



LSE VENTURES
investing in growth





Contents

Sr. No.	Item	Page No.
1	Vision and Mission Statement	2
2	Company Information	3
3	Chairman's Review	4
4	Directors' Report	6
5	Pattern of Shareholding	14
6	Notice of Annual General Meeting	18
7	Statement of CCG Compliance	27
8	Annual Financials Statements	32
9	Postal Ballot Paper	64
10	E-Dividend Mandate Letter	67
11	Form of Proxy	69



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/Non-Executive Director
2. Mr. Aftab Ahmad Ch.	Chief Executive Officer/Executive Director
3. Ms. Aasiya Riaz	Non-Executive Director
4. Ms. Minahil Ali	Non-Executive Director
5. Mr. Shahnawaz Mahmood	Independent Director
6. Mr. M. Tabassum Munir	Independent Director
7. Dr. Zahid Mahmood	Independent Director

Audit Committee

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

Human Resource and Remuneration Committee

1. Dr. Zahid Mahmood	Chairman
2. Ms. Aasiya Riaz	Member
3. Mr. Muhammad Tabassum Munir	Member

Company Secretary

Mr. Inam Ullah

Chief Financial Officer

Mr. Muhammad Usman

Auditors

Crowe Hussain Chaudhry & Co.
Chartered Accountant

Legal Advisor

Allied Legal Services
(Advocates & Legal Consultant)

Share Registrar

F.D. Share Registrar Services (Pvt.)
Limited
Suit 1705 – A. 17th Floor, Saima Trade
Tower, I.I. Chundrigar Road, Karachi.

Registered Office

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



Chairman's Review

Dear Shareholders,

We warmly welcome you to the 2nd Annual General Meeting of LSE Ventures Limited ("LSEVL") for the year ended June 30, 2024.

Pakistan's economy demonstrated resilience in FY2024, with a 2.38% GDP growth rate, driven primarily by agriculture's impressive 6.25% expansion. The industrial and services sectors also showed strength, posting 1.21% growth each.

Despite economic challenges, LSEVL adapted strategies to navigate the changing market landscape successfully. Our investment management focus includes portfolio companies, pre-IPO/startups, and strategic investments in diversified sectors. Seeking strategic partnerships for mutual growth and enhancing shareholder wealth through prudent investment decisions remained our prime objectives.

I extend heartfelt appreciation to our exceptional Management team for their dedication and tireless efforts. The Board diligently performed its duties, guiding the Company's strategic affairs and ensuring effective governance practices.

Our commitment to excellence in corporate governance remains unwavering. We conducted an annual self-evaluation, focusing on business opportunities, risk management and oversight.

We continue exploring new investment avenues for stakeholders' benefit and implementing best policies.

I thank our employees, directors, shareholders, business partners and stakeholders for their confidence and support.

With trust in Allah Almighty, we look forward to meeting future challenges with confidence.

Thank you.

-sd-

Muhammad Iqbal
Chairman



چیئر مین کا جائزہ

محترم شیئر ہولڈرز،

ہم 30 جون 2024 کو ختم ہونے والے سال کے لیے ("LSEVL") LSE Ventures Limited کی دوسری سالانہ جنرل میٹنگ میں آپ کا پرتپاک استقبال کرتے ہیں۔

پاکستان کی معیشت نے مالی سال 2024 میں 2.38 فیصد جی ڈی پی کی شرح نمو کے ساتھ لچک کا مظاہرہ کیا، بنیادی طور پر زراعت کی متاثر کن 6.25 فیصد توسیع کی وجہ سے۔ صنعتی اور خدمات کے شعبوں نے بھی طاقت کا مظاہرہ کیا، ہر ایک میں 1.21 فیصد اضافہ ہوا۔

معاشی چیلنجوں کے باوجود، LSEVL نے بدلتے ہوئے مارکیٹ کے منظر نامے کو کامیابی سے نیویگیٹ کرنے کے لیے حکمت عملیوں کو اپنایا۔ ہماری انویسٹمنٹ مینجمنٹ فوکس میں پورٹ فولیو کمپنیاں، پری/IPO اسٹارٹ اپ، اور متنوع شعبوں میں اسٹریٹجک سرمایہ کاری شامل ہے۔ باہمی نمو کے لیے اسٹریٹجک پارٹنرشپ کی تلاش اور سرمایہ کاری کے دانشمندانہ فیصلوں کے ذریعے شیئر ہولڈر کی دولت کو بڑھانا ہمارے اولین مقاصد رہے۔

میں اپنی غیر معمولی مینجمنٹ ٹیم کو ان کی لگن اور انتھک کوششوں کے لئے دلی تعریف کرتا ہوں۔ بورڈ نے تندہی سے اپنے فرائض سرانجام دیے، کمپنی کے اسٹریٹجک امور کی رہنمائی کی اور موثر حکمرانی کے طریقوں کو یقینی بنایا۔

کارپوریٹ گورننس میں عمدگی کے لیے ہمارا عزم غیر متزلزل ہے۔ ہم نے کاروبار کے مواقع، رسک مینجمنٹ اور نگرانی پر توجہ مرکوز کرتے ہوئے ایک سالانہ خود تشخیص کیا۔

ہم اسٹیک ہولڈرز کے فائدے اور بہترین پالیسیوں کے نفاذ کے لیے سرمایہ کاری کے نئے مواقع تلاش کرتے رہتے ہیں۔

میں اپنے ملازمین، ڈائریکٹرز، شیئر ہولڈرز، کاروباری شراکت داروں اور اسٹیک ہولڈرز کے اعتماد اور تعاون کا شکریہ ادا کرتا ہوں۔

اللہ تعالیٰ پر بھروسہ کرتے ہوئے، ہم اعتماد کے ساتھ مستقبل کے چیلنجوں کا مقابلہ کرنے کے منتظر ہیں۔

شکریہ

محمد اقبال

چیئر مین



Directors' Report

Dear Shareholders,

The Board of Directors of LSE Ventures Limited ("LSEVL") is pleased to present its report, together with the audited financial statements and Auditors' report thereon, for the year ended June 30th, 2024.

Economic Review

During FY2024, Pakistan's economy registered moderate recovery reflected by a GDP growth of 2.38 percent against previous year's contraction of 0.21 percent. Agriculture emerged as a main driver of economic growth, registering a growth of 6.25 percent on the back of double-digit growth in output of major crops. Industrial and services sectors also showed resilience with each posting a growth of 1.21 percent. Current account deficit was kept under check, with marked improvement in foreign exchange reserves, reaching US\$ 14.6 billion by end May 2024. The fiscal sector progressed towards stability, propelled by consolidation efforts and targeted reforms. Fiscal deficit remained manageable with an overall primary surplus. Rupee appreciated by almost 3.0 percent during the first eleven months.

LSEVL is a premier investment company focused on equity-oriented investments in emerging and growth-stage companies. Our primary objective is to provide critical financing to catalyze future growth, while also overseeing a portfolio of legacy equity investments made by the erstwhile LSE.

Financial Performance

LSEVL delivered exceptional financial performance during the year under review, with operating revenue growing by 126% to reach Rs. 285.58 million. Effective cost management ensured Admin and General Expenses were contained at Rs. 126.72 million. Consequently, Profit Before Tax soared to Rs. 300.05 million, marking a significant improvement over the previous year. Net Profit stood at Rs. 209.35 million, while Earnings Per Share (EPS) slightly decline due to tax impact from 1.24 to 1.17 for the year ending June 30, 2024.

Rupee in "000	2024	2023
Operating Income	285.58	126.60
Admin & General Expenses	(126.72)	(75.23)
Operating Profit	158.86	51.37
Profit of Associates	129.13	131.55
Profit before Taxation	290.14	238.28
Profit after Taxation	187.08	221.88
Total Assets	2,857.02	2,460.11
Equity + Revaluation Surplus / Net Assets	2,442.15	2,197.17
Total Liabilities	414.87	262.94
Shares outstanding (Nos.)	179.60	179.60
Earnings per share (EPS)/ LPS	1.04	1.24



Proposed Final Cash Dividend

In view of the profitable results of the Company, the directors have recommended a final cash dividend of Rs. 1.00 per share, i.e., 10%, for the year ended June 30th, 2024, for the approval of the shareholders in the AGM.

External Auditors

M/s. Crowe Hussain Chaudhury & Co., Chartered Accountants, the Auditors of the Company for the FY 24 stands retire, therefore the Board of Directors has recommended to appoint M/s. Kreston Hyder Bhimji & Co., Chartered Accountants as statutory auditors of the Company for the FY25 at mutually agreed remuneration.

The auditors have been given satisfactory rating under the Quality Control Review Program of Institute of Chartered Accountants of Pakistan (ICAP). They have confirmed that their firm is in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP. This firm is also registered with Audit Oversight Board of Pakistan. The appointment of Auditors is subject to approval by the Annual General Meeting.

Internal Financial Control

The Board has adequately ensured that the system of internal financial controls is sound in design and has been effectively implemented and monitored through Internal Auditors. The Board has adequately ensured that the system of internal financial controls is sound in design and has been effectively implemented and monitored through 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 and Objectives relating ESG Risks

The Company is committed and remained engaged during the year to undertake and oversee CSR and environmental management programs while ensuring its focused activities relating education, healthcare and protection of environment. Accordingly, the Board of the Company stands behind these objectives of the Company while aligning with commitment to create considerable value for all stakeholders of the Company and also endeavors to ensure that it qualifies as a responsible corporate citizen.

Anti-Harassment

The Company has a comprehensive mechanism towards anti-harassment to ensure that any type of workplace harassment is dealt with a zero-tolerance to



ensure that all the employees of the company regardless of their gender and position avail the opportunity to work in a safe and respectful environment. Employees are encouraged to report such grievances to the HR department in a confidential to conduct fair investigations.

Gender Pay-Gap

The Company is committed that all employees of the company are treated with equality & fairness and there should be no gender pay gap within the Company. Accordingly, the compensation of employees is determined on the basis of experience, seniority, responsibilities and performance without any gender-based discrimination.

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:

Sr. No.	Name of Director	Category
1	Mr. Muhammad Iqbal	Chairman/Non-Executive Director
2	Mr. Aftab Ahmad Chaudhary	Chief Executive Officer
3	Ms. Aasiya Riaz	Non-Executive Director
4	Mr. Abid Latif Khan*	Non-Executive Director
5	Mr. Yaseer Manzoor**	Non-Executive Director
6	Ms. Minahil Ali	Non-Executive Director
7	Mr. Muhammad Tabassum Munir	Independent Director
8	Mr. Shahnawaz Mehmood	Independent Director
9	Dr. Zahid Mahmood	Independent Director

- * Mr. Yaser Manzoor resigned on 03.01.2024.
 ** Mr. Abid Latif Khan resigned on 23.04.2024.
 *** Dr. Zahid Mahmood appointed 04.01.2024.
 **** Ms. Aasiya Riaz appointed on 23.04.2024.

- b. 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: 5
 - b. Female: 2

2. The composition of the Board is as follows: -
 - i. Independent directors: Mr. Muhammad Tabassum Munir
Mr. Shahnawaz Mahmood
Dr. Zahid Mahmood
 - ii. Non-Executive directors: Mr. Muhammad Iqbal
Ms. Minahil Ali
 - iii. Executive director: Mr. Aftab Ahmad Chaudhry
 - iv. Female director: Ms. Aasiya Riaz

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. Muhammad Tabassum Munir: - Member
3. Ms. Minahil Ali: - Member

Human Resource and Remuneration Committee:

1. Dr. Zahid Mahmood: - Chairman
2. Ms. Aasiya Riaz: - Member
3. Mr. Muhammad Tabassum Munir: - Member

Future Outlook

LSE Venture Limited actively oversees its investments in associates and strategic holdings, pursuing optimal returns through informed and cautious decision-making. Amidst the prevailing challenging socio-economic and investment environment, our focus remains on mitigating risks and unlocking opportunities to drive long-term value creation.

