shares held to 5,221,973. There was no change in the shareholding percentage of 9.99%.
- 7.8** The Company holds 656 shares in Reckitt Benckiser Pakistan Limited and 176 share of RB Hyginene Home Pakistan Limited.
- 7.9** This represents investment in 149,000 shares of First Dawood Investment Bank Limited amounting to Rs. 247,000 representing nominal share of 0.1% of the share capital of the company.

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Note 8

Long Term Deposits

		2023
	Note	Rupees in thousands
Deposit with Central Depository Company Limited	8.1	<u>100</u>

8.1 This amount has been deposited with Central Depository Company Limited for share registrar services.

Note 9

Trade and Other Receivables - Considered good

		2023
	Note	Rupees in thousands
Accrued dividend income on preference shares of PGPC		31,265
Receivable from related party	9.1	<u>20,551</u>
		<u>51,817</u>

9.1 This represents receivable from LSE Financial Services Limited against the MTS investment made by the Company.

9.1.1 Age analysis of trade receivables from related parties

Description	Year End	Past due				
		0-30 Days	31-60 Days	61-90 Days	91-365 Days	Above 365 days
----- Rupees in thousands -----						
LSE Financial Services Limited	2023	20,551	-	-	-	-

Note 10

Bank Balances

		2023
	Note	Rupees in thousands
Cash at banks in saving accounts	11.1	<u>83,903</u>

10.1 These carry mark-up @ 12.25% to 20.50% p.a.

Note 11

Issued, Subscribed and Paid-up Share Capital

2023		2023
Number of shares		Rupees in thousands
1,000,000	Ordinary shares of Rs. 10 each issued for cash	10,000
(1,000,000)	Ordinary shares of Rs. 10 each cancelled as per demerger scheme	(10,000)
<u>179,597,880</u>	Ordinary shares of Rs. 10 each issued other than in cash	<u>1,795,979</u>
<u>179,597,880</u>		<u>1,795,979</u>

11.1 As the result of demerger scheme, 100% shares of LSE FSL have been transferred to the Company and the previous share capital of the Company has been cancelled.

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Note 11, Issued, Subscribed and Paid-up Share Capital - Continued...

11.2 The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

11.3 Reconciliation of changes in number of shares is as follows:

	2023
	Number of shares
Opening balance	-
Shares issued during the period	180,597,880
Shares cancelled during the period	<u>(1,000,000)</u>
Closing balance	<u><u>179,597,880</u></u>

Note 12

Deferred Tax Liability

	Note	2023
		Rupees in thousands
Deferred tax liability	12.1	<u><u>156,997</u></u>
12.1 Breakup of Deferred tax Liability		
Taxable Temporary Differences		
Investment in Associates		157,732
Deductible Temporary Differences		
Financial assets		<u>(735)</u>
		<u><u>156,997</u></u>
12.2 Deferred tax assets / liabilities on temporary differences are measured at effective rate of 29%.		
12.3 Reconciliation of deferred tax liabilities / (assets) - Net		
Opening balance		-
Transferred from LSE FSL as per demerger scheme		145,075
Deferred tax effect charged to profit or loss		7,074
Deferred tax effect charged to other comprehensive income		4,848
Closing balance		<u><u>156,997</u></u>

Note 13

Trade and Other Payables

	Note	2023
		Rupees in thousands
Deferred income from LSE Capital Limited [related party]		616
Auditors' remuneration		683
Punjab Workers' Welfare Fund payable	13.1	17,649
Payable to related party - unsecured	13.2	<u>28,637</u>
		<u><u>47,585</u></u>
13.1 Punjab Workers' Welfare Fund payable		
Transferred from LSE FSL		12,405
Provision during the period		5,244
Less: paid during the period		-
Closing balance		<u><u>17,649</u></u>
13.2 This represents payable to LSE PropTech Limited and LSE Financial Services Limited amounting to Rs. 27.11 million and Rs. 1.53 million respectively, against the expenses paid on behalf of Company.		

Note 14

Contingencies and Commitments

14.1 Contingencies

There is no contingencies existing as at the reporting date.

