



Corporate Brief

Company Profile



- LSE Financial Services Limited (PSX Ticker: **LSEFSL**) emerged as a successor entity following the merger of the erstwhile Lahore Stock Exchange (LSE) with two other exchanges, resulting in the establishment of Pakistan Stock Exchange Limited.
- **LSEFSL** is a licensed Investment Finance Services (IFS) provider under SECP regulations, specializing in margin financing for equity transactions of selected listed companies through the NCCPL's Margin Trading System (MTS).
- **LSEFSL** also supports emerging businesses with financial solutions that drive growth. We deploy capital through equity and private financing to support cash flow-positive companies, contributing to Pakistan's economic growth while exploring new opportunities in digital finance.

Strategic/ Operational Developments

- In 2024, **LSEFSL** achieved another milestone by listing on the PSX in June.
- Deeming the NBFC functions as no more feasible, the shareholders of **LSEFSL**, via the special resolutions, have decided to give-up the NBFC character of the company in the AGM held on November 27th, 2024 by surrendering the NBFC/IFS License.
- Furthermore, the shareholders have also resolved to change the name of the Company to **LSE Enterprises Limited**, subject to availability and completion of the required formalities.



Strategic/ Operational Developments



- As per changes in the MOA, approved by the shareholders, the principal line of business of **LSEFSL** shall be to invest in shares, bonds, stocks, units of mutual funds or 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.

- An EOGM of **LSEFSL** is also scheduled to be held on **December 28, 2024** to consider and approve the Scheme of Compromises, Arrangements and Reconstruction of the share capital and reserves and the transfer of the designated assets and liabilities, responsibilities and functions for the administration of the statutory funds of the following companies involved in the scheme:
 - Digital Custodian Company Limited and its Members, and
 - LSE Financial Services Limited and its Members; and
 - LSE Financial Services Limited (and its Members) and Digital Custodian Company Limited (and its Members)

Objectives of the Scheme

- a. Reorganization, regrouping and repositioning of **LSEFSL** as a regular public listed company (after the approval of the surrender of the NBFC license by the shareholders of the company during its Annual General Meeting held on November 27, 2024).
- b. Reconstitution and reconstruction of the share capital and reserves (capital reserves, revenue reserves and other reserves) of both the companies, i.e. **LSEFSL** and **DCCL**.
- c. Transfer of the designated liabilities from LSEFSL to DCCL.
- d. Distribution of the Designated Assets, i.e. the shares of **DCCL** and LSE Capital Limited (**LSECL**) held by **LSEFSL** to its own shareholders.
- e. Distribution of shares of **LSEFSL** held by **DCCL** to the shareholders of **DCCL**.
- f. Consequential listing of **DCCL** at PSX as a result of the distribution of its shares to 2,993 shareholders of **LSEFSL**, an already listed company.
- g. Transfer of the responsibility and the functions of the administration of the statutory funds including the roles and responsibilities related to the secretariat functions of the funds committee (and litigations connected therewith) being performed by **LSEFSL** to **DCCL**, an associated operating company of the LSE family, which being a licensed trustee/custodian company already provides independent third party handling and oversight services of the funds of the domestic mutual and REIT funds industries.
- h. Continuance of the operations of both the companies (**LSEFSL** and **DCCL**) as going concern companies after the Scheme enabling them to continue serving as useful economic and employment agents in society.

Objectives of the Scheme

- a. Shareholders of **LSEFSL** shall benefit from the distribution of the designated assets held by **LSEFSL**, i.e. the shares of **DCCL** and **LSECL**, both of which shall become freely tradable on PSX.
- b. Shareholders of **DCCL** will get the shares of **LSEFSL** as per Distribution Ratio.
- c. **DCCL** shareholders shall also benefit because of the company becoming a public listed company as a consequence of the Scheme.
- d. **LSEFSL** shareholders will continue to benefit from the liquidity of its shares as a public listed company, with somewhat broader mandate and possibilities for the expansion of its business either on stand-alone basis or after another Scheme of Arrangement.
- e. By becoming an independent listed entity, **DCCL** will have the opportunity to raise additional funds from its shareholders, if required.
- f. **DCCL** shall become owned by a diversified set of shareholders which will improve its corporate governance and internal control environment.

