



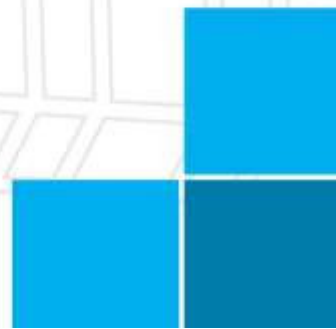
**LSE CAPITAL**

mobilizing capital – optimizing markets

# ANNUAL REPORT

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2025



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## Vision Statement

- Inculcate a culture of innovation and responsibility within our team.
- Adhere to the highest standards of integrity and fair dealing.
- Abide by the best practices of lawful and ethical conduct of business.
- Implement the standards for rendering the highest-quality services to our customers.

## Mission Statement

To be an ultimate value-creation vehicle for the shareholders.

## Company Information

### Board of Directors

1. Mr. Shoaib Mir	Independent Director/Chairman
2. Mr. Aftab Ahmad Ch.	Chief Executive Officer
3. Ms. Aasiya Riaz	Non-Executive Director
4. Mr. Ayaz Dawood	Non-Executive Director
5. Hafiz Muddassir Alam	Non-Executive Director
6. Mr. Muhammad Iqbal	Non-Executive Director
7. Ms. Shumaila Siddiqui	Independent Director

### Audit Committee

1. Ms. Shumaila Siddiqui	Chairperson
2. Ms. Aasiya Riaz	Member
3. Mr. Hafiz Muddassir Alam	Member

### Human Resource and Remuneration Committee

1. Mr. Shoaib Mir	Chairman
2. Mr. Muhammad Iqbal	Member
3. Hafiz Muddassir Alam	Member

### Company Secretary

Mr. Sajjad Hyder

### Chief Financial Officer

Mr. Muhammad Usman

### Auditors

Kreston Hyder Bhimji & Co. Chartered Accountant

### Legal Advisor

Allied Legal Services

Aziz Law Associate

### Shariah Advisor

Mufti Muhammad Javed Khan  
House No. 3-B, Ayesha Street,  
Old Muslim Town, Lahore.

### Registrar

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

### Bankers

MCB Bank Limited  
Bank Al Habib Limited  
BankIslami Pakistan Limited

### Registered Office

The Exchange Plaza, 19 Kashmir-Egerton Road,  
Lahore



## Chairman's Review

**Dear Shareholders,**

It is with immense pleasure that I present the Chairman's Review for the financial year ended June 30, 2025, in compliance with the requirements of Section 192 of the Companies Act, 2017. This report highlights the Company's strategic performance, key achievements, and the Board's role in guiding the Management towards fulfilling our corporate objectives for the benefit of all stakeholders.

The Financial Year 2025 was a period of strategic expansion and demonstrated excellence in capital market execution for LSE Capital Limited (LSECL). LSECL acted as the Transaction Advisory and Financial Structuring provider for several landmark listings on the Pakistan Stock Exchange (PSX), reinforcing our position as a trusted partner for both growth-stage and established businesses. The Company also executed key strategic investments aimed at long-term value creation. LSECL also secured an extensive financial advisory mandate which is disclosed in the directors' report.

These transactions mark a key milestone in our capital markets journey. At LSE Capital, we don't just advise; we deliver structure, strategy, and success, once again demonstrating our prowess in swiftly delivering optimal financial solutions and efficient execution capabilities for the value creation of our clients.

The overall performance of the Board was fully compliant with the requirements of the Companies Act, 2017, and the Code of Corporate Governance Regulations. The Directors performed their duties diligently and effectively, always acting in the best interest of the Company and its stakeholders. The Board routinely reviewed, discussed, and approved the Company's business strategies, corporate objectives, plans, and financial statements. The Board ensured adequate representation of non-executive and independent directors on the Board and its committees, implementing the requirements of the Code in its true letter and spirit. All significant issues were presented before the Board or its committees to strengthen and formalize the corporate decision-making process. Importantly, all related-party transactions executed by the Company were approved by the Board following the recommendations of the Audit Committee. The Board confirmed that a sound system of internal controls is in place, recognizing that well-defined corporate governance processes are vital in enhancing corporate accountability and preserving stakeholder value.

On behalf of the Board, I extend my deepest gratitude to all our employees for their hard work and contributions to the Company's success. I also wish to thank our outgoing directors, shareholders, business partners, and all other stakeholders for their continued confidence and unwavering support.

