LSE VENTURES LIMITED

FOR THE PERIOD ENDED NOVEMBER 30, 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LSE VENTURES LIMITED

Opinion

We have audited the financial statements of **LSE VENTURES LIMITED** (the Company), which comprise the statement of financial position as at November 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period from July 01, 2023 to November 30, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company for the period from July 01, 2023 to November 30, 2023 are prepared, in all material respects, in accordance with the basis of preparation as described in note 2.1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in *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 of 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.

Emphasis of Matter – Basis of Accounting and Restriction on distribution and use

We draw attention to Note 2.1 to the annexed financial statements, which describes the basis of accounting along with purpose of preparing these financial statements. As a result, these financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with basis of accounting described in Note 2.1 to the financial statements, and for such internal control as the management determines is necessary to enable the preparation of the 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.

Crowe

Auditor's Responsibilities for the Audit of 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 the 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.

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.

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

Crowe Hussain Ch & Co.

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: January 30, 2024

LSE VENTURES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2023

	Note	November 30, 2023	June 30, 2023
		Rupees in thousands	
ASSETS			
Non Current Assets			
Investment in subsidiaries	4	369,529	369,529
Investment in associates	5	1,283,266	1,231,363
Financial assets	6	753,153	715,242
Intangible assets	7	6,231	-
Long term deposits	8	100	100
		2,412,279	2,316,234
Current Assets			
Trade and other receivables	9	66,789	51,817
Advances and prepayments	10	1,154	7,929
Advance income tax	11	7,703	224
Bank balances	12	13,534	83,903
		89,179	143,873
		2,501,458	2,460,107
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
200,000,000 (June 30, 2023: 200,000,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid-up share capital	13	1,795,979	1,795,979
Capital reserves:			
- Demerger reserve		26,533	26,533
- Fair value reserve		67,073	11,883
		93,606	38,416
Revenue reserves:			
- Unappropriated profit		338,209	362,776
Total Equity		2,227,794	2,197,171
Non Current Liabilities			
Deferred tax liability	14	165,225	156,997
Current Liabilities			
Trade and other payables	15	20,587	47,585
Un-paid dividend		54,272	33,455
Un-claimed dividend		15,568	15,568
Provision for taxation		18,012	9,331
		108,439	105,939
Contingencies and Commitments	16	-	-
		2,501,458	2,460,107

The annexed notes from 1 to 30 form an integral part of these financial statements.

RmKhan

Chief Executive Officer | **Chief Financial Officer** | **Director**

LSE VENTURES LIMITED

STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD FROM JULY 01, 2023 TO NOVEMBER 30, 2023

	Note	From July 01, 2023 to November 30, 2023	From July 18, 2022 to November 30, 2022
			(Un-audited)
		Rupees in thousands	
Revenue	17	97,832	53,211
Operating Expenses			
Administrative and general expenses	18	(38,338)	(25,479)
Other operating expenses	19	(1,479)	(16)
Operating Profit		58,015	27,716
Other income		220	-
Share of profit from associates		14,166	7,877
Profit before Taxation		72,401	35,593
Taxation	20	(7,169)	-
Net Profit for the Period		65,232	35,593
Earnings per Share - Basic and Diluted	21	0.38	0.20

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer | RmKhan **Chief Financial Officer** | **Director**

LSE VENTURES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM JULY 01, 2023 TO NOVEMBER 30, 2023

	From July 01, 2023 to November 30, 2023	From July 18, 2022 to November 30, 2022
		(Un-audited)
	Rupees in thousands	
Net Profit for the Period	65,232	35,593
Other Comprehensive Income		
Items that may be subsequently reclassified to profit or loss	-	-
Items that may not be reclassified to profit or loss:		
Fair value gain on investments	64,929	-
Less: deferred tax	(9,739)	-
	55,190	-
Total Comprehensive Income for the Period	120,422	35,593

The annexed notes from 1 to 30 form an integral part of these financial statements.

RmKhan

Chief Executive Officer	**Chief Financial Officer**	**Director**

LSE VENTURES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM JULY 01, 2023 TO NOVEMBER 30, 2023

	Share Capital	Capital Reserves			Revenue Reserve	Total Equity
		Fair Value Reserve	Demerger Reserve	Total	Unappropriated Profit	
	.... Rupees in Thousands					
Net profit for the period	-	-	-	-	35,593	35,593
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	35,593	35,593
Transactions with owners of the company						
Fresh issuance of share capital	10,000	-	-	-	-	10,000
Transfer of share capital from LSE Financial Services Limited	1,812,512	-	-	-	116,942	1,929,454
Demerger reserve arisen under sceheme	(26,533)	-	26,533	26,533	-	-
	1,795,979	-	26,533	26,533	116,942	1,939,454
Charge of expenses incurred on listing of company	-	-	-	-	(43,190)	(43,190)
Balance as at November 30, 2022 (Un-Audited)	1,795,979	-	26,533	26,533	109,345	1,931,857
Balance as at June 30, 2023 - Audited	1,795,979	11,883	26,533	38,416	362,776	2,197,171
Net profit for the period	-	-	-	-	65,232	65,232
Other comprehensive income - net of tax	-	55,190	-	55,190	-	55,190
Total comprehensive income for the period	-	55,190	-	55,190	65,232	120,422
Transactions with owners of the company						
Cash dividends of Rs. 0.50 per share for the year ended June 30, 2023 (Final)	-	-	-	-	(89,799)	(89,799)
Balance as at November 30, 2023	1,795,979	67,073	26,533	93,606	338,209	2,227,794