14.2 Commitments

There is no commitment outstanding as at the reporting date.

Note 15

Revenue

	For the period from July 18, 2022 to June 30, 2023
	Rupees in thousands
Revenue from Margin Trading System of NCCPL via LSE FSL	56,429
Cash and cash equivalents - profit on saving bank accounts	1,514
Market Treasury Bills (T-Bills)	5,453
Return on investment through LSE Capital Limited	55,368
Realized fair value gain on investments - PKGI	31,930
Dividend income on PGPC - preference shares	31,273
	<u>181,966</u>

Note 16

Administrative and General Expenses

		For the period from July 18, 2022 to June 30, 2023
	Note	Rupees in thousands
Salaries and benefits	16.1	36,973
Information technology related expenses		1,477
Travelling and conveyance		870
Printing and stationery		325
Utilities		1,664
Repairs and maintenance		5,947
Security expenses		2,274
Communication and public relations		5,043
Legal and professional charges		5,555
Marginal Trading System charges		2,653
Fees and subscription		201
Rent, rates and taxes		351
Auditors' remuneration	16.2	1,323
Board meetings fee		1,550
Miscellaneous		1,030
		<u>67,237</u>

16.1 Salaries and benefits include Rs. 1.897 million in respect of contribution to provident fund.

16.2 Auditors' remuneration

Annual audit fee	683
Other assurance services	341
Half yearly review	184
Certifications for regulatory purposes	37
Agreed upon procedures	79
	<u>1,323</u>

Note 17

Other Operating Expenses

	For the period from July 18, 2022 to June 30, 2023
	Rupees in thousands
Unrealized fair value loss on unlisted securities	2,750
Punjab Workers' Welfare Fund	5,244
	<u>7,994</u>

Note 18
Taxation

	For the period from July 18, 2022 to June 30, 2023
	Rupees in thousands
Current tax	9,331
Deferred tax	7,074
	<u>16,405</u>
18.1 Reconciliation of tax charge for the period	
Profit before taxation	<u>238,280</u>
Tax @ 29% on profit before taxation	69,101
Tax effect of add backs / allowed deductions	<u>(59,770)</u>
	<u>9,331</u>

18.2 The current tax expense for the year is calculated using corporation tax rate of 29%. Deferred tax assets and liabilities on temporary differences are measured at effective rate of 29%.

Note 19
Earnings per Share - Basic and Diluted

	For the period from July 18, 2022 to June 30, 2023
Net profit for the year attributable to ordinary shareholders (Rupees in thousands)	<u>221,875</u>
Weighted average number of ordinary shares (Number of shares in thousands) - basic and diluted	<u>164,727,923</u>
Earnings per share - Basic (Rupees)	<u>1.35</u>

Note 20
Cash Generated from Operations

	For the period from July 18, 2022 to June 30, 2023
	Rupees in thousands
Profit before tax	238,280
Adjustments	
Share of profit of associates	(131,550)
Return on investments	(182,774)
Unrealized fair value loss on investment - net	2,750
Employees' welfare fund	5,244
Finance cost	5
Loss before working capital changes	(306,325)
(Increase) / decrease in current assets:	
- Trade and other receivables	8,254
- Advances, deposits and prepayments	(3,738)
	4,516
Increase / (decrease) in current liabilities:	
- Trade and other payables	(28,973)
Cash Used in Operations	<u>(92,501)</u>

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Note 21

Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

21.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will affect the Company's income or the value of its holdings of financial instruments.

Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As there are no foreign currency receivables / payables of the Company, it is not exposed to currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not significantly exposed to floating interest rate risk as it does not have any significant interest bearing liabilities. However, the Company has fixed and variable interest based investments. These investments are classified as short term and long term considering relative sensitivity of interest rates and management's intention. Other assets and liabilities of the Company do not expose the Company to interest rate risk substantially.