Thank You.

**-Sd-**

**Chairman**

## چیئر مین کا جائزہ

معزز شیئر ہولڈرز،

یہ بہت خوشی کی بات ہے کہ میں 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے کمپنیز ایکٹ 2017 کے سیکشن 192 کے تقاضوں کی تعمیل میں چیئر مین کا جائزہ پیش کر رہا ہوں۔ یہ رپورٹ کمپنی کی اسٹریٹجک کارکردگی، کلیدی کامیابیوں، اور تمام اسٹیک ہولڈرز کے فائدے کے لیے ہمارے کارپوریٹ مقاصد کو پورا کرنے کی سمت مینجمنٹ کی رہنمائی میں بورڈ کے کردار کو اجاگر کرتی ہے۔

مالی سال 2025 اسٹریٹجک توسیع کا دور تھا اور اس نے ایل ایس ای کیپٹل لمیٹڈ (ایل ایس ای سی ایل) کے لیے کیپٹل مارکیٹ پر عمل درآمد میں بہترین کارکردگی کا مظاہرہ کیا۔ ایل ایس ای سی ایل نے پاکستان اسٹاک ایکسچینج (پی ایس ایکس) پر کئی تاریخی لسٹنگ کے لیے ٹرانزیکشن ایڈوائزری اور فنانشل اسٹریٹجک فراہم کنندہ کے طور پر کام کیا جس سے ترقی کے مرحلے اور قائم کاروبار دونوں کے لیے ایک قابل اعتماد شراکت دار کے طور پر ہماری پوزیشن کو تقویت ملی۔ کمپنی نے طویل مدتی قدر پیدا کرنے کے مقصد سے کلیدی اسٹریٹجک سرمایہ کاری کو بھی انجام دیا۔ ایل ایس ای سی ایل نے ایک وسیع مالیاتی مشاورتی مینڈیٹ بھی حاصل کیا جس کا انکشاف ڈائریکٹرز کی رپورٹ میں کیا گیا ہے۔

یہ لین دین ہمارے سرمایہ بازار کے سفر میں ایک اہم سنگ میل کی نشاندہی کرتے ہیں۔ ایل ایس ای کیپٹل میں، ہم صرف مشورہ نہیں دیتے ہیں۔ ہم ڈھانچے، حکمت عملی اور کامیابی فراہم کرتے ہیں، ایک بار پھر اپنے کلائنٹس کی قدر سازی کے لیے زیادہ سے زیادہ مالیاتی حل اور موثر عمل درآمد کی صلاحیتوں کو تیزی سے فراہم کرنے میں اپنی صلاحیت کا مظاہرہ کرتے ہیں۔

بورڈ کی مجموعی کارکردگی کمپنیز ایکٹ، 2017 اور کوڈ آف کارپوریٹ گورننس ریگولیشنز کی ضروریات کے مطابق تھی۔ ڈائریکٹرز نے اپنے فرائض کو متدہی اور موثر طریقے سے انجام دیا، ہمیشہ کمپنی اور اس کے اسٹیک ہولڈرز کے بہترین مفاد میں کام کیا۔ بورڈ باقاعدگی سے کمپنی کی کاروباری حکمت عملیوں، کارپوریٹ مقاصد، منصوبوں اور مالی بیانات کا جائزہ لیتا ہے، ان پر تبادلہ خیال کرتا ہے اور ان کی منظوری دیتا ہے۔ بورڈ نے بورڈ اور اس کی کمیٹیوں میں غیر ایگزیکٹو اور آزاد ڈائریکٹرز کی مناسب نمائندگی کو یقینی بنایا، اور ضابطے کی ضروریات کو اس کے حقیقی معنوں میں نافذ کیا۔ کارپوریٹ فیصلہ سازی کے عمل کو مضبوط اور باقاعدہ بنانے کے لیے بورڈ یا اس کی کمیٹیوں کے سامنے تمام اہم مسائل پیش کیے گئے۔ اہم بات یہ ہے کہ کمپنی کے ذریعے کئے گئے تمام متعلقہ فریق لین دین کو آڈٹ کمیٹی کی سفارشات کے بعد بورڈ نے منظور کیا تھا۔ بورڈ نے اس بات کی تصدیق کی کہ داخلی کنٹرول کا ایک مضبوط نظام موجود ہے، اس بات کو تسلیم کرتے ہوئے کہ کارپوریٹ گورننس کے اچھی طرح سے طے شدہ عمل کارپوریٹ جوابدگی کو بڑھانے اور اسٹیک ہولڈرز کی قدر کو برقرار رکھنے میں اہم ہیں۔