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

LSE VENTURES LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JULY 01, 2023 TO NOVEMBER 30, 2023

	Note	From July 01, 2023 to November 30, 2023	June 30, 2023
		Rupees in thousands	
Cash Used in Operations	22	(25,858)	(92,501)
Finance cost paid		220	(5)
Income tax paid		(7,479)	(224)
Net Cash Used in Operating Activities		(33,117)	(92,730)
Cash Flows from Investing Activities			
Investment in MTS		(54,000)	(316,526)
Return on investment in MTS		37,450	-
Investment in unlisted securities		-	(26,794)
Investment in listed securities		(14,547)	(247)
Interest bearing loan received back / (to associate)		14,420	(14,420)
Sale proceed from disposal of investment		-	70,000
Dividend received		48,407	42,720
Long term deposits		-	(100)
Net Cash Generated from / (Used in) Investing Activities		31,730	(245,367)
Cash Flows from Financing Activities			
Receipt from right issue of shares		-	10,000
Dividend paid		(68,982)	-
Funds received under demerger sheme from LSE FSL		-	412,000
Net Cash (Used in) / Generated from Financing Activities		(68,982)	422,000
Net (Decrease) / Increase in Cash and Cash Equivalents		(70,369)	83,903
Cash and cash equivalents at the beginning of the period		83,903	-
		13,534	83,903

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer	RmKhan Chief Financial Officer	Director

LSE VENTURES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD FROM JULY 01, 2023 TO NOVEMBER 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 its principal line of business 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.

These financial statements have been prepared for the purpose of determination of balances for restructuring scheme to be filed by the Company.

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 - 5	(stated under equity method and under fair value through other comprehensive income)
Financial assets	Note - 6	(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 3.3.1.5
- Estimation of provisions and contingent liabilities - Note 3.5, 3.9 & 16
- Fair value of equity shares - Note 3.2 & 6
- Estimation of current income tax expense, provision for current tax and recognition of deferred tax - Note 3.6 & 14

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.

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 period

The following standards, amendments and interpretations are effective for the period ended November 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 Periods** 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

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 Periods** Beginning on or After
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 (Ammendments)	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 Investment in subsidiaries

Investments in subsidiaries where the Company has control / significant influence are measured at cost less impairment, if any, in the Company's separate financial statements. At subsequent reporting date, the recoverable amounts of investments are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense in the statement of profit or loss. Investments in subsidiaries that have suffered an impairment are reviewed for possible reversal of impairment at each reporting date. Where impairment losses are subsequently reversed, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. Impairment losses recognized in the statement of profit or loss on investments in subsidiaries are reversed through the statement of profit or loss.

3.2 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.

Note 3, Significant Accounting Policies - Continued...

3.3 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.

3.3.1 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.

3.3.1.1 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.

3.3.1.2 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.

3.3.1.3 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.

3.3.1.4 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.

Note 3, Significant Accounting Policies - Continued...

3.3.1.5 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.

3.3.2 Financial liabilities

3.3.2.1 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.

3.3.2.2 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.

3.3.2.3 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.

3.3.3 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.

3.4 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.

Note 3, Significant Accounting Policies - Continued...

3.5 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.

3.6 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.

3.6.1 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.

3.6.2 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...

3.7 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.

3.8 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.

3.9 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.

3.10 Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method. Amortization on additions to intangible assets is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off.

3.11 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.

3.12 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.

Note 3, Significant Accounting Policies - Continued...

3.13 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.

3.14 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.

3.15 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.

3.16 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.

3.17 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.

LSE VENTURES LIMITED
Notes to and Forming Part of Financial Statements

Note 4
Investment in Subsidiaries - at Cost

	Note	November 30, 2023	June 30, 2023
		Rupees in thousands	
LSE Financial Services Limited	4.1	100,000	100,000
LSE Proptech Limited	4.2	269,529	269,529
		369,529	369,529

4.1 This represents 10,000,000 (June 30, 2023: 10,000,000) shares of Rs. 10 each acquired in LSE Financial Services Limited constituting 100% (June 30, 2023: 100%) ownership. These shares have been issued through order of the Honorable Lahore High Court dated April 26, 2023.

4.2 This represents 26,952,897 (June 30, 2023: 26,952,897) shares of Rs. 10 each acquired in LSE Proptech Limited constituting 29.90% (June 30, 2023: 29.90%) ownership. These shares have been issued through order of the Honorable Lahore High Court dated April 26, 2023.