T-Bills are Government backed securities with guaranteed return. The maximum maturity profile of investment in T - bills is upto one eighty two days and of investment in MTS is upto sixty four days. T-Bills are fixed interest based investments. Therefore, changes in interest rates shall not affect the cash flows of the Company. The interest rate profile of the Company's interest-bearing financial instruments as at the reporting date is as follows:

	<u>2023</u>
	Rupees in thousands
<u>Floating rate instruments</u>	
Financial assets	
Bank balances	<u>83,903</u>

Cash flow sensitivity analysis for variable rate instruments

As at reporting date, if interest rates get 1% higher / lower with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 0.084 million, mainly as a result of yield on floating investment based financial assets.

Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Company is exposed to equity price risk in respect of certain investments amounting to Rs. 77.502 million.

A change of 1% in the value of investments at fair value through profit or loss would have increased / decreased profitability of the Company by Rs. 0.775 million on the basis that all other variables remain constant.

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Note 21, Financial Risk Management - Contd...

21.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at the reporting date, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	2023	
	Note	Rupees in thousands
Financial assets	7	715,242
Trade and other receivables	9	51,817
Bank balances	10	83,903
		<u>850,962</u>

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer such as repayment behavior, credit loss history and available securities etc. The management also considers other relevant factors that may influence the credit risk of its customer base, including the default risk associated with the customer. Majority of the Company's customers have been transacting with the Company for over five years, and only trivial customers' balances have been written off. In monitoring customer credit risk, customers are individually assessed according to their trading history and repayment behavior with the Company.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment terms are offered.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

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Note 21, Financial Risk Management - Continued...

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are operated in largely independent markets. The credit risk on liquid funds is limited because the counter parties are only banks (with reasonably high credit ratings).

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2023
	Short term	Long term	Agency	
				Rupees in thousands
Bank Al-Habib Limited	A1+	AAA	PACRA	83,903
				<u>83,903</u>

21.3 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring critical liquidity ratios and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years
-------------	-----------------	------------------------	---------------	-----------	-----------

-----Rupees in thousand-----

Contractual maturities of financial liabilities as at June 30, 2023:

Trade and other payables	47,585	47,585	47,585	-	-
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Contractual maturities of financial liabilities as at June 30, 2022:

Trade and other payables	-	-	-	-	-
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The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at the reporting date. The rates of interest / mark up have been disclosed in relevant notes to these financial statements, where applicable

21.4 Financial instruments by categories

Financial assets as at June 30, 2023

	Fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
				Rupees in thousand-----
Investments in associates	-	-	1,164,139	1,164,139
Financial assets	77,502	637,740	-	715,242
Trade and other receivables	-	51,817	-	51,817
Cash and bank balances	-	83,903	-	83,903
	<u>77,502</u>	<u>773,459</u>	<u>1,164,139</u>	<u>2,015,101</u>

Financial liabilities at amortized cost

Trade and other payables	<u>29,320</u>
--------------------------	---------------

2023
Rupees in thousands

21.5 Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The management believes that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

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Note 22

Capital Risk Management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to shareholders.

The Company's objectives when managing capital are:

- a) to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- b) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, if possible, selling surplus property and equipment without affecting the optimal operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with the industry norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt.

The gearing ratio of the Company is not calculated as the Company is not geared.

Note 23

Segment Reporting

23.1 Revenue from investments represents 100% of total revenue of the Company. Therefore, there is one reportable segment as per IFRS-8.

23.2 The sales percentage by geographic region is as follows:

	2023
	%
Pakistan	100.00

23.3 Major investments in MTS account for 31% of total revenue for the year. Revenue from MTS investment amount to Rs. 56.428 million.