بورڈ کی جانب سے، میں اپنے تمام ملازمین کا ان کی محنت اور کمپنی کی کامیابی میں شراکت کے لیے دل کی گہرائیوں سے شکریہ ادا کرتا ہوں۔ میں اپنے سبکدوش ہونے والے ڈائریکٹرز، شیئر ہولڈرز، کاروباری شراکت داروں اور دیگر تمام اسٹیک ہولڈرز کا ان کے مسلسل اعتماد اور غیر متزلزل حمایت کے لیے بھی شکریہ ادا کرنا چاہتا ہوں۔

چیئر مین

## Directors' Report

We are pleased to present the Directors' Report of LSE Capital Limited (PSX ticker: LSECL), together with the Annual Audited Financial Statements for the year ended June 30, 2025, accompanied by the Auditors' Report, thereon.

### Economic Review FY 2024-25:

The global economic landscape continues to be shaped by moderation, with projected world growth slowing to 2.8% in 2025 amid rising geopolitical tensions, trade frictions, and heightened exchange rate volatility. Despite this volatile international backdrop, the domestic economy of Pakistan maintained its upward trajectory in FY 2025, recording an annual GDP growth of 2.68%, driven by effective macroeconomic management and a stabilization across key indicators. Crucial to this turnaround was the sharp reduction in inflation. Fiscal discipline also saw marked enhancement, highlighted by the achievement of a historic primary surplus of 3.0% of GDP for July-March FY 2025. On the external front, the account witnessed a remarkable reversal, shifting to an unprecedented US\$ 1.9 billion surplus during July-April FY 2025, supported by improved export performance and record remittance inflows, setting a firm foundation for a higher growth path.

This stabilization directly translated into a significant revival of investor confidence, most notably in the capital markets, where Pakistan's equity market outperformed world stock markets. The benchmark KSE-100 Index registered a phenomenal growth of 57.79%, surging from 78,824 points to 124,379 points. This unprecedented performance is attributed to robust corporate earnings, the declining policy rate, and the stable macroeconomic environment. Broadly, investor activity is underscored by a 27.5% rise in company incorporations and the industrial sector demonstrated resilience, posting a growth of 4.77% in FY 2025, driven by a recovery in the manufacturing segment.

### Operational Review:

LSECL acted as the Transaction Advisory and Financial Structuring provider on multiple landmark listings at the Pakistan Stock Exchange during the year. These include Ghani Chem World Limited (GCWL) and Mughal Steel Class C Shares – listed on the Main Board. Moreover, Nets International Communication Limited (NETS) and The Pakistan Credit Rating Agency (PACRA) – listed on the GEM Board of PSX.

LSECL has completed the acquisition of 10% shares of Jamshoro Joint Venture Limited ("JJVL"). It may be mentioned that JJVL has recently entered into an agreement with Sui Southern Gas Company Limited ("SSGC") for the restart of LPG production, which will make JJVL the largest private sector LPG producer in Pakistan. The Company has also acquired 2.5% equity stake in Digital Custodian Company Limited.

LSECL has signed an extensive financial advisory mandate with Kaizen, the landlord for the two of the most modern outlets of daftarkhawan in Lahore. Under this advisory mandate, the investment property portfolio of different Kaizen companies shall be centralized under a REIT Management Company and placed in a REIT Scheme, which will become a PSX listed instrument. With the new mandate, LSE Capital Limited, shall once again be able to demonstrate its prowess in swiftly delivering optimal financial solutions and efficient execution capabilities for the value creation of its clients.

These transactions mark a key milestone in our capital markets journey, reinforcing our position as a trusted partner for growth-stage and established businesses navigating the PSX. At LSE Capital, we don't just advise, we deliver structure, strategy, and success.