-sd-

Aftab Ahmad Chaudhry
Chief Executive Officer

-sd-
Director

Date: November 4, 2024



ڈائریکٹرز کی رپورٹ

محزز شیئر ہولڈرز،

LSE ونیچرز لمیٹڈ ("LSEVL") کے بورڈ آف ڈائریکٹرز کو یہ رپورٹ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے، جس میں مالی سال 30 جون 2024 کو اختتام پذیر ہونے والے سال کے لیے آڈٹ شدہ مالی بیانات اور اس پر آڈیٹرز کی رپورٹ شامل ہے۔

اقتصادی جائزہ

مالی سال 2024 کے دوران پاکستان کی معیشت میں اعتدال پسند بحالی دیکھی گئی، جس کا ثبوت 2.38 فیصد جی ڈی پی گروتھ ہے، جو پچھلے سال کے 0.21 فیصد سکڑاؤ کے مقابلے میں نمایاں ہے۔ زراعت نے معیشت کی ترقی میں مرکزی کردار ادا کیا، جس کی بڑی فصلوں کی پیداوار میں دوہندسوں کی ترقی کے ساتھ 6.25 فیصد اضافہ ہوا۔ صنعتی اور خدمات کے شعبوں نے بھی استحکام کا مظاہرہ کیا اور ہر ایک نے 1.21 فیصد کی شرح سے ترقی کی۔ کرنٹ اکاؤنٹ خسارہ قابو میں رہا، جبکہ زرمبادلہ کے ذخائر میں بہتری آئی، جو کہ مئی 2024 کے آخر تک 14.6 بلین امریکی ڈالر تک پہنچ گئے۔ مالیاتی شعبے نے استحکام کی جانب پیشرفت کی، جس میں اصلاحات اور استحکام کی کوششوں نے اہم کردار ادا کیا۔ مالیاتی خسارہ قابل انتظام رہا اور بنیادی سرپلس برقرار رکھا گیا۔ روپے کی قدر میں پہلے گیارہ ماہ کے دوران تقریباً 3.0 فیصد اضافہ ہوا۔ LSEVL ایک سرکردہ سرمایہ کاری کمپنی ہے، جو ابھرتی اور ترقی پذیر کمپنیوں میں ایکویٹی پر مبنی سرمایہ کاری پر مرکوز ہے۔ ہمارا بنیادی مقصد مستقبل کی ترقی کو متحرک کرنے کے لیے اہم مالی معاونت فراہم کرنا ہے، جبکہ سابقہ LSE کی جانب سے کی گئی ایکویٹی سرمایہ کاری کے پورٹ فولیو کی بھی نگرانی کرنا ہے۔

مالی کارکردگی

سال کے دوران LSEVL نے غیر معمولی مالی کارکردگی کا مظاہرہ کیا، جس میں آپریٹنگ ریونیو 126.60 فیصد بڑھ کر 285.58 ملین روپے تک پہنچ گیا۔ مؤثر لاگت کے انتظام کے نتیجے میں انتظامی اور عمومی اخراجات کو 126.72 ملین روپے تک محدود رکھا گیا۔ نتیجتاً، ٹیکسس سے پہلے منافع 300.05 ملین روپے تک پہنچ گیا، جو پچھلے سال کے مقابلے میں نمایاں بہتری ہے۔ خالص منافع 209.35 ملین روپے رہا، جبکہ ٹیکسس کے اثرات کی وجہ سے فی شیئر آمدنی (EPS) میں معمولی کمی ہوئی جو کہ 24.1 سے کم ہو کر 1.17 پر آگئی، جس کا اختتام 30 جون 2024 کو ہوا۔

مالیاتی جھلکیاں

2024	2023	میں روپیہ '000
285.58	126.60	آپریٹنگ آمدنی
(126.72)	(75.23)	ایڈمن اینڈ جنرل اخراجات
158.86	51.37	آپریٹنگ منافع
129.13	131.55	ایسوسی ایٹس کا منافع
290.14	238.28	ٹیکسس سے پہلے منافع
187.08	221.88	ٹیکسس کے بعد منافع
2,857.02	2,460.11	کل اثاثہ
2,442.15	2,197.17	ایکویٹی + تخصیص سرپلس / خالص اثاثے
414.87	262.94	کل ذمہ داری
179.60	179.60	بقایا حصص (نمبر)
1.04	1.24	(EPS)/LPS فی شیئر آمدنی



مجوزہ فائنل کیش ڈیویڈنڈ

کمپنی کے منافع بخش نتائج کے پیش نظر، ڈائریکٹرز نے روپے کے حتمی نقد منافع کی سفارش کی ہے۔ 1.00 فی شیئر، یعنی 10%، 30 جون 2024 کو ختم ہونے والے سال کے لیے، AGM میں شیئر ہولڈرز کی منظوری کے لیے۔

بیرونی آڈیٹرز

میسرز کرو حسین چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، مالی سال 24 کے لیے کمپنی کے آڈیٹرز بنا کر ہو رہے ہیں، اس لیے بورڈ آف ڈائریکٹرز نے میسرز کو مقرر کرنے کی سفارش کی ہے۔ کرسٹن حیدر بھیگی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ہا ہی طور پر متفقہ معاوضے پر FY25 کے لیے کمپنی کے قانونی آڈیٹرز کے طور پر۔ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول ریویو پروگرام کے تحت آڈیٹرز کو تسلی بخش درجہ بندی دی گئی ہے۔ انہوں نے تصدیق کی ہے کہ ان کی فرم انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے ضابطہ اخلاق سے متعلق رہنما خطوط کی تعمیل کرتی ہے جیسا کہ ICAP نے اپنایا ہے۔ یہ فرم آڈٹ اور سائبر بورڈ آف پاکستان میں بھی رجسٹرڈ ہے۔ آڈیٹرز کی تقرری سالانہ جزل میٹنگ کی منظوری سے مشروط ہے۔

اندرونی مالیاتی کنٹرول

بورڈ نے مناسب طریقے سے اس بات کو یقینی بنایا ہے کہ اندرونی مالیاتی کنٹرول کا نظام ڈیزائن کے لحاظ سے درست ہے اور اندرونی آڈیٹرز کے ذریعے مؤثر طریقے سے لاگو اور نگرانی کی گئی ہے۔

آپ کی کمپنی کی انتظامیہ کے ذریعہ تیار کردہ مالیاتی بیانات، اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو اچھی طرح سے پیش کرتے ہیں۔ آپ کی کمپنی کی طرف سے حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔ مناسب اکاؤنٹنگ پالیسیاں آپ کی کمپنی کی طرف سے مالیاتی بیانات کی تیاری میں مستقل طور پر لاگو ہوتی ہیں، اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہوتے ہیں۔ ان مالیاتی گوشواروں کی تیاری میں بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، کی پیروی کی گئی ہے اور وہاں سے کسی بھی روایت، اگر کوئی ہے، مناسب طور پر ظاہر کیا گیا ہے۔ اندرونی کنٹرول کا نظام، جو آپ کی کمپنی میں نافذ کیا جا رہا ہے، درست ہے اور پورے سال مؤثر طریقے سے برقرار ہے۔

کارپوریٹ سماجی ذمہ داری اور ماحولیاتی انتظام

کمپنی سال کے دوران CSR اور ماحولیاتی انتظام کے پروگراموں کو شروع کرنے کے لیے پر عزم اور مصروف رہی۔ LSEVL نے اپنی سرگرمیوں کو تعلیم، صحت کی دیکھ بھال اور ماحولیاتی پروگراموں کے تحفظ پر مرکوز رکھا۔ LSEVL اس بات کو یقینی بنانے کی کوشش کرتا ہے کہ وہ ایک ذمہ دار کارپوریٹ شہری کے طور پر اہل ہو۔

کمپنیز ایکٹ، 2017 کے سیکشن 227 کی تعمیل میں، مندرجہ ذیل کو خاص طور پر ظاہر کیا جاتا ہے:

(الف) ان افراد کے نام جو مالی سال کے دوران کسی بھی وقت کمپنی کے ڈائریکٹر تھے:

نمبر شمار	ڈائریکٹر کا نام	زمرہ
1	محترم محمد اقبال	چیئر مین / نان ایگزیکٹو ڈائریکٹر
2	محترم آفتاب احمد چوہدری	چیف ایگزیکٹو آفیسر
3	محترمہ آسیہ ریاض	نان ایگزیکٹو ڈائریکٹر
4	محترمہ عبداللطیف خان*	نان ایگزیکٹو ڈائریکٹر
5	محترم یاسر منظور**	نان ایگزیکٹو ڈائریکٹر
6	محترمہ منال علی	نان ایگزیکٹو ڈائریکٹر
7	محترم محمد تبسم منیر	آزاد ڈائریکٹر
8	محترم شاہنواز محمود	آزاد ڈائریکٹر
9	ڈاکٹر زاہد محمود	آزاد ڈائریکٹر



*محترم یا سر منظور نے 03.01.2024 کو استعفیٰ دے دیا۔

**محترم عابد لطیف خان نے 23.04.2024 کو استعفیٰ دے دیا۔

***ڈاکٹر زاہد محمود نے 04.01.2024 کو مقرر کیا۔

****محترمہ آسیہ ریاض کا تقرر 23.04.2024 کو ہوا۔

(ب) کمپنی کے کاروبار کی اصل لائن حصص، بانڈز، اسٹاکس، میوچل فنڈز کی اکائیوں یا کسی دوسری سیکیورٹیز یا اس سے متعلقہ آلات میں، یا بصورت دیگر تمام قسم کے حقیقی اثاثوں میں سرمایہ کاری کرنا ہے اور اس طریقے سے جو وقتاً فوقتاً ہو سکتا ہے۔ کمپنی کے ذریعے طے شدہ اور ایسے حقیقی اثاثوں، حصص، بانڈز، اسٹاکس، میوچل فنڈز کی اکائیوں یا کسی دوسری سیکیورٹیز یا اس سے متعلقہ آلات رکھنے، یا فروخت کرنے کے لیے، قابل اطلاق قانون کی تعمیل کے ساتھ۔

اس کاروبار کو تمام خطرات جیسے کریڈٹ رسک، لیکویڈیٹی رسک، آپریشنل رسک، مارکیٹ رسک اور ریگولیٹری رسک، معاشی غیر یقینی صورتحال وغیرہ کا سامنا ہے۔ مزید برآں، وینچر کیپیٹل ایک اعلیٰ رسک، اعلیٰ انعام کی قسم کی سرمایہ کاری ہے، اور اس کی کوئی گارنٹی نہیں ہے۔ کامیابی کی۔

رسک مینجمنٹ کی پالیسیاں اور طریقہ کار جو کمپنی کی طرف سے اختیار کی گئی ہیں وہ اسے فعال طور پر غیر یقینی صورتحال اور اندرونی اور بیرونی ماحول میں ہونے والی تبدیلیوں کو منفی اثرات کو محدود کرنے اور مواقع سے فائدہ اٹھانے کے قابل بناتی ہیں۔ کمپنی کا منافع ملک کے مجموعی اقتصادی، جغرافیائی سیاسی حالات، حکومت کی پالیسیوں اور متعلقہ کمپنیوں کی کارکردگی کے ساتھ ساتھ کیپٹل مارکیٹس سے بھی متاثر ہوتا ہے۔