23.4 All non-current assets of the Company as at reporting date are located in Pakistan.

Note 24

Transactions and Balances with Related Parties

The related parties of the Company are as follows:

Names of Related Parties	Relationship	Basis of relationship / (percentage shareholding or common directorship)	
The related parties of the Company are as follows:			
Investment made by:			
Modaraba Al Mali managed by LSE Capital Limited	Associate	Shareholding	26.00%
Investment made in:			
LSE Financial Services Limited	Subsidiary Company	Shareholding	100.00%
LSE Proptech Limited	Subsidiary Company	Shareholding	29.90%
National Clearing Company of Pakistan Limited	Associate	Shareholding	23.53%
Central Depository Company of Pakistan Limited	Associate	Shareholding	10.00%
Pakistan Credit Rating Agency Limited	Associate	Shareholding	36.00%
Digital Custodian Company Limited	Common Directorship	Common Director	9.99%
SSR Pictures & 5Abbi Films	Partnership	Shareholding	33.00%
Directors:			
Mr. Muhammad Iqbal	Chairman/Independent Director	Director	1.22%
Mr. Aftab Ahmad	Chief Executive Officer	Director	0.00%
Mr. Abid Latif Khan	Non-Executive Director	Director	0.00%
Ms. Minahil Ali	Non-Executive Director	Director	0.00%
Mr. Shahnawaz Mahmood	Non-Executive Director	Director	0.00%
Mr. Tabassum Munir	Independent Director	Director	0.00%
Mr. Yasir Manzoor	Independent Director	Director	0.00%

Note 24, Transactions and Balances with Related Parties - Continued..

Related parties include associated entities, directors and their close family members and other key management personnel. Balances with related parties are disclosed in respective notes. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Names of Related Parties	2023
	Rupees in thousands
National Clearing Company of Pakistan Limited	Dividend received 45,468 Trading charges paid (2,653)
Central Depository Company of Pakistan Limited	Dividend received 47,957 Deposit paid for share registrar services (100)
Pakistan Credit Rating Agency Limited	Dividend received 16,099
LSE Proptech Limited	Shares purchased by the Company (269,529) Reimbursement of expenses (26,769)
Modaraba Al Mali	Reimbursement of facilities - receipts (93) Loan - Principal (300,000) Interest received 55,368 Repayment of principal 20,000 Preference shares purchased - settled 280,000
LSE Financial Services Limited	Shares issued (100,000) Investment in MTS - Principal (316,526) Investment in MTS - markup accrued 20,551 Expenses paid on behalf of Company (1,529)
LSE Capital Limited	Loan given (14,420) Markup accrued 384
Balances outstanding as at June 30,	
Investment in subsidiaries	
- LSE Financial Services Limited	100,000
- LSE Proptech Limited	269,529
Investments in associates	
- National Clearing Company of Pakistan Limited	504,956
- Central Depository Company of Pakistan Limited	659,183
- Pakistan Credit Rating Agency Limited	67,224
Short Term Investments	
- Digital Clearing Company Limited	54,167
- SSR Pictures & 5Abbi Films	17,794
Trade and other Payables	
- Due to LSE Proptech Limited	(27,108)
- Due to LSE Financial Services Limited	(1,529)
- Deferred income from LSE Capital	(616)
Loan	
- LSE Capital Limited	14,420
Receivables	
- Due from LSE Financial Services Limited	20,551



Note 25
Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amount charged in these accounts for the year for remuneration, including benefits to chief executive of the Company is as follows:

	Chief Executive Officer	Directors	Executives	Total
	2023	2023	2023	2023
----- Rupees in thousands -----				
Managerial remuneration	11,194	-	1,980	13,174
Company's contribution to the provident fund trust	1,018	-	165	1,183
Housing and utilities	5,597	-	990	6,587
Meeting fees	-	1,550	-	1,550
Others	6,163	-	1,205	7,368
	<u>23,972</u>	<u>1,550</u>	<u>4,340</u>	<u>29,862</u>
Number of persons	<u>1</u>	<u>7</u>	<u>1</u>	<u>9</u>

25.1 Chief Executive is provided with the Company's maintained vehicle.

25.2 An Executive is defined as an employee, other than the chief executive officer and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 26
Number of Employees

	2023
Total number of employees at the period end	<u>8</u>
Average number of employees during the period ended	<u>4</u>

Note 27
Authorization For Issue

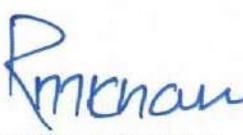
These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on 06-10-2023

Note 28
General

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No re-arrangement has been made in these financial statements.

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Chief Executive Officer


Chief Financial Officer


Director