## Financial Performance:

### Financial Highlights:

Rupees in '000'	2025	2024
<b>Operating Income</b>	<b>145,428</b>	<b>35,191</b>
Other Income	326,051	96,679
Share of profit of Associates	106,087	33,476
Admin & General Expenses	(191,813)	(65,929)
Finance Cost	(79,259)	(19,887)
<b>Profit before Taxation</b>	<b>306,494</b>	<b>79,529</b>
Taxation	(67,907)	41,476
<b>Net Profit</b>	<b>238,587</b>	<b>121,006</b>
Equity + Revaluation Surplus	3,166,638	2,970,871
Total Asset	3,528,655	3,591,231
<b>Net Asset</b>	<b>3,166,637</b>	<b>2,970,871</b>
Total Liability	362,018	620,359
Shares outstanding (Nos.)	181,153	181,153
<b>Earnings per share EPS</b>	<b>1.32</b>	<b>2.66</b>

### Dividend

In view of financial performance of the Company, the Board of Directors has not recommended dividend for the year ended June 30, 2025 (2024: 0.5 per share)

### Future Outlook

LSECL has emerged as a premier financial services platform. We are committed to harnessing our expertise to unlock value for our clients and stakeholders, driving sustainable growth in Pakistan's capital market. LSECL will excel in merger & acquisitions deals advisory, corporate finance and restructuring transaction services as it is known for handling complex mandates requiring innovative structuring and out-of-the-box transaction arrangements.

### Appointment of External Auditors

The present auditors, M/s. KRESTON Hyder Bhimjee & Co., Chartered Accountants, are retiring at the conclusion of the current term. The matter of appointment/re-appointment of the auditors and their remuneration has been referred to the shareholders for approval in the Annual General Meeting (AGM) for the next term.

### 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.

### Code of Corporate Governance

The requirements of the Code of Corporate Governance, as introduced by the Securities and Exchange Commission of Pakistan and set out by the Pakistan Stock Exchange Limited in its Listing Rules, have been duly complied with. A statement to this effect is annexed to the report.

The Board of Directors of your Company assures you that:

- The financial statements, 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.
- Keeping in view the financial position of your Company, we do not have any significant doubt upon its continuance as a going concern.
- There also has not been any material departure from the best practices of corporate governance, as detailed in the listing regulations, during the year under review.

### 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.

1	Mean Gender Pay Gap	8.67%
2	Median Gender Pay Gap	-26.73%

#### Meetings of the Board of Directors

During the period, 4 meetings of the Board of Directors of the Company were held. Directors' respective attendance in the Board meetings was as follows:

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

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

Sr. No.	Name of Directors	Category	Total Meetings	Attendance
1	Mr. Shoaib Mir	Chairman	4	4
2	Mr. Muhammad Iqbal	Non-Executive Director	4	2
3	Mr. Yasir Manzoor	Non-Executive Director	4	3
4	Ms. Shumaila Siddiqui	Independent Director	4	4
5	Ms. Aasiya Riaz	Non-Executive Director	4	3
6	Hafiz Muddassir Alam	Non-Executive Director	4	3
7	Mr. Aftab Ahmad Ch.	Chief Executive Officer	4	4

In compliance with Regulation No. 34(2) of the 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. Shoaib Mir  
Ms. Shumaila Siddiqui
- ii. Non-Executive directors: Mr. Aasiya Riaz  
Hafiz Muddassir Alam  
Mr. Muhammad Iqbal  
Mr. Ayaz Dawood
- iii. Executive director: Mr. Aftab Ahmad Chaudhry
- iv. Female director: Ms. Shumaila Siddiqui  
Ms. Aasiya Riaz

### **Directors' Remuneration**

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 Policy of the Company. No other director is being paid any extra remuneration by the Company, except the meeting fee for attending the Board and its Committees meetings. The relevant figures have been disclosed in the financial statements.

### **Annual Evaluation of Board's Performance**

As required under the listed companies Code of Corporate Governance Regulations, 2019, an annual evaluation of performance of the Board, members of the Board and its Committees was carried out to ensure that Board's overall performance and effectiveness is measured against the objectives set for the Company. Based on the evaluation, overall performance of the Board, members and Committees of the Board for the year under review is satisfactory.

### **Statutory and Advisory Committees of the Board**

The Board has constituted the Statutory and Advisory Committees for the three-years term, as under:

#### **1. Board Audit Committee (BAC)**

The Board Audit Committee comprises of three (3) Directors including one Independent Director

(ID) who is the Chairman of the Committee.