(ج) فی الحال چیف ایگزیکٹو آفیسر کو تنخواہ اور اس طرح کے دیگر مراعات ادا کی جا رہی ہیں جو بورڈ نے آرٹیکل آف ایسوسی ایشن کے تحت اور کمپنی کے HR مینوسل کے مطابق منظور کی ہیں۔ بورڈ اور کمیٹی کے اجلاسوں میں شرکت کی میٹنگ فیس کے علاوہ کمپنی کی طرف سے کسی دوسرے ڈائریکٹر کو کوئی اضافی معاوضہ نہیں دیا جا رہا ہے۔ مالیاتی گوشواروں میں متعلقہ اعداد و شمار کا انکشاف کیا گیا ہے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ضابطہ نمبر 34(2) کی تعمیل میں، درج ذیل معلومات فراہم کی جاتی ہیں:-

1. درج ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (7) ہیں:-

a	مرد:	5
b	خاتون:	2

2. بورڈ کی تشکیل حسب ذیل ہے:-

i	آزاد ڈائریکٹر:	جناب محمد تبسم منیر
		جناب شاہنواز محمود
		ڈاکٹر زاہد محمود
ii	نان ایگزیکٹو ڈائریکٹر:	جناب محمد اقبال
		محترمہ منال علی
iii	ایگزیکٹو ڈائریکٹر:	جناب آفتاب احمد چوہدری
iv	خاتون ڈائریکٹر:	محترمہ آسیہ ریاض



3. بورڈ کمیٹیاں

سال کے دوران، بورڈ نے بورڈ کی مدد اور متعلقہ کاموں پر سفارشات فراہم کرنے کے لیے درج ذیل کمیٹیاں تشکیل دیں۔

آڈٹ کمیٹی:

- | | |
|----------|-------------------------|
| چیئر مین | 1. جناب شاہنواز محمود: |
| ممبر | 2. جناب محمد تبسم منیر: |
| ممبر | 3. محترمہ منال علی: |

انسانی وسائل اور معاوضہ کمیٹی:

- | | |
|----------|-------------------------|
| چیئر مین | 1. ڈاکٹر زاہد محمود: |
| ممبر | 2. محترمہ آسیہ ریاض: |
| ممبر | 3. جناب محمد تبسم منیر: |

مستقبل کا آؤٹ لک

LSE وینچر لمیٹڈ باخبر اور محتاط فیصلہ سازی کے ذریعے زیادہ سے زیادہ منافع حاصل کرتے ہوئے، ایسوسی ایٹس اور اسٹریٹجک ہولڈنگز میں اپنی سرمایہ کاری کی فعال طور پر نگرانی کرتا ہے۔ موجودہ چیلنجنگ سماجی، اقتصادی اور سرمایہ کاری کے ماحول کے درمیان، ہماری توجہ خطرات کو کم کرنے اور طویل مدتی قدر کی تخلیق کو آگے بڑھانے کے مواقع کو کھولنے پر مرکوز ہے۔

آفتاب احمد چوہدری

چیف ایگزیکٹو آفیسر

ڈائریکٹر

تاریخ: 4 نومبر 2024



Pattern of Shareholding

As on June 30, 2024

Sr.	NO. OF SHARES		CDC	Physical	No of	No of
	From	To			Shareholders	Shares held
1	1	100	211	674	885	14,752
2	101	500	116	15	131	37,494
3	501	1000	46	0	46	39,557
4	1001	5000	52	8	60	168,177
5	5001	10000	16	2	18	141,543
6	10001	15000	3	0	3	38,000
7	15001	20000	4	1	5	86,822
8	20001	25000	2	0	2	44,850
9	25001	30000	3	0	3	85,375
10	30001	35000	1	0	1	35,000
11	35001	40000	1	0	1	35,500
12	45001	50000	4	0	4	195,681
13	55001	60000	2	0	2	120,000
14	60001	65000	1	0	1	61,515
15	65001	70000	1	0	1	67,824
16	70001	75000	3	0	3	217,660
17	75001	80000	1	0	1	78,000
18	80001	85000	1	0	1	84,280
19	100001	105000	3	0	3	304,915
20	110001	115000	1	0	1	113,000
21	125001	130000	1	0	1	126,422
22	130001	135000	1	0	1	134,850
23	145001	150000	1	0	1	150,000
24	150001	155000	1	0	1	150,540
25	165001	170000	1	0	1	168,562
26	170001	175000	3	0	3	518,751
27	180001	185000	1	0	1	184,000
28	200001	205000	1	0	1	202,275
29	210001	215000	1	0	1	210,703
30	215001	220000	1	0	1	219,500
31	225001	230000	1	0	1	228,000
32	240001	245000	1	0	1	244,000
33	260001	265000	1	0	1	262,174
34	270001	275000	1	0	1	272,000
35	275001	280000	1	0	1	277,186
36	290001	295000	2	0	2	589,968
37	295001	300000	1	0	1	300,000
38	310001	315000	1	0	1	312,040
39	325001	330000	1	0	1	329,545
40	335001	340000	43	0	43	14,496,231
41	385001	390000	1	0	1	387,055
42	470001	475000	4	0	4	1,887,894



43	490001	495000	1	0	1	490,076
44	495001	500000	1	0	1	500,000
45	505001	510000	44	0	44	22,250,184
46	515001	520000	1	0	1	518,363
47	595001	600000	1	0	1	600,000
48	635001	640000	1	0	1	639,311
49	670001	675000	1	0	1	674,249
50	690001	695000	1	0	1	693,182
51	705001	710000	7	0	7	4,955,727
52	755001	760000	1	0	1	758,530
53	820001	825000	1	0	1	822,810
54	840001	845000	34	0	34	28,655,567
55	870001	875000	1	0	1	871,925
56	910001	915000	1	0	1	915,000
57	975001	980000	1	0	1	977,660
58	995001	1000000	2	0	2	2,000,000
59	1000001	1005000	3	0	3	3,002,430
60	1075001	1080000	1	0	1	1,077,660
61	1145001	1150000	1	0	1	1,146,135
62	1175001	1180000	3	0	3	3,539,804
63	1180001	1185000	1	0	1	1,181,331
64	1185001	1190000	1	0	1	1,187,600
65	1995001	2000000	1	0	1	2,000,000
66	2200001	2205000	1	0	1	2,204,444
67	2995001	3000000	2	0	2	5,991,722
68	20150001	20155000	1	0	1	20,150,943
69	48170001	48175000	1	0	1	48,171,586
			657	700	1357	179,597,880



Sr. No.	Categories of shareholders	No of Shareholders	Share held	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children.	7	23,490,889	13.08%
2	Executive Employees	2	126	0.00%
3	Associated Companies, undertakings and related parties.	2	48,172,038	26.82%
4	NIT and ICP	1	15,465	0.01%
5	Banks Development Financial Institutions, Non Banking Financial Institutions.	5	1,687,579	0.94%
6	Insurance Companies	0	-	0.00%
7	Modarabas and Mutual Funds	1	842,810	0.47%
8	Joint Stock Companies	144	79,110,461	44.05%
9	Others	3	913,006	0.51%
10	General Public	1192	25,365,506	14.12%
	Grand Total:	1357	179,597,880	100%



Gender Pay Gap Statement under SECP's Circular No. 10 of 2024

Following is gender pay gap calculated for the year ended June 30, 2024

- i. Mean Gender Pay Gap: 80.47 %
- ii. Median Gender Pay Gap: 57.97 %
- iii. Any other data/detail as deemed relevant to the above ratios reflect the overall employee gender pay gap across the organization. The Company is committed that all employees of the Company are treated with equality and fairness and also ensures the equitable compensation for female members in their respective roles, based on experience, qualifications, responsibilities and performance without any gender-based discrimination.

For and on behalf of
LSE Ventures Limited

s/d

Aftab Ahmad Chaudhry
Chief Executive Officer

Date: November 4, 2024




NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN, that the 2nd Annual General Meeting of LSE Ventures Limited (the “Company”) will be held on Wednesday, November 27th, 2024, at 9:00 a.m. at the auditorium, the Exchange Hub, LSE Plaza, 19-Kashmir Egerton Road, Lahore, to transact the following business: -

ORDINARY BUSINESS:

1. To confirm the minutes of the Annual General Meeting held on October 28, 2023.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2024, together with the Directors’ and Auditors’ Reports thereon.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company and can be downloaded from the following web link and QR enabled code:

https://ventures.lse.com.pk/downloads/annual/annual-report-2024-LSEVL.pdf	
---	---

3. To consider and declare final cash dividend of Rs. 1.00/- per share for the year ended June 30, 2024, to the shareholders of the Company as having been recommended by the Board of Directors.
4. To appoint External Auditors of the Company for the year ending June 30th, 2025, and to fix their remuneration.

SPECIAL BUSINESS:

5. **To consider and accord approval for the mutual buyout agreement for the periodical transfer of the shares of PACRA.**

“**RESOLVED THAT** the attached mutual buyout agreement, for the periodical transfer of the shares of PACRA leading to the full transfer of the shares presently owned by LSE Ventures Limited, upon the receipt of the installments from the Buyers Group, as per the terms of the agreement, be and is hereby approved.”



“**RESOLVED FURTHER THAT** after the execution of the Agreement, the shares of PACRA owned by LSE Ventures Limited, shall be excluded from the list of sponsors’ shares.”

“**RESOLVED FURTHER THAT** the Chief Executive Officer of the Company be and is authorized to sign the attached Agreement, for and on behalf of LSE Ventures Limited.”

6. To consider and if deemed appropriate, pass the following Special Resolutions under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) and/or deletion(s):

“**RESOLVED THAT** the approval be and is hereby accorded for the addition/disposal of the Company’s investments in its associated companies, not exceeding PKR 100Mn in aggregate on market/negotiated price, as well as the provision of periodical working capital to any of the associated companies, not exceeding PKR 100Mn in principal and return thereon not below the rate of six (6) months KIBOR+1%.”

“**FURTHER RESOLVED THAT** the Board of the Company be and is hereby authorized to approve the above transactions in respect of the related parties on a case-to-case basis which may be carried out during the financial year ending June 30, 2025.”

“**FURTHER RESOLVED THAT,** the relevant transactions shall be placed before the shareholders in the next Annual General Meeting for their ratification.”

Issued under the authorization of the Board:

Inam Ullah
Company Secretary

November 5th, 2024

1. BOOK CLOSURE

The Share Transfer books of the Company will remain closed, and no transfer of shares will be accepted for registration from November 20, 2024, to November 27, 2024 (both days inclusive). Any transfer request received by the office of the share registrar of the Company by the close of business on November 19th, 2024, will be treated in time for the purpose of attendance in the AGM.

2. ATTENDANCE OF MEETING

Attendance in the meeting shall be marked on the production of original CNIC or passport of the member or his/her proxy or authorizations from the



corporate members. CDC Account Holders must follow the guidelines as laid down in Circular No. 1 dated January 26, 2000, issued by the SECP to attend the meeting.

Any individual member entitled to attend, speak and vote at the AGM can also appoint a proxy to attend, speak and vote on his/her behalf. Similarly, the corporate members can also give authorizations to any natural person to attend the meeting on their behalf.

In order for the proxies to be effective, they must be duly signed, filled, witnessed and deposited at the Registered Office of the Company, along with the attested copies of valid Computerized National Identity Card (CNIC) or Passport, not less than 48 hours before the meeting.