Note 5
Investments in Associates

	Note	November 30, 2023	June 30, 2023
		Rupees in thousands	
Under Equity Method			
The Pakistan Credit Rating Agency Limited (PACRA)		54,198	67,224
Under Fair value through Other Comprehensive Income			
Central Depository Company of Pakistan Limited (CDC)		676,391	659,183
National Clearing Company of Pakistan Limited (NCCPL)		552,677	504,956
	5.1	1,283,266	1,231,363

5.1 Reconciliation of changes in carrying value / fair value of investments in associates:

	November 30, 2023		September 30, 2023	Total
	PACRA	NCCPL	CDC	
	Rupees in thousands			
Balance as at June 30, 2023	67,224	504,956	659,183	1,231,363
Share of profit for the period	14,166	-	-	14,166
Dividend received during the period	(33,404)	-	-	(33,404)
Fair value gain				
- through other comprehensive income	-	47,721	17,208	64,929
- through profit or loss	6,212	-	-	6,212
Balance as at November 30, 2023	54,198	552,677	676,391	1,283,266
No. of shares held	2,683,044	23,730,462	35,000,000	
Shareholding in %age	36.00%	23.53%	10.00%	

	June 30, 2023			
	PACRA	NCCPL	CDC	Total
	Rupees in thousands			
Transfer from LSE Financial Services Limited	52,439	516,386	599,420	1,168,245
Equity adjustment	(5,735)	(4,782)	34,893	24,376
Share of profit for the year	36,639	34,474	60,437	131,550
Dividend received during the year	(16,099)	(45,468)	(47,957)	(109,524)
Share in OCI	(20)	-	-	(20)
Fair value gain - OCI	-	4,346	12,390	16,736
Balance as at June 30, 2023	67,224	504,956	659,183	1,231,363
No. of shares held	2,683,044	23,730,462	35,000,000	
Shareholding in %age	36.00%	23.53%	10.00%	

5.2 These companies are locally incorporated, with their country of incorporation / registration serving as 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 investments in PACRA has been treated as associates in accordance with requirements of IAS 28 'Investment in Associates' and investment in CDC and NCCPL have been recognised at fair value through other comprehensive income. The shares of these associates are not listed on Pakistan Stock Exchange, hence published price quotes are not available. The shares of all the associated companies have a face value of Rs. 10 each.

Note 5, Investments in Associates - Continued...

5.3 Share of profit of PACRA for the period from July 01, 2023 to November 30, 2023 has been incorporated from the unaudited standalone financial statements provided by the management of the Company. Fair value gains on CDC and NCCPL for the period were determined by analyzing the quarterly accounts of September, 2023 and December, 2023 respectively, aiming to establish the approximate estimates.

Note 6
Financial Assets

	Note	November 30, 2023	June 30, 2023
		Rupees in thousands	
At amortised cost			
Investment in Margin Trading System of NCCPL via LSE FSL	6.1	370,526	316,526
Pakistan Gasport Consortium Limited (PGPC) - Preference shares	6.2	280,000	280,000
International Learning Centre (Private) Limited (Berlitz)	6.3	9,000	9,000
Investment in SSR Pictures & 5Abbi Films	6.4	-	17,794
LSE Capital Limited formerly Assetplex Limited [related party]	6.5	-	14,420
At Fair value through profit or loss			
Unlisted - at fair value			
Pakistan Mercantile Exchange Limited (PMEX)	6.6	22,170	22,170
Digital Custodian Company Limited (DCCL) [related party]	6.7	54,167	54,167
Reckitt Benckiser Pakistan Limited	6.8	490	490
RB Hyginene Home Pakistan Limited	6.8	428	428
listed - at fair value			
First Dawood Investment Bank Limited (FDIBL)	6.9	16,372	247
		753,153	715,242

6.1 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 1% to 2% (June 30, 2023: 2%) service charges and MTS charges.

6.2 This represents Company's holding 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.

6.3 The Company has obtained 5,700 shares of International Learning Centre (Private) Limited for Rs. 9 million, which represents 5.00% ownership.

6.4 This represented 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 was established for the purpose of production of movies in Pakistan. During the year, this shareholding was sold to LSE Financial Services Limited at cost.

6.5 This represented loan given to LSE Capital Limited formerly Assetplex Limited [a related party]. This amount had been given as advance and carries markup at 3 months KIBOR + spread of 3%. The amount along with markup has been received.

6.6 The Company holds 2,272,727 equity shares of Pakistan Mercantile Exchange Limited which represents 7.25% ownership in investee.

6.7 The Company holds 5,221,973 equity shares of Digital Custodian Company Limited (a related party due to common directorship), which is public unlisted entity. Orignially 1,110,000 shares were acquired at Rs. 54.05 but DCCL issued 4,111,973 bonus shares during the year ended June 30, 2023, bringing the total number of shares held to 5,221,973. There was no change in the shareholding percentage of 9.99%.

6.8 The Company holds 656 shares in Reckitt Benckiser Pakistan Limited and 176 share of RB Hyginene Home Pakistan Limited.