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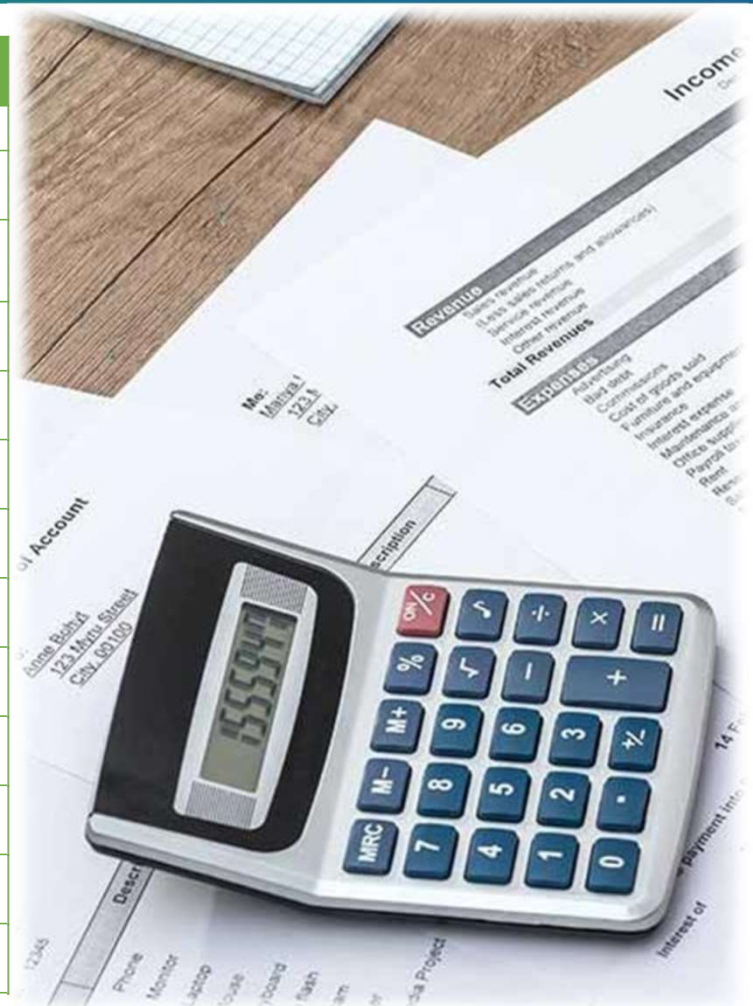
Snapshot of the Scheme

Entities before and after the Scheme

		Before the Scheme		After the Scheme	
		LSEFSL	DCCL	LSEFSL	DCCL
Shares Outstanding	Nos.	35,677,578	52,266,777	20,000,000	50,000,000
Authorized Share Capital	Nos.	111,900,000	60,000,000	42,900,000	129,000,000
Par/ Nominal Value	Rs./Share	10.00	10.00	10.00	10.00
Book Value	Rs./Share	12.72	11.48	8.19	10.23

Financial Details

Rupee in '000	2024	2023
Operating Income	39.35	54.30
Administrative and operating expense incl. Finance	(54.49)	(72.90)
Operating Loss	(15.14)	(18.60)
Other Income	20.39	15.56
Profit of Associates	79.51	37.36
Profit before Taxation	78.89	34.04
Profit after Taxation	61.27	1.04
Total Asset	544.41	511.16
Equity + Revaluation Surplus	453.74	100.72
Total Liabilities	90.68	410.44
Shares outstanding (Nos.)	35.68	10.00
Earning per Share	1.72	0.07



Q/A

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THANK YOU!