The Company has also made the arrangements to ensure the participation of all shareholders in the AGM proceedings via a video link. In order to attend the meeting through video link, the members are requested to share the below information, via email to inamullah@lse.com.pk, for their appointment/registration and proxy verification by or before November 23, 2024 as per below format:

Full Name	CNIC No	Registered Email	Cell No.	No of Shares	Folio/CDC No.
-----------	---------	------------------	----------	--------------	---------------

Video link details and login credentials will be shared with those members whose particulars and registered emails are received on or before 4:00 PM on November 23rd, 2024,

Furthermore, the shareholders may also provide their comments and questions for the agenda items of the AGM at the email address inamullah@lse.com.pk, which will be duly responded to in the said meeting.

3. E-VOTING & VOTING THROUGH POSTAL BALLOT:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 (the "Regulations"), amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), wherein, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming AGM to be held on November 27, 2024, at 09:00 a.m. in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

4. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2024 have been made available on Company's website



<https://lse.com.pk/financial-reports.php> in addition to annual and quarterly financial statements for the prior years.

Any Member requiring printed copy of Annual Report may send request using a standard Request Form placed on the Company's website. The Company will provide the printed copy of Accounts to such members free of cost within one week of such demand.

5. CHANGE IN ADDRESS AND CNIC:

The members are requested to notify any change in their address and contact details, as well as the attested photocopy of their valid CNICs, in case of the book entry securities in CDS to their respective participants and in case of physical shares to the registrar of the Company, by quoting their folio numbers and name of the Company at the below mentioned address of the Company's Share Registrar, if not earlier notified/submitted:

M/s F.D. Share Registrar Services (Private) Limited
Saima Trade Tower, Suite 1705-A, 17th Floor, I.I Chundrigar Road, Karachi

6. DEPOSIT OF PHYSICAL SHARES INTO CENTRAL DEPOSITORY:

As per section 72 of the Companies Act, 2017 every existing listed company is also required to replace its physical shares with the book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30th, 2017.

In the light of the above, the shareholders holding physical share certificates are once again encouraged to deposit their shares in Central Depository by opening CDC sub-accounts with any of the brokers or Investor Accounts maintained directly with CDC to convert their physical shares into scrip less form. This will facilitate the shareholders to streamline their information in member's register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements. Further, shares held shall remain secure and maintaining shares in scrip less form allows for swift sale/purchase.



STATEMENT OF MATERIAL FACT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017.

The statement sets out the material facts pertaining to the special business items to be transacted at the Annual General Meeting of the Company to be held on Wednesday, November 27, 2024.

Agenda Item # 5.

LSE Ventures Limited (LSEVL) is holding 36% shares, i.e., 2,683,042 shares, in the capital of The Pakistan Credit Rating Agency Limited (PACRA). Recently, the Board of Directors of LSEVL has decided to gradually transfer the entire shareholding to the individual group of other shareholders at mutually agreed time period, terms and conditions. It would result in generation of working capital for the company to explore better avenues of investments. The shareholders' approval in this matter is sought. The directors have no interest in this transaction. The details of the agreement and related documents can be reviewed at the time of the meeting.

Agenda Item # 6.

The disclosure required under section 199 of the Act and Regulation 5(5) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 are as under: -

**(a) DISCLOSURES FOR ALL TYPES OF INVESTMENTS:
(A) Regarding associated company or associated undertaking: -**

Sr. No.	Requirement	Information	
(i)	Name of Associated Company or associated undertaking	LSE Capital Limited	LSE Financial Services Limited
(ii)	Basis of relationship	Associated Company with 12.35% shareholding and Common directorship	Associated Company with 28.03% shareholding and Common directorship
(iii)	Earnings per share for the last three years	Year 2024: Rs. 2.26 Year 2023: Rs. 3.98 Year 2022: Rs. 0.90	Year 2024: Rs. 1.72 Year 2023: Rs. 0.07 Year 2022: Rs. 1.05
(iv)	Break-up value per share, based on latest audited financial statements	Rs. 16.40 as on June 30, 2024.	Rs. 12.72 as on June 30, 2024.
(v)	Financial position, including main items of statement of financial position and profit and loss	Audited Financial Statements of LSECL for the year ended June 30,	Audited Financial Statements of LSEFSL for the year ended June 30, 2024 available



Sr. No.	Requirement	Information	
	account on the basis of its latest financial statements	2024 available at: http://www.lse.com.pk	at: http://www.lse.com.pk
(vi)	In case of investment in relation to a project of associate company or associated undertaking that has not commenced operations,	Not applicable	Not applicable

(B) General Disclosures:

Sr. No.	Requirement	Information	
(i)	Maximum aggregate amount of investment to be made	Upto Rs. 100 million as short-term loans and advances to all associated companies in aggregate	
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment.	To meet the working capital requirement of the Company.	To meet the working capital requirement of the Company.
(iii)	Source of funds to be utilized for investment and where the investment is intended to be made using borrowed funds; (I) Justification for investment through borrowing; (II) Details of collateral, guarantees provided and assets pledged for obtaining such funds; and	Through internal sources.	Through internal sources.



Sr. No.	Requirement	Information	
	(III) Cost benefit analysis;		
(iv)	Salient features of the agreement (if any) with associated company or associated undertaking with regards to proposed investment.	Agreements with Associate will be available at the AGM for review of the shareholders	
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associates' company or associated undertaking or the transaction under consideration:	Following Directors have direct or indirect interest in the associated companies: <ul style="list-style-type: none"> • Mr. Muhammad Iqbal • Mr. Aftab Ahmad • Ms. Asiya Riaz 	Following Directors have direct or indirect interest in the associated companies: <ul style="list-style-type: none"> • Mr. Aftab Ahmad • Ms. Asiya Riaz
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information / justification for any impairment or write offs.	Investment in associated entities are made on an arm's length basis and there has been no impairment or write off. All past transaction had yielded the required returns.	
(vii)	Any other important details necessary for the members to understand the transaction	Not applicable	



(b) In case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made:-

Sr. No.	Requirement	Information
(i)	Maximum price at which securities will be acquired	Not applicable
(ii)	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not applicable
(iii)	Maximum number of securities to be acquired	Not applicable
(iv)	Number of securities and percentage thereof held before and after the proposed investment	Not applicable
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	Not applicable
(vi)	Fair value determined in terms and sub-regulation (1) of regulation 5 for investments in unlisted securities	Not applicable



(c) In case of Investments in the form of Loan and Advances and guarantees:

Sr. No.	Requirement	Information
(i)	Category wise number of investments	Short term loan / advance Upto Rs. 100 million as short-term loans and advances to all associated companies in aggregate
(ii)	Average borrowing cost of the investing Company	Not applicable
(iii)	Rate of interest, markup profit, fees or commission etc. to be charged by investing company	6M KIBOR+1%
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	Not applicable
(v)	If the investment carry conversion features:	No Conversion option
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Not applicable

In pursuance to Regulation No. 3 (3) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 under SRO 1240(1)/2017 dated 6 December 2017, the directors of the Company have carried out due diligence for the proposed advances/investments in its associated companies/associated undertakings before sending this recommendation for the member's approval.

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.



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

Name of Company: LSE Ventures Limited
Year ended: June 30, 2024

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

1. The total number of directors are seven (7) as per the following: -
 - a. Male: 5
 - b. Female: 2
2. The composition of the Board is as follows: -
 - i. Independent directors: Mr. M. Tabassum Munir
Mr. Shahnawaz Mahmood
Dr. Zahid Mahmood
 - ii. Non-Executive directors: Mr. Muhammad Iqbal
Ms. Aasiya Riaz
Ms. Minahil Ali
 - iii. Executive director: Mr. Aftab Ahmad Chaudhry
 - iv. Female director: Ms. Minahil Ali
Ms. Aasiya Riaz
3. The directors have confirmed that none of them is serving as a director on more than seven (7) 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 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 meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;
9. Four (4) Directors out of seven (7) Directors have acquired the prescribed certification under the Directors' Training Program. Moreover, two (2) Director qualify for exemption of certification requirement and one of the Directors has not acquired the DTP certification;



10. The Board has approved 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. 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:-

12.1 Audit Committee:

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

12.2 Human Resources and Remuneration Committee:

Sr. No.	Name	Status
1.	Dr. Zahid Mahmood	Chairman
2.	Ms. Aasiya Riaz	Member
3.	Mr. M. 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 of the Committees were as per following: -
 - a) Audit Committee 4*
 - b) Human Resources & Remuneration Committee 1

** Audit Committee has met for the first quarter of the year on October 06, 2023. Overall, four meetings were held during the year.*

15. The Board has set up an effective internal audit function, comprising professionals who are suitably qualified and experienced for the purpose and are conversant with the business, 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 requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard;



18. We confirm that all other requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with other than regulation 27 (2);
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr.#	Reg. Ref.	Description	Explanation
1	19 (1)	All the directors shall acquire Director's Training Program Certificate by year end June 30, 2024.	The DTP shall be arranged for the new directors in due course.
2	31(2)	Performance Appraisal of HIA should be jointly done CEO and Audit Committee.	The current HIA has been changed during the period and no meeting of Audit Committee has been held therefore, the performance appraisal will be done by Audit Committee in its upcoming meeting along with regularization in the current year.

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 year ended June 30, 2024 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 year ended June 30, 2024.

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	18	Audit Committee has not met within first quarter for the financial year as required under clause 27 of the regulations.
2	9 & 19	One of the Directors has not acquired the prescribed certification under the Directors’ Training Program as required under regulation 19 of the Regulations.

3

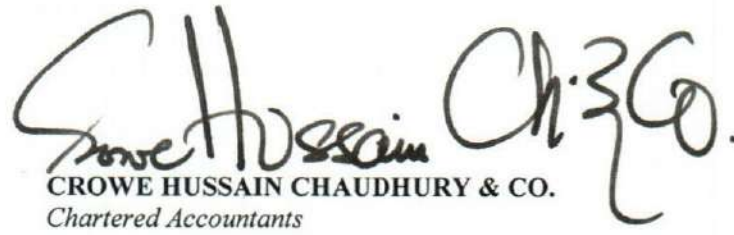
19

The Head of Internal Audit's performance appraisal has not been done jointly by the Chairman of the Audit Committee and the Chief Executive Officer as required under regulation 31 (2) of the Regulations.

Lahore

Dated: November 04, 2024

UDIN: CR202410051CUkYe9plZ



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

LSE Ventures Limited

FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 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 material accounting policy information 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, 2024 and of the profit, its comprehensive income, 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.

Following is the key audit matter:

Key Audit Matter	How the Matter was Addressed in our Report
Investment in associates and financial assets	
<p>Refer to note 6 and 7 of the financial statements.</p> <p>The total assets of the Company aggregate to Rs. 2,867.464 million out of which investments amount to Rs. 2,617.569 million. These investments are measured at fair value through profit or loss, fair value through other comprehensive income, amortized cost and equity method.</p> <p>Due to significance of these investments in the overall statement of financial position of the Company as at June 30, 2024, the valuation of these investments in accordance with the adopted accounting policy was considered a key audit matter.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • Reviewed the design and tested the operating effectiveness of key controls for valuation of investments • Obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2024 and reconciled it with the books and records of the Company • Reviewed management's estimate of impairment in the value of these investments in line with the accounting policies and applicable financial reporting frame work • Reviewed the calculations and methodology of valuing investments using valuation techniques used by the management and assessed their appropriateness in line with the accounting policies of the Company; and • Reviewed the presentation and disclosures related to investments and assessed whether it complies with the applicable financial reporting framework.