6.9 This represents investment in 6,996,500 (June 30, 2023: 149,000) shares of First Dawood Investment Bank Limited representing shareholding of 4.71% (June 30, 2023: 0.1%) of the share capital of the investee Company.

Note 7
Intangible Assets

	Note	November 30, 2023	June 30, 2023
		Rupees in thousands	
Cost		6,502	-
Amortisation	7.1	(271)	-
Carrying value as at November 30, 2023		6,231	-

7.1 The intangible assets have indefinite life. The Company has policy to amortise these at 10% per annum on straight line basis.

Note 8
Long Term Deposits

	Note	November 30, 2023	June 30, 2023
		Rupees in thousands	
Security deposit	8.1	100	100

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

Note 9
Trade and Other Recievables

	Note	November 30, 2023	June 30, 2023
		Rupees in thousands	
Considered good			
Accrued dividend income	9.1	64,073	31,265
Bank profit receivable		1,314	-
Receivable from related party	9.2	1,402	20,552
		66,789	51,817

9.1 This represents dividend accrued against preferrence shares of Pakistan GasPort Consortium Limited (PGPC) at the rate of 6M Kibor plus 5.5% per annum.

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

9.2.1 Age analysis of trade receivables from related parties

Description	Period 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	November 30, 2023	1,402	-	-	-	-

Note 10
Advances and Prepayments

	November 30, 2023	June 30, 2023
	Rupees in thousands	
Prepayments	999	7,929
Advances to employees	155	-
	1,154	7,929

Note 11
Advance Income Tax

	November 30, 2023	June 30, 2023
	Rupees in thousands	
Advance income tax	7,703	224

Note 12
Bank Balances

	Note	November 30, 2023	June 30, 2023
		Rupees in thousands	
Cash at bank in savings accounts	12.1	13,534	83,903

12.1 These carry mark-up of 20.50% per annum (June 30, 2023: 20.5% per annum).

12.2 The above figures of bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows.

Note 13
Issued, Subscribed and Paid-up Share Capital

November 30, 2023	June 30, 2023		November 30, 2023	June 30, 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)
179,597,880	179,597,880	Ordinary shares of Rs. 10 each issued other than in cash	1,795,979	1,795,979
179,597,880	179,597,880		1,795,979	1,795,979

13.1 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.

13.2 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.

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

	November 30, 2023	June 30, 2023
	Number of shares	
Opening balance	179,597,880	-
Shares issued during the period	-	180,597,880
Shares cancelled during the period	-	(1,000,000)
Closing balance	179,597,880	179,597,880

Note 14
Deferred Tax Liability

	Note	November 30, 2023	June 30, 2023
		Rupees in thousands	
Deferred tax liability	14.1	165,225	156,997

14.1 **Breakup of Deferred tax Liability**

Taxable Temporary Differences		
Investment in associates	165,518	157,732
Deductible Temporary Differences		
Financial assets	(293)	(735)
	165,225	156,997

14.2 Deferred tax assets / liabilities on temporary differences are measured at effective rate of 29% & 15% (June 30, 2023: 29% & 15%).

14.3 **Reconciliation of deferred tax liabilities / (assets) - Net**

Opening balance	160,495	145,075
Deferred tax effect charged to profit or loss	(5,009)	7,074
Deferred tax effect charged to other comprehensive income	9,739	4,848
Closing balance	165,225	156,997

Note 15
Trade and Other Payables

	Note	November 30, 2023	June 30, 2023
		Rupees in thousands	
Deferred income from LSE Capital Limited [related party]		-	616
Punjab Workers' Welfare Fund payable	15.1	19,128	17,649
Accrued expenses - audit fee		368	683
Others payable		1,092	-
Payable to related party - unsecured		-	28,637
		20,587	47,585

15.1 Punjab Workers' Welfare Fund payable

	November 30, 2023	June 30, 2023
Transferred from LSE FSL	17,649	17,633
Add: provision during the period	1,479	16
Less: paid during the period	-	-
Closing balance	19,128	17,649

Note 16
Contingencies and Commitments

16.1 Contingencies

There are no material contingencies outstanding as at the reporting date (June 30, 2023: Nil).

16.2 Commitments

There are no material commitments outstanding as at the reporting date (June 30, 2023: Nil).

LSE VENTURES LIMITED
Notes to and Forming Part of Financial Statements

Note 17
Revenue

	From July 01, 2023 to November 30, 2023	From July 18, 2022 to November 30, 2022
	Rupees in thousands	
Income from financial assets		
Revenue from Margin Trading System of NCCPL via LSE FSL	38,852	19,039
Cash and cash equivalents - profit on savings bank accounts	1,450	500
Return on investment through LSE Capital Limted	616	33,672
Unrealized fair value gain on investments	7,790	-
Dividend income	49,124	-
	97,832	53,211