<b>Name</b>	<b>Category</b>
Ms. Shumaila Siddiqui	Convener
Ms. Aasiya Riaz	Member
Mr. Hafiz Mudassir Alam	Member

## 2. Human Resource and Remuneration Committee (HRRC)

The Human Resource and Remuneration (HRR) Committee comprises three (3) Directors including one Independent Director who is the Chairman of the Committee.

<b>Name</b>	<b>Category</b>
Mr. Shoaib Mir	Convener
Mr. Hafiz Mudassir Alam	Member
Mr. Muhammad Iqbal	Member

## Related Party Transactions

At each board meeting, the Board of Directors approve all transactions of the Company executed with associated companies and related parties on arm's length basis in normal course of business.

## Pattern of Shareholding

The pattern of shareholding of your Company as on June 30, 2025, is annexed with this report. This statement is in accordance with the amendments made through the Code.

## Financial Reporting

The Board Audit Committee reviewed, discussed, and recommended the draft Interim and Annual Results of the Company for Board approval. The Committee discussed with the CFO, HOIA, and External Auditors of the Company on significant accounting policies, estimates, and judgments applied in preparing the financial information.

## Acknowledgments

The Board also acknowledge with appreciation the valuable guidance and cooperation received from the Securities and Exchange Commission of Pakistan (SECP) and other government bodies.

Furthermore, we express our gratitude to our shareholders for their trust and cooperation, and commend the Management's dedication and the employees' hard work, which have been instrumental in the Company's progress.

**For and on behalf of the Board of Directors of  
LSE Capital Limited:**

**-Sd-  
Chief Executive Officer/MD**

**-Sd-  
Director**

Dated: November 1, 2025

Place: Lahore



## ڈائریکٹرز کی رپورٹ

ہمیں LSE کیپٹل لمیٹڈ (PSX) ٹکر (LSECL) کے ڈائریکٹرز کی رپورٹ، 30 جون 2025 کو ختم ہونے والے سال کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ، آڈیٹرز کی رپورٹ کے ساتھ پیش کرتے ہوئے خوشی ہو رہی ہے۔

### معاشی جائزہ مالی سال 2024-25:

عالمی اقتصادی منظر نامے کی تشکیل اعتماد سے جاری ہے، 2025 میں بڑھتے ہوئے جغرافیائی سیاسی تناؤ، تجارتی تنازعات، اور شرح مبادلہ کے اتار چڑھاؤ کے درمیان متوقع عالمی نمو 2.8 فیصد تک کم ہو جائے گی۔ اس غیر مستحکم بین الاقوامی پس منظر کے باوجود، پاکستان کی ملکی معیشت نے مالی سال 2025 میں اپنے اوپر کی رفتار کو برقرار رکھا، جس میں 2.68 فیصد کی سالانہ GDP نمو ریکارڈ کی گئی، جو کہ موثر میکرو اکنامک مینجمنٹ اور کلیدی اشاریوں میں استحکام کی وجہ سے ہے۔ اس تبدیلی کے لیے اہم افراط زر میں کمی تھی۔ مالیاتی نظم و ضبط میں بھی نمایاں اضافہ دیکھا گیا، جو کہ جولائی تا مارچ مالی سال 2025 کے لیے جی ڈی پی کے 3.0% کے تاریخی بنیادی سرپلس کے حصول سے نمایاں ہوا۔ بیرونی محاذ پر، اکاؤنٹ میں غیر معمولی تبدیلی دیکھی گئی، جو کہ غیر معمولی US\$1.9 بلین سرپلس کی طرف منتقل ہوا، جولائی۔ اپریل 2025 کے دوران برآمدات میں ریکارڈ بہتری اور کارکردگی میں بہتری آئی۔ ترسیلات زر کی آمد، اعلیٰ ترقی کے راستے کی مضبوط بنیاد قائم کرتی ہے۔