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.

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) zakat deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

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

Lahore
Dated: November 4, 2024
UDIN: AR202410051LKPrq3se7



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

LSE VENTURES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024	2023
		Rupees in thousands	
ASSETS			
Non Current Assets			
Investment in subsidiaries	5	-	369,529
Investment in associates	6	1,143,186	1,231,363
Financial assets	7	1,463,938	715,242
Intangible assets	8	5,852	-
Long term deposits	9	100	100
		2,613,076	2,316,234
Current Assets			
Receivables, advances and prepayments	10	156,237	59,746
Advance income tax		32,329	224
Bank balances	11	3,016	83,903
		191,582	143,873
Assets classified as held for sale	6.1	52,362	-
		<u>2,857,020</u>	<u>2,460,107</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
200,000,000 (2023: 200,000,000) ordinary shares of Rs. 10 each		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up share capital	12	1,795,979	1,795,979
Capital reserves:			
- Demerger reserve		26,533	26,533
- Fair value reserve		152,792	11,883
		179,325	38,416
Revenue reserves:			
- Unappropriated profit		466,845	362,776
Total Equity		2,442,149	2,197,171
Non Current Liabilities			
Deferred tax liability	13	302,611	156,997
Current Liabilities			
Trade and other payables	14	41,480	47,585
Un-paid dividend		37,444	33,455
Un-claimed dividend		15,568	15,568
Provision for taxation		17,768	9,331
		112,260	105,939
Contingencies and Commitments	15	-	-
		<u>2,857,020</u>	<u>2,460,107</u>

The annexed notes from 1 to 32 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

LSE VENTURES LIMITED

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2024

		June 30, 2024	For the Period from July 18, 2022 to June 30, 2023
	Note	Rupees in thousands (Restated)	
Revenue	16	285,582	126,598
Operating Expenses			
Administrative and general expenses	17	(102,824)	(67,237)
Other operating expenses	18	<u>(23,869)</u>	<u>(7,994)</u>
Operating Profit		158,889	51,367
Other income	19	8,961	55,368
Share of profit from associates		129,131	131,550
Finance charges	20	<u>(6,809)</u>	<u>(5)</u>
Profit before Levies and Taxation		290,172	238,280
Levy / final taxation	21	<u>(16,191)</u>	<u>(1,464)</u>
Profit before Taxation		273,981	236,816
Taxation	21	(86,875)	(14,941)
Net Profit for the Year / Period		<u><u>187,106</u></u>	<u><u>221,875</u></u>
Earnings per Share - Basic and Diluted	22	<u><u>1.04</u></u>	<u><u>1.24</u></u>

The annexed notes from 1 to 32 form an integral part of these financial statements.

use


Chief Executive Officer


Chief Financial Officer


Director

LSE VENTURES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2024

	June 30, 2024	For the Period from July 18, 2022 to June 30, 2023
	Rupees in thousands	
Net Profit for the Year / Period	187,106	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 of other comprehensive income of associates	9,524	(20)
Gain on equity instruments designated at fair value through other comprehensive income	198,462	16,736
Less: deferred tax	(60,316)	(4,848)
	147,670	11,868
Total Comprehensive Income for the Year / Period	334,776	233,743

The annexed notes from 1 to 32 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

LSE VENTURES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Capital Reserves			Revenue Reserve	Total Equity
	Share Capital	Fair Value Reserve	Demerger Reserve	Unappropriated Profit	
Net profit for the period	-	-	-	221,875	221,875
Other comprehensive income	-	11,883	-	(14)	11,869
Total comprehensive Income for the period	-	11,883	-	221,861	233,744
Transfer of revaluation surplus of associate to retained earnings	-	-	-	67,164	67,164
Transactions with owners of the Company					
Issuance of shares	10,000	-	-	-	10,000
Transfer of share capital from LSE Financial Services Limited	1,812,512	-	-	116,941	1,929,453
Demerger reserve arisen under the scheme of arrangements	(26,533)	-	26,533	-	-
	1,795,979	-	26,533	116,941	1,939,453
Charge of expenses incurred on listing of Company	-	-	-	(43,190)	(43,190)
Balance as at June 30, 2023	1,795,979	11,883	26,533	362,776	2,197,171
Net profit for the year	-	-	-	187,106	187,106
Other comprehensive income	-	140,909	-	6,762	147,671
Total comprehensive income for the year	-	140,909	-	193,868	334,777
Transactions with owners of the Company					
Cash dividends @ Rs. 0.50 per share for the year ended June 30, 2023	-	-	-	(89,799)	(89,799)
Balance as at June 30, 2024	1,795,979	152,792	26,533	466,845	2,442,149

The annexed notes from 1 to 32 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

LSE VENTURES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	June 30, 2024	For the Period from July 18, 2022 to June 30, 2023
		Rupees in thousands	
Cash Used in Operations	23	(118,907)	(92,501)
Finance cost paid		(5,208)	(5)
Income tax paid		(41,436)	(224)
Net Cash Used in Operating Activities		(165,551)	(92,730)
Cash Flows from Investing Activities			
Investment made in MTS / (recovered) - net		316,526	(316,526)
Investment in unlisted securities		-	(26,794)
Investment in listed securities		(17,200)	(247)
Investments recovered during the year		3,500	-
Investments made during the year		(376,000)	-
Sale proceed from disposal of investment		-	70,000
Interest bearing loan received back / (to associate)		14,420	(14,420)
Dividend received		209,228	42,720
Long term deposits		-	(100)
Net Cash Generated from / (Used in) Investing Activities		150,474	(245,367)
Cash Flows from Financing Activities			
Receipt from issue of shares		-	10,000
Loans obtained during the year		20,000	-
Dividend paid		(85,810)	-
Funds received under demerger scheme from LSE FSL		-	412,000
Net Cash (Used in) / Generated from Financing Activities		(65,810)	422,000
Net (Decrease) / Increase in Cash and Cash Equivalents		(80,887)	83,903
Cash and cash equivalents at the beginning of the year / period		83,903	-
Cash and Cash Equivalent at the End of the Year		3,016	83,903

The annexed notes from 1 to 32 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

LSE VENTURES LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Note 1

Legal Status and its Nature of Business

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 head office / registered office of the company is located at 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 and under 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 3.3.1.5
- Estimation of provisions and contingent liabilities - Note 4.2, 4.5 & 15
- Fair value of equity investments - Note 3.2 & 6
- Estimation of current income tax expense, provision for current tax and recognition of deferred tax - Note 3.5 & 13

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.

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). In accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under 'IAS 37 Provisions, Contingent Liabilities and Contingent Assets' which were previously being recognised as 'Income tax'.

all

Note 2, Basis of Preparation - Continued...

The Company has accounted for the effects of these changes in its accounting policy retrospectively under 'IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors' and the corresponding figures have been restated in these financial statements. The effects of restatements are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
-----Rupees in thousands-----			
<i>Effect on statement of profit or loss</i>			
For the year ended June 30, 2024			
Tax on dividends on investments and minimum tax	-	16,191	16,191
Profit before taxation	290,172	(16,191)	273,981
Taxation	(103,066)	16,191	(86,875)
	187,106	-	187,106
Profit after taxation	187,106	-	187,106
For the year ended June 30, 2023			
Tax on dividends on investments and minimum tax	-	1,464	1,464
Profit before taxation	238,280	(1,464)	236,816
Taxation	(16,405)	1,464	(14,941)
	221,875	-	221,875
Profit after taxation	221,875	-	221,875

The related changes to the statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax and earning per share, basic and diluted.

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, 2024. 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 Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting Policies	January 1, 2023
IAS 8 Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 1, 2023
IAS 12 Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules	January 1, 2023
IAS 12 Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	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 Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7 Amendments to IAS 7 "Statement of Cash Flows"	January 1, 2024
IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendments)	January 1, 2024
IFRS 7 Amendments to IFRS 7 "Financial Instruments Disclosures" - Supplier Finance Arrangements	January 1, 2024
IFRS 7 & 9 Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 1, 2024

QW

Note 2, Basis of Preparation - Continued..

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

Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2024:

IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	IFRS 19 'Subsidiaries Without Public Accountability: Disclosures'
IFRS 1	First Time Adoption of IFRS
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-Related Disclosures

Note 3

Material Accounting Policy Information

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from July 01, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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. Subsequently, 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 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 profit or loss on investments in subsidiaries are reversed through 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 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.

3.3 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. 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 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 or loss. Trade receivables are initially measured at the transaction price.

۱۱۱

Note 3, Material Accounting Policy Information - Continued...

3.3.1.3 Subsequent measurement

Financial assets carried at amortized cost are subsequently measured using the Effective Interest Rate (EIR) method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in the 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 arising is charged to the profit or loss.

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.

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 receivables, the Company applies a simplified approach in calculating ECLs and 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 receivables 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 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 taken in the profit or loss.

علی

Note 3, Material Accounting Policy Information - Continued...

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 profit or loss. Difference between carrying amount and consideration paid is recognized in 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 respect of carrying amounts is recognized in 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 Taxation

Income tax comprises current and deferred tax. Income tax is recognized in 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.

3.4.1 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 the 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.

When minimum tax is higher than tax calculated on taxable profits, excess amount is recognized as levy under IFIRC 21 / IAS 37. Further, the Company also charges tax expense under levy when tax is calculated under final tax regime.

3.4.2 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.

CM

Note 3, Material Accounting Policy Information - Continued...

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.

3.5 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.

3.6 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. 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.

3.7 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 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.

3.8 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.

3.9 Related party transactions

Related parties comprise 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.

cut

Note 3, Material Accounting Policy Information - Continued...

3.10 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 Chief Executive Officer (CEO) who makes strategic decisions. The CEO has determined that the Company operates as a single reporting segment.

3.11 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.

Note 4

Summary of Other Accounting Policies

Other accounting policies which do not have significant impact on financial statements are set out below for ease of user's understanding of these financial statements. These policies have been applied consistently for all periods presented, unless otherwise stated.

4.1 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 date on which an asset is acquired or capitalized upto the date the asset is disposed off.

4.2 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.

4.3 Dividend distributions

Dividend declared and appropriations to reserves are recognised in the financial statements in the period in which they are approved.

4.4 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 operating fixed assets 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.

4.5 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.

use

Note 5

Investment in Subsidiaries - at Cost

		2024	2023
	Note	Rupees in thousands	
LSE Capital Limited (LSECL) formerly [LSE Proptech Limited]	5.1	-	269,529
LSE Financial Services Limited	5.2	-	100,000
		<u>-</u>	<u>369,529</u>

5.1 This represented 26,952,897 shares of Rs. 10 each acquired during the year 2023 in LSE Proptech Limited (LPL) constituting 29.92% ownership. These shares had been issued through order of the Honorable Lahore High Court dated April 26, 2023. During the current year, under the scheme of merger approved by the Honorable Lahore High Court dated April 03, 2024, LPL was dissolved and merged with LSE Capital Limited. As per the merger scheme, LSE Capital issued 22,370,904 shares to the Company at the approved swap ratio of 0.83 resulting in 12.35% ownership of LSE Capital Limited. This resultant investment after the aforementioned merger scheme, is now classified under investment in associate (refer to Note 6.2).

5.2 This represented 10,000,000 shares of Rs. 10 each acquired during the year 2023 in LSE Financial Services Limited (LSEFSL) constituting 100% ownership. These shares had been issued through order of the Honorable Lahore High Court dated April 26, 2023. Pursuant to further issue of share capital by LSEFSL on April 03, 2024, the shareholding of the Company has been reduced to 28.03%. Therefore, this investment has been reclassified into investment in associates during the current year (refer to Note 6.3).