Note 18
Administrative and General Expenses

	Note	From July 01, 2023 to November 30, 2023	From July 18, 2022 to November 30, 2022
		Rupees in thousands	
Salaries and benefits	18.1	14,779	16,869
Information technology related expenses		1,265	-
Insurance		602	-
Travelling and conveyance		1,434	196
Printing and stationery		449	318
Utilities		402	-
Repairs and maintenance		4,637	-
Security expenses		1,972	-
Communication and public relations		1,512	1,536
Legal and professional charges		8,694	4,497
Margin Trading System charges		-	1,240
Fees and subscription		81	-
Auditors' remuneration		368	273
Board meetings fee		1,650	550
Amortisation expenses		271	-
Miscellaneous		221	-
		38,338	25,479

18.1 Salaries and benefits include Rs. 0.762 million in respect of contribution to provident fund.

Note 19
Other Operating Expenses

	From July 01, 2023 to November 30, 2023	From July 18, 2022 to November 30, 2022
	Rupees in thousands	
Punjab Workers' Welfare Fund	1,479	16

Note 20
Taxation

	From July 01, 2023 to November 30, 2023	From July 18, 2022 to November 30, 2022
	Rupees in thousands	
Current tax	8,681	-
Deferred tax	(1,512)	-
	7,169	-

20.1 Reconciliation of tax charge for the period

Profit before taxation	72,401	35,593
Tax @ 29% on profit before taxation	20,996	10,322
Tax effect of add backs / allowed deductions / deferred taxation	(13,827)	-
	7,169	-

20.2 The current tax expense for the period is calculated using corporation tax rate of 29% normal (June 30, 2023: 29%). Deferred tax assets and liabilities on temporary differences are measured at effective rate of 29% & 15% (June 30, 2023: 29% & 15%).

Note 21
Earnings per Share - Basic and Diluted

	From July 01, 2023 to November 30, 2023	From July 18, 2022 to November 30, 2022
Net profit for the year attributable to ordinary shareholders (Rupees in thousands)	65,232	35,593
Weighted average number of ordinary shares (Number of shares in thousands) - basic and diluted	179,598	179,598
Earnings per share - Basic (Rupees)	0.38	0.20

Note 22
Cash Generated from Operations

	From July 01, 2023 to November 30, 2023	June 30, 2023
	Rupees in thousands	
Profit before tax	72,401	238,280
Adjustments		
Share of profit of associates	(14,166)	(131,550)
Return on investments associates	(96,383)	(182,774)
Unrealized fair value loss / (gain) on investment - net	(1,578)	2,750
Provision for Punjab Workers' Welfare Fund	1,479	5,244
Finance cost	(220)	5
Loss before working capital changes	(110,868)	(306,325)
(Increase) / decrease in current assets:		
- Trade and other receivables	(14,933)	8,254
- Advances and prepayments	544	(3,738)
	(14,389)	4,516
Increase / (decrease) in current liabilities:		
- Trade and other payables	26,997	(28,973)
Cash Used in Operations	(25,858)	(92,501)

Note 23
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.

23.1 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.

23.2 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.

23.3 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.

The maximum maturity profile of investment in Margin Trading System is upto sixty four days. 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:

	November 30, 2023	June 30, 2023
	Rupees in thousands	
Floating rate instruments		
Financial assets		
Bank balances	13,534	83,903

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 period would have been higher / lower by Rs. 0.056 million (June 30, 2023: Rs. 0.839 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. 93.63 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. 0.94 million on the basis that all other variables remain constant.

Note 23, Financial Risk Management - Contd...

23.2 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:

	Note	November 30, 2023	June 30, 2023
		Rupees in thousands	
Financial assets	6	753,153	-
Trade and other receivables	9	66,789	51,817
Bank balances	12	13,534	83,903
		833,475	135,720

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. 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.

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			November 30, 2023
	Short term	Long term	Agency	
				Rupees in thousands
Bank Al-Habib Limited	A1+	AAA	PACRA	13,534
				13,534

Note 23, Financial Risk Management - Continued...

23.3 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 thousands				
Contractual maturities of financial liabilities as at November 30, 2023:					
Trade and other payables	1,459	1,459	1,459	-	-
Contractual maturities of financial liabilities as at June 30, 2023:					
Trade and other payables	29,936	29,936	29,936	-	-

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

23.4 Financial instruments by categories

Financial assets as at November 30, 2023

	Fair value through profit or loss	At amortised cost	At fair value through other comprehensive income	Total
	Rupees in thousands			
Investments in associates	-	-	1,229,068	1,229,068
Financial assets	93,627	659,526	-	753,153
Trade and other receivables	-	66,789	-	66,789
Bank balances	-	13,534	-	13,534
	93,627	739,848	1,229,068	2,062,543

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 thousands			
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
Bank balances	-	83,903	-	83,903
	77,502	773,460	1,164,139	2,015,101

Financial liabilities at amortised cost	November 30, 2023	June 30, 2023
	Rupees in thousands	
Trade and other payables	1,459	29,936

23.5 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.

Note 24
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 25
Segment Reporting

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

25.2 The sales percentage by geographic region is as follows:

	November 30, 2023	June 30, 2023
	%	%
Pakistan	100.00	100.00

25.3 Major investments in MTS account for 40% of total revenue for the year. Revenue from MTS investment amount to Rs. 38.852 million.