اس استحکام نے براہ راست سرمایہ کاروں کے اعتماد کی ایک اہم بحالی میں ترجمہ کیا، خاص طور پر کیپٹل مارکیٹوں میں، جہاں پاکستان کی ایکویٹی مارکیٹ نے عالمی اسٹاک مارکیٹوں کو پیچھے چھوڑ دیا۔ بیٹچ مارک KSE-100 انڈیکس نے 57.79 فیصد کی غیر معمولی نمو درج کی، جو 78,824 پوائنٹس سے بڑھ کر 124,379 پوائنٹس پر پہنچ گئی۔ اس بے مثال کارکردگی کی وجہ مضبوط کارپوریٹ آمدنی، گرتی ہوئی پالیسی کی شرح اور مستحکم معاشی ماحول ہے۔ موٹے طور پر، سرمایہ کاروں کی سرگرمیوں کو کمپنی کے کارپوریٹیشنز میں 27.5 فیصد اضافے سے نمایاں کیا گیا ہے اور صنعتی شعبے نے چلک کا مظاہرہ کیا، مالی سال 2025 میں 4.77 فیصد اضافہ ہوا، جس کی وجہ مینوفیکچرنگ سیکٹر میں بحالی ہے۔

### آپریٹنگ جائزہ:

ایل ایس ای سی ایل نے سال کے دوران پاکستان اسٹاک ایکسچینج میں متعدد تاریخی فہرستوں پر ٹرانزیکشن ایڈوائزری اور فنانشل اسٹرکچرنگ فراہم کنندہ کے طور پر کام کیا۔ ان میں غنی کیمر ورلڈ لمیٹڈ (GCWL) اور مغل اسٹیل کلاس سی کے حصص شامل ہیں۔ جو مین بورڈ میں درج ہیں۔ مزید برآں، نیٹ انٹرنیشنل کمیونیکیشن لمیٹڈ (NETS) اور پاکستان کریڈٹ ریٹنگ ایجنسی PSX - (PACRA) کے GEM بورڈ میں درج ہیں۔

LSECL نے جانشین و جوائنٹ وینچر لمیٹڈ ("JJVL") کے 10% حصص کا حصول مکمل کر لیا ہے۔ واضح رہے کہ جے جے وی ایل نے حال ہی میں ایل پی جی کی پیداوار دوبارہ شروع کرنے کے لیے سوئی سدرن گیس کمپنی لمیٹڈ ("SSGC") کے ساتھ ایک معاہدہ کیا ہے، جس سے JJVL پاکستان میں نجی شعبے کا سب سے بڑا ایل پی جی پروڈیوسر بن جائے گا۔ کمپنی نے ڈیجیٹل کسٹومرز کمپنی لمیٹڈ میں 2.5% ایکویٹی حصص بھی حاصل کر لیا ہے۔

ایل ایس ای سی ایل نے ایک وسیع مالیاتی مشاورتی مینڈیٹ پر دستخط کیے ہیں۔ کیزنٹلاہور میں دفتر خوان کے دو جدید ترین دکانوں کا مالک مکان۔ اس ایڈوائزری مینڈیٹ کے تحت سرمایہ کاری کی جائیداد کا پورٹ فولیو مختلف ہے۔ کیزن کمپنیوں کو REIT مینجمنٹ کمپنی کے تحت مرکزی بنایا جائے گا اور REIT اسکیم میں رکھا جائے گا، جو کہ ایک PSX درج شدہ آلہ۔ نئے مینڈیٹ کے ساتھ، ایل ایس ای سی کیپٹل لمیٹڈ، ایک بار پھر اپنے کلائنٹس کی قدر پیدا کرنے کے لیے تیزی سے زیادہ سے زیادہ مالیاتی حل اور موثر عملدرآمد کی صلاحیتوں کی فراہمی میں اپنی صلاحیت کا مظاہرہ کرنے کے قابل ہوگا۔

یہ ٹرانزیکشنز ہماری کیپٹل مارکیٹس کے سفر میں ایک اہم سنگ میل کی نشاندہی کرتی ہیں، جو کہ ترقی کے مرحلے اور PSX پر تشریف لے جانے والے کاروبار کے لیے ایک قابل اعتماد پارٹنر کے طور پر ہماری پوزیشن کو مضبوط کرتی ہے۔ LSE کیپٹل میں، ہم صرف مشورہ نہیں دیتے، ہم ڈھانچہ، حکمت عملی اور کامیابی فراہم کرتے ہیں۔

مالی کارکردگی:

مالیاتی جھلکیاں:

2024	2025	روپے '000 میں
35,191	145,428	آپریٹنگ آمدنی
96,679	326,051	دوسری آمدنی
33,476	106,087	ایسوسی ایٹس کے منافع کا حصہ
(65,929)	(191,813)	ایڈمن اینڈ جنرل اخراجات
(19,887)	(79,259)	مالیاتی لاگت
79,529	306,494	ٹیکس سے پہلے منافع
41,476	(67,907)	ٹیکس لگانا
121,006	238,587	خالص منافع
2,970,871	3,166,638	ایکویٹی اور ریویلویشن سرپلس
3,591,231	3,528,655	کل اثاثہ
2,970,871	3,166,637	خالص اثاثے
620,359	362,018	کل ذمہ داری
181,153	181,153	بقایا حصص (نمبر)
2.66	1.32	آمدنی فی شیئر EPS

ڈیویڈنڈ

کمپنی کی مالی کارکردگی کے پیش نظر، بورڈ آف ڈائریکٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے لیے ڈیویڈنڈ کی سفارش نہیں کی ہے (2024: 0.5 فی شیئر)

مستقبل کا آؤٹ لک

LSECL ایک اہم مالیاتی خدمات کے پلیٹ فارم کے طور پر ابھرا ہے۔ ہم اپنے کلائنٹس اور اسٹیک ہولڈرز کے لیے قدر کو غیر متقلل کرنے کے لیے اپنی مہارت کو بروئے کار لاتے ہوئے پاکستان کی کیپٹل مارکیٹ میں پائیدار ترقی کو آگے بڑھانے کے لیے پرعزم ہیں۔ [ایل ایس ای سی ایل](#) انضمام اور حصول کے سودے ایڈوائزری، کارپوریٹ فنانس اور ری اسٹرکچرنگ ٹرانزیکشن سروسز میں بہترین کارکردگی کا مظاہرہ کرے گا کیونکہ یہ پیچیدہ مینڈیٹ کو سنبھالنے کے لیے جانا جاتا ہے جس میں اختراعی ڈھانچے اور آؤٹ آف دی باکس لین دین کے انتظامات کی ضرورت ہوتی ہے۔

بیرونی آڈیٹرز کی تقرری

موجودہ آڈیٹر، M/s. کر سٹن حیدر بھیجی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، موجودہ مدت کے اختتام پر ریٹائر ہو رہے ہیں۔ آڈیٹرز کی تقرری/دوبارہ تقرری اور ان کے معاوضے کا معاملہ اگلی مدت کے لیے سالانہ جنرل میٹنگ (AGM) میں منظوری کے لیے شیئر ہولڈرز کو بھیج دیا گیا 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۔

## کارپوریٹ گورننس کا ضابطہ

کوڈ آف کارپوریٹ گورننس کی ضروریات، جیسا کہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے متعارف کرایا ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ نے اس کے لسٹنگ رولز میں متعین کیا ہے۔ اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک ہے۔

ٹی آپ کی کمپنی کا بورڈ آف ڈائریکٹرز آپ کو یقین دلاتا ہے کہ:

• مالی بیانات، اس کی حالت، اس کے کاموں کا نتیجہ، نقدی کے بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔

• اکاؤنٹ کی مناسب کتابیں آپ کی کمپنی نے رکھی ہیں۔

• 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 روائگی، اگر کوئی ہے، مناسب طور پر ظاہر کیا گیا ہے۔

• اندرونی کنٹرول کا نظام، جو آپ کی کمپنی میں لاگو کیا جا رہا ہے، درست ہے اور پورے سال مؤثر طریقے سے برقرار ہے۔

• آپ کی کمپنی کی مالی حالت کو مد نظر رکھتے ہوئے، ہمیں اس کے جاری رہنے پر کوئی خاص شک نہیں ہے۔

• زیر نظر سال کے دوران کارپوریٹ گورننس کے بہترین طریقوں سے بھی کوئی مادی اخراج نہیں ہوا، جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔

## کارپوریٹ سماجی ذمہ داری اور ماحولیاتی انتظام اور ESG خطرات سے متعلق مقاصد

کمپنی تعلیم، صحت کی دیکھ بھال اور تحفظ ماحولیات سے متعلق اپنی توجہ مرکوز سرگرمیوں کو یقینی بنانے کے ساتھ ساتھ CSR اور ماحولیاتی نظم و نسق کے پروگراموں کو شروع کرنے اور ان کی نگرانی کرنے کے لیے سال بھر پر عزم اور مصروف رہی۔ اس کے مطابق، کمپنی کا بورڈ کمپنی کے تمام اسٹیک ہولڈرز کے لیے قابل قدر قدر پیدا کرنے کے عزم کے ساتھ کمپنی کے ان مقاصد کے پیچھے کھڑا ہے اور یہ بھی یقینی بنانے کی کوشش کرتا ہے کہ یہ ایک ذمہ دار کارپوریٹ شہری کے طور پر اہل ہو۔