Note 6

Investments in Associates

		2024	2023
	Note	Rupees in thousands	
Under Equity Method			
The Pakistan Credit Rating Agency Limited (PACRA)	6.1	-	67,224
LSE Capital Limited (LSECL) formerly LSE Proptech Limited	6.2	360,271	-
LSE Financial Services Limited (LSEFSL)	6.3	103,836	-
Digital Custodian Company Limited (DCCL)	6.4	60,920	-
Under Fair value through Other Comprehensive Income			
Central Depository Company of Pakistan Limited (CDCPL)	6.6	-	659,183
National Clearing Company of Pakistan Limited (NCCPL)	6.6	618,158	504,956
		<u>1,143,186</u>	<u>1,231,363</u>

Under Equity Method

6.1 The Pakistan Credit Rating Agency Limited (PACRA)

PACRA was incorporated as a private limited company in Pakistan on August 18, 1994 and converted into a public limited company on April 30, 2004. PACRA is engaged in the business is to carrying out risk evaluation of companies and specific instruments. Its registered office is situated at Awami Complex, FB-1, Usman Block, New Garden Town, Lahore.

Movement in carrying value of this impairment is as under:

Opening balance	67,224	-
Acquired under merger scheme	-	52,439
Equity adjustment	-	(5,735)
Share of profit for the year	37,324	36,639
Dividend received during the year	(52,185)	(16,099)
Share in OCI	-	(20)
Investment classified as held for sale	(52,363)	-
Balance as at June 30, 2024	<u>-</u>	<u>67,224</u>
No. of shares held	<u>2,683,044</u>	<u>2,683,044</u>
Shareholding in %age	<u>36.00%</u>	<u>36.00%</u>

6.1.1 The Board of Director has resolved to dispose off investment in PACRA. This investment is expected to be sold within next 12 months; has been classified as held for sale as per IFRS 5 and is presented separately in the statement of financial position.

6.2 LSE Capital Limited

LSE Capital Limited ("LSECL") (formerly Bank Islami Modaraba Investments Limited) was incorporated in Pakistan on January 22, 1986, as an unlisted public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Subsequently, it was registered as a Modaraba Company with the Registrar of Modaraba Companies and Modarabas, under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The registered office of the Company is situated at LSE Plaza, Khayaban-e-Aiwan-Iqbal Road Lahore. This investment has been originally acquired as detailed in Note 5.1.

عل

Note 6, Investments in Associates - Continued...

6.3 As fully explained in Note 5.2, the investment in LSE FSL is accounted for as "investment in associate" that was previously accounted for as "investment in subsidiary". This investment is being accounted for under the equity method.

6.4 Digital Custodian Company Limited

Digital Custodian Company Limited ("DCCL") was incorporated on February 12, 1992 under the repealed Companies Ordinance, 1984, (now the Companies Act, 2017) as a private limited company. The status of the company was converted from private limited company to unlisted public limited company on June 19, 2009. The registered office of the company is located at Office # 08, 5th floor, LSE Plaza, Aiwana-e-Iqbal Road, Lahore, Punjab. The investment have been reclassified from Financial Asset (refer to Note 7.8) to Investment in Associate due to change in significant influence in DCCL due to common directorship.

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

	2024			Total
	LSECL	LSEFSL	DCCL	
	----- Rupees in thousands -----			
Balance reclassified from investment in subsidiaries / financial asset	269,529	100,000	54,167	423,696
Gain / (loss) on initial recognition of investment	70,408	8,994	-	79,402
Carrying value of investment on initial recognition	339,937	108,994	54,167	503,098
Share of total comprehensive income / (loss)	20,174	(5,158)	6,753	21,769
Share in changes in equity of associate	160	-	-	160
Balance as at June 30, 2024	360,271	103,836	60,920	525,028
No. of shares held	22,370,904	10,000,000	5,221,973	

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

	LSECL	LSEFSL	DCCL
	----- Rupees in thousands -----		
Revenue	35,191	39,348	119,745
Profit after tax	121,005	61,109	75,941
Other comprehensive income	96,046	3,618	5,980
Total Comprehensive income	217,051	64,727	81,921
Effect of adjustment of intercompany elimination	(53,700)	(83,129)	(14,319)
Total Comprehensive income after intercompany elimination	163,351	(18,402)	67,602
Current assets	919,015	147,848	24,091
Non-current assets	2,671,491	396,566	606,554
Current liabilities	(470,829)	(84,055)	(18,798)
Non-current liabilities	(148,806)	(6,782)	(11,723)
Net assets of the associate before intercompany elimination	2,970,871	453,577	600,124
Effect of adjustment of intercompany elimination	(53,700)	(83,129)	(14,319)
Net assets of the associate after intercompany elimination	2,917,171	370,448	585,805
Proportion of the Company's ownership interest	12.35%	28.03%	9.99%
Goodwill on initial recognition	-	-	2,398
Carrying Value of investment	360,271	103,836	60,920

6.6 Under Fair value through Other Comprehensive Income

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

	2024		Total
	NCCPL	CDC	
	----- Rupees in thousands -----		
Balance as at June 30, 2023	504,956	659,183	1,164,139
Fair value gain - OCI	113,202	85,260	198,462
Transferred to financial assets	-	(744,443)	(744,443)
Balance as at June 30, 2024	618,158	-	618,158
No. of shares held	23,730,462	35,000,000	
Shareholding in %age	23.53%	10.00%	

UAE

Note 6, Investments in Associates - Continued...

	2023		
	NCCPL	CDC	Total
	-----Rupees in thousands-----		
Acquired under merger scheme	516,386	599,420	1,115,806
Equity adjustment	(4,782)	34,893	30,111
Share of profit for the year	34,474	60,437	94,911
Dividend received during the year	(45,468)	(47,957)	(93,425)
Share in OCI	-	-	-
Fair value gain - OCI	4,346	12,390	16,736
Balance as at June 30, 2023	<u>504,956</u>	<u>659,183</u>	<u>1,164,139</u>
No. of shares held	<u>23,730,462</u>	<u>35,000,000</u>	
Shareholding in %age	<u>23.53%</u>	<u>10.00%</u>	

6.6.1 The Company acquired the investments in CDC as result of the rearrangement scheme with LSE Financial Services Limited which was approved by the Honorable Lahore High Court on April 26, 2023. The Company had recognised these as investment in associate due to common directorship. However during the current year the Company no longer has common directorship therefore this investment is reclassified as financial asset "At fair value through other comprehensive income" (Refer to Note 7.13).

Note 7

Financial Assets

	Note	2024	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	656,000	280,000
International Learning Centre (Private) Limited (Berlitz)	7.3	9,000	9,000
Investment in SSR Pictures & 5Abbi Films	7.4	14,294	17,794
LSE Capital Limited (related party)	7.5	-	14,420
Allowance for expected credit loss	7.6	(22,390)	-
		<u>656,904</u>	<u>637,740</u>
At Fair value through profit or loss			
<i>Unlisted</i>			
Pakistan Mercantile Exchange Limited (PMEX)	7.7	43,328	22,170
Digital Custodian Company Limited (DCCL) [related party]	7.8	-	54,167
Reckitt Benckiser Pakistan Limited	7.9	1,837	490
RB Hygiene Home Pakistan Limited	7.9	-	428
		45,165	77,255
<i>Listed</i>			
First Dawood Properties Limited (FDPL)	7.10	13,371	247
Bank of Punjab (BOP)	7.11	3,838	-
Mughal Energy Limited (GEMMEL)	7.12	217	-
		<u>17,426</u>	<u>247</u>
		62,591	77,502
At Fair value through Other Comprehensive Income - unlisted			
Central Depository Company of Pakistan Limited (CDC)	7.13	744,443	-
		<u>1,463,938</u>	<u>715,242</u>

7.1 Investment in 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 in MTS platform through LSE FSL and receives markup income net of 1% to 2% (2023: 2%) service charges and MTS charges.

7.2 This represents Company's holding of 65.6 million (2023: 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 dividends at six months KIBOR plus 5.5% per annum.

W/L

Note 7, Financial Assets - Continued...

- 7.3** The Company obtained 5,700 shares of International Learning Centre (Private) Limited for Rs. 9 million, which represents 5.00% ownership. This investment has been impaired during the year.
- 7.4** This represented the Company's share of 26.78% (2023: 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. Owing to continuous business losses, this investment has been impaired.
- 7.5** This represented loan given to LSE Capital Limited (a related party) that carried markup at 3 months KIBOR + spread of 3%. The entire amount has been received during the year.

	Note	2024	2023
		Rupees in thousands	
7.6 Movement of allowance for expected credit loss			
Opening balance		-	-
Allowance for impairment for the year:			
- International Learning Centre (Private) Limited (Berlitz)	7.3	8,096	-
- Investment in SSR Pictures & 5Abbi Films	7.4	14,294	-
Balance as at June 30, 2024		<u>22,390</u>	<u>-</u>

- 7.7** The Company holds 2,272,727 (2023: 2,272,727) equity shares of Pakistan Mercantile Exchange Limited which represents 7.25% ownership in investee. The fair value of this investment is based on the breakup value of shares as per the unaudited accounts provided by the management.
- 7.8** The Company holds 5,221,973 equity shares of Digital Custodian Company Limited (a related party due to common directorship), which is a public unlisted company. Originally 1,110,000 shares were acquired at Rs. 54.05; however, 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 had been no change in the shareholding percentage of 9.99%. This investment is reclassified to investment in associate (Note 6.4) due to significant influence of the Company established owing to common directorship.
- 7.9** The Company holds 751 (2023: 656) shares in Reckitt Benckiser Pakistan Limited. The Company also held 176 shares of RB Hygiene Home Pakistan Limited which was merged into Reckitt Benckiser Pakistan Limited. The Company obtained 95 shares of Reckitt Benckiser Pakistan Limited against 176 shares of RB Hygiene Home Pakistan Limited.
- 7.10** This represents investment in 5,839,000 (2023: 149,000) shares of First Dawood Investment Bank Limited representing shareholding of 3.93% (2023: 0.1%) of the share capital of the investee Company.
- 7.11** This represents investment made in 788,000 (2023: Nil) shares of Bank of Punjab representing shareholding of 0.02% (2023: nil) of the share capital of the investee Company.
- 7.12** This represents investment in 9,833 (2023: Nil) shares of Mughal Energy Limited through IPO representing shareholding of 0.01% (2023: Nil) of the share capital of the investee Company.
- 7.13** The Company holds 35,000,000 equity shares of Central Depository Company Pakistan Limited, which is a public unlisted entity. This represents 10.00% ownership in the investee company (refer to Note 6.6.1) .

Note 8

Intangible Assets

	Note	2024	2023
		Rupees in thousands	
Intangible assets - Club memberships	8.1	<u>5,852</u>	<u>-</u>
8.1 Reconciliation of intangible assets			
Opening balance		-	-
Addition during the year		<u>6,502</u>	<u>-</u>
		6,502	-
Amortization during the year		<u>(650)</u>	<u>-</u>
Balance as at June 30, 2024		<u>5,852</u>	<u>-</u>
Amortization rate		<u>10%</u>	<u>-</u>

Note 9

Long Term Deposits

	Note	2024	2023
		Rupees in thousands	
Security deposit	9.1	<u>100</u>	<u>100</u>

- 9.1** This amount has been deposited with Central Depository Company of Pakistan Limited for investor account services.