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

Note 26
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)	
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 Directorship	9.99%
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 26, 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 period, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Names of Related Parties		**November 30, 2023**	**From July 18, 2022 to June 30, 2023**
		Rupees in thousands	
National Clearing Company of Pakistan Limited	Dividend received	3,916	45,468
	Trading charges paid	-	(2,653)
Central Depository Company of Pakistan Limited	Dividend received	12,401	47,957
	Deposit paid for share registrar services	-	(100)
Pakistan Credit Rating Agency Limited	Dividend received	33,404	16,099
LSE Proptech Limited	Shares purchased by the Company	-	(269,529)
	Reimbersement 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 - Prinicpal	(54,000)	(316,526)
	Investment in MTS - markup accrued	38,852	20,551
	Expenses paid on behalf of Company	-	(1,529)
LSE Capital Limited	Loan given	(101,000)	(14,420)
	Loan received back	115,420	-
	Markup accrued	616	384
Balances outstanding:			
Investment in subsidiaries			
- LSE Financial Services Limited		100,000	100,000
- LSE Proptech Limited		269,529	269,529
Investments in associates			
- National Clearing Company of Pakistan Limited		552,677	504,956
- Central Depository Company of Pakistan Limited		676,391	659,183
- Pakistan Credit Rating Agency Limited		54,198	67,224
Short term investments			
- Digital Custodian Company Limited		54,167	54,167
- SSR Pictures & 5Abbi Films		-	17,794
Receivables			
- Due from LSE Financial Services Limited		1,402	20,551
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

Note 27
Remuneration of Chief Executive Officer, Directors and Executives

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

	Chief Executive Officer		Directors		Executives		Total	
	November 30, 2023	June 30, 2023	November 30, 2023	June 30, 2023	November 30, 2023	June 30, 2023	November 30, 2023	June 30, 2023
	Rupees in thousands							
Managerial remuneration	4,240	11,194	-	-	1,671	1,980	5,912	13,174
Company's contribution to the provident fund trust	424	1,018	-	-	167	165	591	1,183
Housing and utilities	2,332	5,597	-	-	919	990	3,251	6,587
Meeting fees	-	-	1,650	1,550	-	-	1,650	1,550
Others	1,094	6,163	-	-	334	1,205	1,428	7,368
	8,090	23,972	1,650	1,550	3,092	4,340	12,832	29,862
Number of persons	1	1	7	7	2	1	10	9

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

27.2 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 28
Number of Employees

	November 30, 2023	June 30, 2023
Total number of employees at the period end	4	8
Average number of employees during the period ended	4	4

Note 29
Authorization For Issue

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on 10 JAN 2024

Note 30
General

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

Chief Executive Officer **Chief Financial Officer** **Director**

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CHARTERED ACCOUNTANTS

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AGREED-UPON PROCEDURES REPORT TO THE BOARD OF DIRECTORS OF THE DIGITAL CUSTODIAN COMPANY LIMITED AND LSE VENTURES LIMITED

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report is solely for the purpose of assisting LSE Ventures Limited (LSEVL) and Digital Custodian Company Limited (DCCL) on account of the determination of the share swap ratio as of November 30, 2023 upon the proposed merger of LSE Ventures Limited (LSEVL) with and into Digital Custodian Company Limited (DCCL) under the scheme of Compromises, Arrangement and Reconstruction and may not be suitable for another purpose. This report is intended solely for use by the LSEVL, DCCL and the Lahore High Court, Lahore, and should not be used by, or distributed to, any other parties.

Responsibilities of the Engaging Party

The management of both companies (the "Management") has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Management is responsible for the subject matter on which the agreed- upon procedures are performed.

Practitioner's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Management, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in 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 the independence requirements in accordance with this Code.

Our firm applies the International Standard on Quality Control (ISQC) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures and Findings

We have performed the procedures described below, which were agreed upon with the Management in terms of the engagement letter dated January 30, 2024. Procedures performed and findings include the following:

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Sr. No.	Procedures	Findings
1	We worked out the share swap ratio share as of November 30, 2023 upon the proposed merger of LSE Ventures Limited (LSEVL) with and into Digital Custodian Company Limited (DCCL) under the scheme of Compromises, Arrangement and Reconstruction for amalgamation / merger of LSEVL with and into DCCL based on the respective audited financial statements of both the companies in accordance with the provisions of the proposed scheme of Compromises, Arrangement and Reconstruction as approved by the BODs of both companies and the Guidelines For Mergers And Amalgamations (the "Guidelines") formulated pursuant to section 510 of the Companies Act, 2017. For this purpose, we have performed the following procedures. • Obtain the net book values of LSEVL and DCCL from the audited financial statements of both companies as of November 30, 2023; • Obtain the market price of shares of LSEVL from the PSX Portal dated January 24, 2024; and • Compute the share swap ratio based on the book value of DCCL and an average of book value and market price per share of LSEVL.	We report our findings below: • The net book values as per audited financial statements of both companies as of November 30, 2023, are as follows: LSEVL: Rs. 12.40 per share DCCL: Rs. 10.05 per share • The market price of shares of LSEVL as per the PSX Portal dated January 24, 2024, is Rs. 4.59 per share. • The average of market price per share and the book value per share of LSEVL comes to Rs. 8.50 per share [{12.40+4.59}/2]. • Based on the above information, the basic swap ratio comes to 0.846:1 [8.50/10.05] i.e. 846 ordinary shares of DCCL are to be issued against 1000 shares of LSEVL.