Ch

Note 10

Receivables, Advances and Prepayments

	Note	2024	2023
		Rupees in thousands	
Considered good - Unsecured			
Accrued dividend income	10.1	66,497	31,266
Receivable from related party	10.2	88,153	20,551
Advances to employees		183	-
Advances to broker		1,404	-
Prepayments		-	7,929
		<u>156,237</u>	<u>59,746</u>

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

10.2 Receivable from related party

	Gross Amount Due		Maximum Outstanding at any time during the Year
	2024	2023	2024
LSE Financial Services Limited	-	20,551	5,512,177
LSE Capital Limited	88,153	-	57,000
	<u>88,153</u>	<u>20,551</u>	

10.2.1 This represents advance given to LSE Capital Limited (a related party) that carried markup at 36% per annum.

Note 11

Bank Balances

	2024	2023	
		Rupees in thousands	
Cash at bank in savings accounts	<u>3,016</u>	<u>83,903</u>	

11.1 These carry mark-up @ 20.50% (2023: 20.5% per annum) per annum, approximately.

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

Note 12

Issued, Subscribed and Paid-up Share Capital

2024	2023		2024	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>	<u>179,597,880</u>	Ordinary shares of Rs. 10 each issued other than in cash	<u>1,795,979</u>	<u>1,795,979</u>
<u>179,597,880</u>	<u>179,597,880</u>		<u>1,795,979</u>	<u>1,795,979</u>

12.1 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.

12.2 Shares held by related parties are as follows:

	2024	2023	2024	2023
	Percentage		Number of Shares	
LSE Capital Limited	26.82%	26.82%	48,171,586	48,171,586
Directors	13.08%	13.08%	23,490,889	23,490,889
			<u>71,662,475</u>	<u>71,662,475</u>

12.3 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.

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

	2024	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	<u>179,597,880</u>	<u>179,597,880</u>	

Call

Note 13

Deferred Tax Liability

	Note	2024	2023
		Rupees in thousands	
Breakup of Deferred tax Liability			
Taxable Temporary Differences			
Investment in associates		70,476	157,732
Financial assets - listed securities		220,347	-
Assets classified as held for sale		13,619	-
Accrued income from dividend		9,975	-
Deductible Temporary Differences			
Financial assets - unlisted securities		234	(735)
Financial assets - other		(6,493)	-
Provision for PWWF		(5,547)	-
		<u>302,611</u>	<u>156,997</u>
13.1 Reconciliation of deferred tax liabilities / (assets) - Net			
Opening balance		156,997	-
Transferred from LSE FSL as per demerger scheme		-	145,075
Deferred tax effect charged to profit or loss		85,298	7,074
Deferred tax effect charged to other comprehensive income		60,316	4,848
Closing balance		<u>302,611</u>	<u>156,997</u>

13.2 Analysis of deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2024	2023	2024	2023
	----- Rupees in thousands -----			
Investment in associates	70,476	157,732	(147,572)	7,809
Financial assets - listed securities	220,347	-	220,347	-
Assets classified as held for sale	13,619	-	13,619	-
Accrued income from dividend	9,975	-	9,975	-
Financial assets - unlisted securities	234	(735)	969	(735)
Financial assets - other	(6,493)	-	(6,493)	-
Provision for PWWF	(5,547)	-	(5,547)	-
	<u>302,611</u>	<u>156,997</u>	<u>85,298</u>	<u>7,074</u>

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

Note 14

Trade and Other Payables

	Note	2024	2023
		Rupees in thousands	
Punjab Workers' Welfare Fund payable	14.1	19,128	17,649
Payable to related party - unsecured	14.2	-	28,637
Accrued liabilities		752	683
Accrued markup		1,600	-
Deferred income from LSE Capital Limited (related party)		-	616
Payable to provident fund	14.3	20,000	-
		<u>41,480</u>	<u>47,585</u>
14.1 Punjab Workers' Welfare Fund payable			
Opening balance		17,649	-
Transferred from LSE FSL		-	12,405
Add: provision during the period		1,479	5,244
Closing balance		<u>19,128</u>	<u>17,649</u>
14.2 Breakup of payable to related party - unsecured			
LSE Capital Limited		-	27,108
LSE Financial Services Limited		-	1,529
		<u>-</u>	<u>28,637</u>

14.3 This represents a loan received from Lahore Stock Exchange Limited Employees Provident Fund Trust, at 3% per month markup on monthly basis for a period of 10 months starting from April 9, 2024.

one

Note 15

Contingencies and Commitments

15.1 Contingencies

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

15.2 Commitments

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

Note 16

Revenue

**For the Year
Ending June 30,
2024** **For the Period
from July 18,
2022 to June
30, 2023**

Rupees in thousands

Income from financial assets

Revenue from Margin Trading System of NCCPL via LSE FSL	67,417	56,429
Profit on savings bank accounts	3,357	1,514
Market Treasury Bills (T-Bills)	-	5,453
Realized gain on sales of shares	478	31,930
Unrealized fair value gain on investments	22,055	-
Dividend income	192,275	31,272
	<u>285,582</u>	<u>126,598</u>

Note 17

Administrative and General Expenses

**For the Year
Ending June 30,
2024** **For the Period
from July 18,
2022 to June
30, 2023**

Note Rupees in thousands

Salaries and benefits	17.1 & 17.2	46,375	36,973
Information technology related expenses		3,416	1,477
Insurance		1,399	-
Travelling and conveyance		4,963	870
Printing and stationery		994	325
Utilities		2,733	1,664
Repairs and maintenance		8,961	5,947
Security expenses		4,589	2,274
Communication and public relations		5,682	5,043
Legal and professional charges		15,667	5,555
Margin trading system charges		-	2,653
Fees and subscription		113	201
Rent, rates and taxes		130	351
Auditors' remuneration	17.3	1,670	1,323
Board meetings fee		3,900	1,550
Amortization expenses		650	-
Donation		383	-
Miscellaneous		1,199	1,031
		<u>102,824</u>	<u>67,237</u>

17.1 Salaries and benefits include Rs. 2.251 million in respect of contribution to provident fund.

17.2 This includes portion of salary expense shared with and paid by LSE Capital Limited.

17.3 Auditors' remuneration

Annual audit fee	715	683
Other assurance services and certification	368	341
Half yearly review	368	184
Other certifications	166	115
Out of pocket expenses	53	-
	<u>1,670</u>	<u>1,323</u>

17.4 Overall, the expenses amounting to Rs. 30.7 million have been backcharged by the related parties.

CSL

Note 18

Other Operating Expenses

	For the Year Ending June 30, 2024	For the Period from July 18, 2022 to June 30, 2023
	Rupees in thousands	
Unrealized fair value loss on unlisted securities	-	2,750
Expected credit loss on financial assets	22,390	
Punjab Workers' Welfare Fund	1,479	5,244
	<u>23,869</u>	<u>7,994</u>

Note 19

Other Income

	For the Year Ending June 30, 2024	For the Period from July 18, 2022 to June 30, 2023
	Rupees in thousands	
Markup on loan to associated company	<u>8,961</u>	<u>55,368</u>

Note 20

Finance Cost

	For the Year Ending June 30, 2024	For the Period from July 18, 2022 to June 30, 2023
	Rupees in thousands	
Markup expense	6,801	-
Bank charges	8	5
	<u>6,809</u>	<u>5</u>

Note 21

Taxation

	For the Year Ending June 30, 2024	For the Period from July 18, 2022 to June 30, 2023
	Rupees in thousands	
Levies	<u>16,191</u>	<u>1,464</u>

21.1 This represents minimum tax / final tax paid under various sections of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

21.2 Taxation

Current	-	7,867
Super tax	1,577	-
Deferred tax	85,298	7,074
	<u>86,875</u>	<u>14,941</u>

21.3 Reconciliation of tax charge for the period

Profit before taxation	<u>290,172</u>	<u>238,280</u>
Tax @ 29% on profit before taxation	84,150	69,101
Tax effect of add backs / allowed deductions / deferred taxation	2,725	-
	<u>86,875</u>	<u>7,867</u>

	For the Year Ending June 30, 2024	For the Period from July 18, 2022 to June 30, 2023
	Rupees in thousands	

21.4 Reconciliation of Levy and Income tax under IAS-12

Current Tax liability as per applicable tax laws	17,768	9,331
Portion of current tax liability representing		
- Income tax as per IAS -12	(1,577)	(7,867)
- Levy as per IFRIC 21 / IAS 37	(16,191)	(1,464)
Difference	-	-

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

21.6 Income tax return has been filed to the income tax authorities upto and including tax year 2023 under the provisions of the Income Tax Ordinance, 2001.

Note 22

Earnings per Share - Basic and Diluted

	For the Year Ending June 30, 2024	For the Period from July 18, 2022 to June 30, 2023
--	---	---

Net profit for the year attributable to ordinary shareholders (Rupees in thousands)	187,106	221,875
Weighted average number of ordinary shares (Number of shares in thousands) - basic and diluted	179,598	179,598
Earnings per share - Basic (Rupees)	1.04	1.24

Note 23

Cash Generated from Operations

	For the Year Ending June 30, 2024	For the Period from July 18, 2022 to June 30, 2023
--	---	---

	Rupees in thousands	
Profit before Levies and Taxation	290,172	238,280
Adjustments:		
Share of profit of associates	(129,131)	(131,550)
Return on investments on accrual	(192,275)	(182,774)
Unrealized fair value loss / (gain) on investment - net	(22,055)	2,750
Expected credit loss on financial assets	22,390	-
Provision for Punjab Workers' Welfare Fund	1,479	5,244
Amortisation of intangible	650	-
Finance cost	6,809	5
Loss before working capital changes	(312,133)	(306,325)
(Increase) / decrease in current assets:		
- Receivables, advances and prepayments	(67,762)	4,517
Increase / (decrease) in current liabilities:		
- Trade and other payables	(29,184)	(28,973)
Cash Used in Operations	(118,907)	(92,501)



Note 24

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.

24.1 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.

24.2 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.

24.3 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:

	2024	For the Period from July 18,
	Rupees in thousands	
<u>Floating rate instruments</u>		
Financial assets		
Bank balances	3,016	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. 0.03 million (2023: Rs. 0.84 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. 62.59 million (2023: 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. 0.63 million (2023: Rs. 0.775 million) on the basis that all other variables remain constant.

WJL

Note 24, Financial Risk Management - Contd...

24.2 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	2024 Rupees in thousands	2023 Rupees in thousands
Financial assets	7	1,463,938	715,242
Trade and other receivables	10	156,054	51,817
Bank balances	11	3,016	83,903
		<u>1,623,008</u>	<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. 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			2024	2023
	Short term	Long term	Agency		
Bank Al-Habib Limited	A1+	AAA	PACRA	<u>3,016</u>	<u>83,903</u>

Rupees in thousands

we

Note 24, Financial Risk Management - Contd...

24.3 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 June 30, 2024:

Trade and other payables	41,480	41,480	41,480	-	-
--------------------------	--------	--------	--------	---	---

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

Trade and other payables	47,585	47,585	47,585	-	-
--------------------------	--------	--------	--------	---	---

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

24.4 Financial instruments by categories

Financial assets as at June 30, 2024

	Fair value through profit or loss	At amortised cost	At fair value through other comprehensive income	Total
--	-----------------------------------	-------------------	--	-------

-----Rupees in thousands-----

Investments in associates	-	525,028	618,158	1,143,186
Financial assets	62,591	656,904	744,443	1,463,938
Trade and other receivables	-	156,054	-	156,054
Bank balances	-	3,016	-	3,016
	62,591	1,341,002	1,362,601	2,766,194

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	773,461	1,164,139	2,015,102

Financial liabilities at amortised cost

Trade and other payables

2024 **2023**

Rupees in thousands

41,480	47,585
--------	--------

24.5 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.

etc

Note 25

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 26

Segment Reporting

- 26.1** Revenue from investments represents 100% of total revenue of the Company. Therefore, there is one reportable segment as per IFRS-8.
- 26.2** The entire revenue is generated in Pakistan.
- 26.3** Dividends of investments in financial assets account for 65% of total revenue for the year. Revenue from dividend income from investment amounts to Rs. 192.275 million.
- 26.4** All non-current assets of the Company as at reporting date are located in Pakistan.