However, as per the proposed scheme of Compromises, Arrangement and Reconstruction for amalgamation / merger of LSEVL with and into DCCL, the Boards of the merging companies have used an Effective Swap Ratio which comprises a distribution ratio involving three equity components – namely, common shares allocation under a basic swap ratio (of 0.606 i.e. 606 common/ ordinary shares of DCCL against every 1000 shares of LSEVL), adjusted shares allocation (of 490 shares to the shareholders of each of the merging companies), and additional securities allocation (of 20% of the post-merger capital of the merging companies comprising of class B – redeemable shares and Perpetual & Convertible Sukuks). The Effective SWAP ratio comes to 1.145 for the shareholders of LSEVL comprising all securities.

Kreston Hyder Bhimji & Co.

LAHORE: January 30, 2024

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

EXHIBIT – II

SPECIAL RESOLUTIONS

Proposed Special Resolutions as an integral part of the Scheme of Compromises, Arrangement and Reconstruction for Amalgamation/Merger ('the Scheme') to be adopted by the Shareholders of both the Companies LSEVL and DCCL:

NOTES:

1. The resolutions are meant for enabling actions under Sections 279 to 283 of the Companies Act, 2017 and the Rule Book of Pakistan Stock Exchange Limited.
2. The above resolutions may be passed by the shareholders in their absolute discretion, with or without modification(s), addition(s) or deletion(s), if any.

<u>SPECIAL RESOLUTIONS:</u>

1. "**RESOLVED THAT** pursuant to the provisions of Section 279 to 283 of the Companies, Act, 2017 and all other applicable provisions, if any, and subject to the sanction by the Honorable Lahore High Court, Lahore, the merger/amalgamation of LSE Ventures Limited ('Transferor Company') with and into Digital Custodian Company Limited ('Transferee Company') as per the Scheme of Amalgamation/Merger, as placed before the shareholders, be and are hereby approved.

2. **RESOLVED FURTHER THAT** the Scheme of merger/amalgamation of LSE Ventures Limited (& its Members) with and into Digital Custodian Company Limited (& its Members), be and is hereby specifically approved.

3. **RESOLVED FURTHER THAT** over and above the swap ratio, having been determined by M/s Kreston Hyder Bhimji & Co., Chartered Accountants, the decision of the Board for the approval of the distribution ratio under the method of effective swap ratio involving three equity components – namely, common shares allocation under basic swap ratio (of 0.606, i.e., 606 common/ordinary shares of DCCL against every 1000 shares of LSEVL), adjusted shares allocation (of 490 shares to the shareholders of each of the merging companies), and additional securities allocation (of 20% of the post-merger capital of the merging companies comprising of Class B – Redeemable Shares and Perpetual & Convertible Sukuks), under this Scheme for the overall beneficial allotment of equity shares be and is hereby specifically approved/ratified.

4. **RESOLVED FURTHER THAT** the approval of the shareholders be and is hereby also granted to the terms and conditions as set out in the draft Scheme of Amalgamation/Merger, which includes, inter-alia, the following:

a) That all asset and liabilities including Income Tax and all other statutory liabilities of the Transferor Company (LSE Ventures Limited) will be transferred to and shall vest in the Transferee Company, i.e., Digital Custodian Company Limited (as described in Schedule – 1 of the Scheme);

b) That the Scheme of Amalgamation/Merger shall be effective from Effective Date, the provisions of the Scheme, so far as they relate to transfer and vesting of the business and undertaking(s) of the Transferor Company (as described in Schedule – 1, Schedule – 3 and Schedule - 6 of the Scheme) into the Transferee

Company, shall be applicable and come into operation from the Sanction Date or such other date as the Honorable Lahore High Court, Lahore may approve;

c) That all the employees of the Transferor Company (i.e. LSE Ventures Limited), if any, in service on the date immediately preceding the date on which Scheme finally takes effect, i.e., the Effective Date, shall become the employees of the Transferee Company, i.e., Digital Custodian Company Limited (as described in Schedule – 4 of the Scheme) on such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the concerned Transferor Company on the said date;

d) That the listing status of the LSE Ventures Limited (LSEVL) with the Pakistan Stock Exchange Limited (PSX) and eligibility status (of LSEVL) with Central Depository Company of Pakistan Limited (CDC) along with all privileges, rights and liabilities of the Transferor Company with PSX and CDC shall be transferred in the name of Digital Custodian Company Limited (as described in the Scheme).

e) Furthermore, the additional securities issued under this Scheme, i.e., Class B - Redeemable Shares and Perpetual and Convertible Sukuks of DCCL shall also stand listed subject to the submission of the certified copy of the sanction Order of the Scheme and necessary requisite formalities with regards to listing of these securities to PSX.