Note 27

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 in:			
LSE Financial Services Limited	Associate	Shareholding	28.03%
LSE Capital Limited	Associate	Shareholding	12.35%
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	Associate	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%

QK

Note 27, 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		2024	2023
		Rupees in thousands	
National Clearing Company of Pakistan Limited	Dividend received	35,311	45,468
	Trading charges paid	-	(2,653)
Central Depository Company of Pakistan Limited	Dividend received	51,951	47,957
	Deposit paid for share registrar services	-	(100)
Pakistan Credit Rating Agency Limited	Dividend received	52,185	16,099
LSE Financial Services Limited	Shares issued	-	(100,000)
	Funds given for investment in MTS	(159,000)	(316,526)
	Funds received as repayment of principle	475,526	-
	Investment in MTS - markup accrued	67,417	20,551
	Expenses paid on behalf of Company	(10,570)	(1,529)
LSE Capital Limited	Loan given	(101,000)	(14,420)
	Loan received back	115,420	-
	Markup accrued	-	384
	Shares purchased by the Company	-	(269,529)
	Expenses paid on behalf of company	19,873	(26,769)
	Reimbursement of facilities - receipts	-	(93)
	Loan - Principal	-	(300,000)
	Interest received	-	55,368
	Repayment of principal	-	20,000
	Preference shares purchased - settled	-	280,000
Balances outstanding as at June 30,			
Investment in subsidiaries			
- LSE Financial Services Limited		-	100,000
- LSE Capital Limited		-	269,529
Investments in associates			
- National Clearing Company of Pakistan Limited		618,158	504,956
- Central Depository Company of Pakistan Limited		-	659,183
- Pakistan Credit Rating Agency Limited		-	67,224
- LSE Financial Services Limited		103,836	-
- LSE Capital Limited		360,271	-
- Digital Custodian Company Limited		60,920	-
Assets classified as held for sale			
- Pakistan Credit Rating Agency Limited		52,362	-
Financial Assets			
- Digital Custodian Company Limited		-	54,167
- SSR Pictures & 5Abbi Films		14,294	17,794
- National Clearing Company of Pakistan Limited		744,443	-
Receivables			
- Due from LSE Financial Services Limited		88,153	20,551
Trade and other payables			
- Due to LSE Capital Limited		-	(28,637)
- Due to LSE Financial Services Limited		-	(1,529)
- Deferred income from LSE Capital		-	(616)
Loan			
- LSE Capital Limited		-	14,420

ul

Note 28
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	
	2024	2023	2024	2023	2024	2023	2024	2023
	----- Rupees in thousands -----							
Managerial remuneration	6,784	11,194	-	-	7,880	1,980	14,664	13,174
Company's contribution to the provident fund trust	678	1,018	-	-	788	165	1,466	1,183
Housing and utilities	3,731	5,597	-	-	4,334	990	8,065	6,587
Meeting fees	-	-	3,900	1,550	-	-	3,900	1,550
Others	113	6,163	-	-	975	1,205	1,088	7,368
	<u>11,307</u>	<u>23,972</u>	<u>3,900</u>	<u>1,550</u>	<u>13,977</u>	<u>4,340</u>	<u>29,184</u>	<u>29,862</u>
Number of persons	1	1	7	7	2	1	10	9

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

28.2 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 29
Number of Employees

	2024	2023
Total number of employees at the period end	<u>7</u>	<u>8</u>
Average number of employees during the period ended	<u>7</u>	<u>4</u>

Note 30
Authorization For Issue

These financial statements have been authorized for issue by the Board of Directors of the Company in its meeting held on November 04, 2024.

Note 31
Subsequent Event

The Directors in their meeting held on November 04, 2024 have recommended a final cash dividend of Re. 1 per share i.e. 10% amounting to Rs. 179.6 million for the year ended June 30, 2024 (2023: Rs. 0.50 per share i.e. 50% amounting to Rs. 89.8 million). The financial statements for the year ended June 30, 2024 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

Note 32
General

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. Following re-arrangements / reclassifications have been made in these financial statements for better presentations that do not have any impact on the profitability of the Company:

Nature	From	To	2023 Rupees in thousands
Statement of financial statements	Prepayments	Receivables, advances and prepayments (Note 10)	7,929
Statement of profit or loss	Revenue	Other income (Note 19)	55,368


Chief Executive Officer


Chief Financial Officer


Director



Ballot paper for voting through post at the Annual General Meeting to be held on Wednesday, November 27, 2024, at 09:00 a.m. at the Registered Office of the Company, in the auditorium, the Exchange Hub, LSE Plaza, 19-Kashmir Egerton Road, 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: inamullah@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.)	
--	--

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 (✓) mark in the appropriate box below (delete as appropriate);

Agenda #	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)
5	“RESOLVED THAT the attached mutual buyout agreement, for the periodical transfer of the shares of PACRA leading to the full transfer of the shares presently owned by LSE Ventures Limited, upon the receipt of the installments from the			



	<p>Buyers Group, as per the terms of the agreement, be and is hereby approved.”</p> <p>“RESOLVED FURTHER THAT after the execution of the Agreement, the shares of PACRA owned by LSE Ventures Limited, shall be excluded from the list of sponsors’ shares.”</p> <p>“RESOLVED FURTHER THAT the Chief Executive Officer of the Company be and is authorized to sign the attached Agreement, for and on behalf of LSE Ventures Limited.”</p>			
<p>6</p>	<p>“RESOLVED THAT the approval be and is hereby accorded for the addition/disposal of the Company’s investments in its associated companies, not exceeding PKR 100Mn in aggregate on market/negotiated price, as well as the provision of periodical working capital to any of the associated companies, not exceeding PKR 100Mn in principal and return thereon not below the rate of six (6) months KIBOR+1%.”</p> <p>“FURTHER RESOLVED THAT the Board of the Company be and is hereby authorized to approve the above transactions in respect of the related parties on a case-to-case basis which may be carried</p>			



	<p>out during the financial year ending June 30, 2025.”</p> <p>“FURTHER RESOLVED THAT, the relevant transactions shall be placed before the shareholders in the next Annual General Meeting for their ratification.”</p>			
--	---	--	--	--

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 November 26, 2024. 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.



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)	F.D. Share Registrar Services (Pvt.) Limited Suit 1705 – A. 17th Floor, Saima Trade Tower, I.I. Chundrigar Road, Karachi.
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).



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 November 27, 2024 and/or at any adjournment thereof.

<p><u>The Member:</u> Signature: _____</p> <div style="border: 1px solid black; width: 150px; height: 50px; margin: 10px auto; text-align: center;"> <p>Signature over Revenue Stamp of Rs. 50/-</p> </div> <p style="text-align: center;">_____ 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><u>The Proxy:</u> Signature: _____ Name: _____ CNIC No.: _____ Father's name: _____ Address: _____ _____ Date: _____</p>
---	--

<p>Witness 1: _____ Signature: _____ Name: _____ _____ CNIC No.: _____ No.: _____ Address: _____</p>	<p>Witness 2: _____ Signature: _____ Name: _____ _____ CNIC Address: _____</p>
--	--

Notes:

1. 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.
2. 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.
3. 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.



پراکسی فارم

میں/ہم، _____، زیر دستخطی رکن، ایل ایس ای ویٹیزز لمیٹڈ کارکن ہونے کے ناطے، 27 نومبر 2024 کو منعقد ہونے والی کمپنی کی AGM میں مجھے اور میری طرف سے ووٹ دینے کے لیے _____، زیر دستخطی پراکسی کو مقرر کرتا ہوں۔ اور/یا اس کے کسی بھی اتوا پر۔

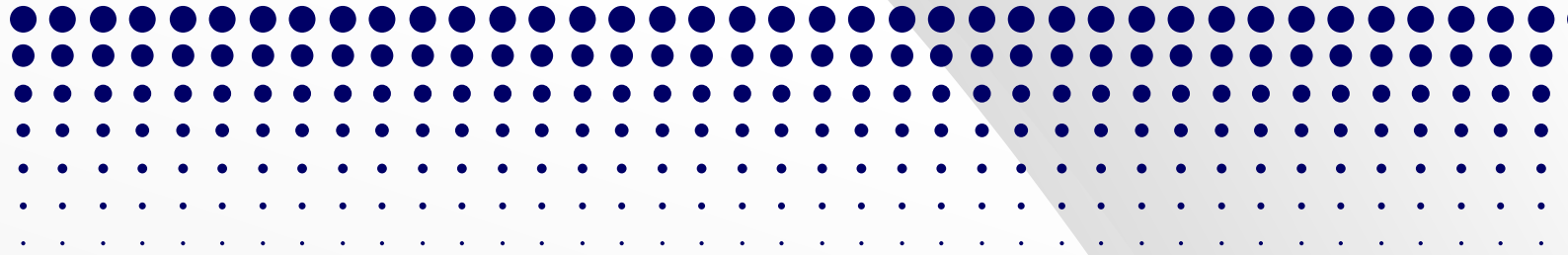
ممبر:	پراکسی:
دستخط:	دستخط:
دستخط ختم	دستخط:
روپے کارپوریٹو سٹیٹمپ 50/-	نام:
کمپنی کی مہر/سٹیٹمپ	CNIC
مقرر کرنے والے کا نام اور عہدہ:	نمبر:
	والد کا نام:
	پتہ:
CNIC نمبر:	تاریخ:
والد کا نام:	
پتہ:	
تاریخ:	
سی ڈی سی شرکت کنندہ ID نمبر:	
سی ڈی سی اکاؤنٹ/ذیلی اکاؤنٹ نمبر:	
رکھے گئے حصص کی تعداد:	

گواہ 1: _____
 دستخط: _____
 نام: _____
 CNIC نمبر: _____
 پتہ: _____

گواہ 2: _____
 دستخط: _____
 نام: _____
 CNIC نمبر: _____
 پتہ: _____

نوٹس:

- پراکسیز، موثر ہونے کے لیے، میٹنگ کے انعقاد کے وقت سے 48 گھنٹے پہلے کمپنی کے رجسٹرڈ آفس میں موصول ہونے چاہئیں اور ان پر مستند مہر، دستخط اور گواہ ہونا ضروری ہے۔
- CDC سینٹیفشل ماکان اور پراکسی ہولڈرز کو اپنی شناخت ثابت کرنے کے لیے اپنے کمپیوٹر انڈومی شناختی کارڈ (CNIC)/پاسپورٹ کو اصل میں لانا چاہیے اور پراکسی کی صورت میں، CDC سینٹیفشل ماکان اور پراکسی ہولڈرز کو اپنے CNIC کی تصدیق شدہ کاپی منسلک کرنی چاہیے۔ پراکسی فارم کے ساتھ پاسپورٹ۔
- کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد اور آف انارنی نامزد شخص کے دستخط کے ساتھ (جب تک کہ یہ پہلے فراہم نہ کیا گیا ہو) پراکسی فارم کے ساتھ منسلک کیا جائے۔



LSE VENTURES
investing in growth