5. **RESOLVED FURTHER THAT** approval be and is hereby given to the Board of Directors of LSE Ventures Limited and Digital Custodian Company Limited to amend any of the Swap ratio, Distribution ratio and/or Effective Swap ratio, as the case may be, if advised or directed by the Honorable Lahore High Court, Lahore, for the issuance of common shares and additional securities of Digital Custodian Company Limited to the shareholders of the LSE Ventures Limited.

6. **RESOLVED FURTHER THAT** in order to accommodate the future business of the merged entity, i.e., **DCCL**, the proposed changes, as attached with Schedule - 9 of the Scheme in the Memorandum and Articles of Association of **DCCL,** be and are hereby specifically and individually resolved to be adopted.

7. **RESOLVED FURTHER THAT** approval be and is hereby accorded to the terms and conditions as deliberated in the Article-6 of the Scheme for issuance of additional securities and no further approval is required from the shareholders for their issuance.

8. **RESOLVED FURTHER THAT** approval be and is hereby accorded under Section 83(1)(b) of the Companies Act, 2017, for the possible conversion of 32,222,795 Digital Custodian Company Limited – Perpetual and Convertible Sukuk into 32,222,795 ordinary shares of Digital Custodian Company Limited on triggering events as deliberated in the Scheme.

9. **RESOLVED FURTHER THAT** the approval be and is hereby accorded to approve the shelf registration of further Rs. 500,000,000 divided into 50,000,000 Digital Custodian Company Limited – Perpetual and Convertible Sukuk of Rs. 10/- each that can be issued to the existing shareholders as a bonus or right.

10. **RESOLVED FURTHER THAT** approval be and is hereby accorded under Section 83(1)(b) of the Companies Act, 2017 for the possible conversion of further 50,000,000 Digital Custodian Company Limited – Perpetual and Convertible Sukuk (as kept under Shelf Registration) into 50,000,000 ordinary shares of the Company on triggering events as deliberated in the Scheme.

11. **RESOLVED FURTHER THAT** any delay or non-approval of the registration/licensing of the Transferee Company to act as a central depository for performing functions as described in the Scheme; the merger of the companies as per the instant Scheme, shall not be affected because the same is hereby considered beneficial for the shareholders of both the companies.

12. **RESOLVED FURTHER THAT** pursuant to the provision of Section 279 to 283 of the Companies, Act, 2017 and other applicable provisions, necessary joint/separate application(s), petition(s) and may be moved by the Chief Executive Officer or the Company Secretary of Digital Custodian Company Limited singly before the Honorable Lahore High Court, Lahore, for seeking its directions as to convening, holding and conducting of any meeting(s) of the shareholders and creditors (if any) or dispensation thereof, as the case may be, including for the appointment of the Chairman, issuance and dispatch of notices and placement of advertisements and for seeking any other directions as the Honorable Lahore High Court, Lahore, may deem fit and proper and for seeking the approval of the proposed amalgamation/ merger and the proposed Scheme of Amalgamation/Merger.

13. **RESOLVED FURTHER THAT** the Chief Executive or the Company Secretary of Digital Custodian Company Limited and/or LSE Ventures Limited (as the case may be), be and is hereby singly authorized to sign, submit or present necessary applications, petitions, supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned amalgamation/merger to the competent authorities including but not limited to Honorable Lahore High Court, Lahore, the Securities & Exchange Commission of Pakistan, and the Competition Commission of Pakistan.

14. **RESOLVED FURTHER THAT** the Chief Executive Officer or the Company Secretary of Digital Custodian Company Limited, be and are hereby singly authorized to submit the certified true copies of the resolutions passed by the shareholders of the Company (i.e., respective company/ corporate undertaking) to the Honorable Lahore High Court, Lahore, the Registrar of Companies, the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited and such other competent authorities, if necessary.

15. **RESOLVED FURTHER THAT** the Chief Executive Officer, or the Company Secretary of Digital Custodian Company Limited, be and are hereby singly authorized:

    a) To sign, submit or present necessary applications, petitions, supplementary applications/petitions, summons, deeds, documents, instruments, rejoinders, replies, and to swear affidavits or execute bonds for the above-mentioned amalgamation/ merger;
    b) To engage any counsel(s)/advocate(s)/consultant(s) to file the application(s) and petition(s) before the Honorable Lahore High Court, Lahore, and to do other needful tasks;
    c) To appear [in person or through representative(s)] before the Honorable Lahore High Court, Lahore; the Offices of the Registrar of the Companies; the Securities and Exchange Commission of Pakistan; the Pakistan Stock Exchange Limited and/or before any other authority or person in connection with the aforesaid amalgamation/merger; and
    d) To do any other act, deed or thing which may be ancillary or incidental to the above-mentioned matter or which may otherwise be required for the aforesaid purposes.”