## اینٹی ہراسمنٹ

کمپنی کے پاس ایک جامع طریقہ کار ہے۔ مخالف ہراساں کرنا اس بات کو یقینی بنانے کے لیے کہ کسی بھی قسم کی جگہ پر ہراساں کیے جانے سے نمٹا جائے اس بات کو یقینی بنانے کے لیے کہ کمپنی کے تمام ملازمین کو ان کی صنف اور پوزیشن سے قطع نظر ایک محفوظ اور باعزت ماحول میں کام کرنے کا موقع ملے۔ ملازمین کی حوصلہ افزائی کی جاتی ہے کہ وہ ایسی شکایات کی اطلاع محکمہ HR کو خفیہ طور پر دیں تاکہ منصفانہ تفتیش کی جاسکے۔

### جینڈرپے گیپ

کمپنی پر عزم ہے کہ کمپنی کے تمام ملازمین کے ساتھ مساوات اور انصاف کے ساتھ برتاؤ کیا جاتا ہے اور کمپنی کے اندر تنخواہ میں صنفی فرق نہیں ہونا چاہیے۔ اس کے مطابق ملازمین کے معاوضے کا تعین تجربہ، سنہاری، ذمہ داریوں اور کارکردگی کی بنیاد پر بغیر کسی صنفی امتیاز کے کیا جاتا ہے۔

1	مطلب جینڈرپے گیپ	8.67%
2	میڈین صنفی تنخواہ کا فرق	-26.73%

### بورڈ آف ڈائریکٹرز کے اجلاس

اس عرصے کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کے 4 اجلاس منعقد ہوئے۔ بورڈ کے اجلاسوں میں ڈائریکٹرز کی متعلقہ حاضری حسب ذیل تھی:

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

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

نمبر نمبر	ڈائریکٹر کے نام	زمرہ	کل میٹنگز	حاضری
1	جناب شعیب میر	چیئر مین	4	4
2	جناب محمد اقبال	نان ایگزیکٹو ڈائریکٹر	4	2
3	جناب یاسر منظور	نان ایگزیکٹو ڈائریکٹر	4	3
4	محترمہ شائلہ صدیقی	آزاد ڈائریکٹر	4	4
5	محترمہ آسیہ ریاض	نان ایگزیکٹو ڈائریکٹر	4	3
6	حافظ مدثر عالم	نان ایگزیکٹو ڈائریکٹر	4	3
7	جناب آفتاب احمد چوہدری	چیف ایگزیکٹو آفیسر	4	4

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

i مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (7) ہیں:-

الف	مرد	5
ب	عورت	2

بورڈ کی تشکیل حسب ذیل ہے:-

i آزاد ڈائریکٹرز:

جناب شعیب میر  
محترمہ شائلہ صدیقی

ii نان ایگزیکٹو ڈائریکٹرز:

آسیہ ریاض  
حافظ مدثر عالم  
جناب محمد اقبال  
جناب ایاز داؤد

iii ایگزیکٹو ڈائریکٹر:

جناب آفتاب احمد چوہدری

iv خاتون ڈائریکٹر:

محترمہ شائلہ صدیقی  
محترمہ آسیہ ریاض

#### ڈائریکٹرز کا معاوضہ

فی الحال چیف ایگزیکٹو آفیسر کو تنخواہ اور اس طرح کے دیگر مراعات ادا کی جارہی ہیں جو کہ ایسوسی ایشن کے آرٹیکلز کے تحت اور کمپنی کی HR پالیسی کے مطابق Baord کی طرف سے منظور شدہ ہیں۔ بورڈ اور اس کی کمیٹیوں 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۔

#### بورڈ کی کارکردگی کا سالانہ جائزہ

جیسا کہ لسٹڈ کمپنیز کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کے تحت ضرورت ہے، بورڈ، بورڈ کے ممبران اور اس کی کمیٹیوں کی کارکردگی کا سالانہ جائزہ لیا گیا تاکہ اس بات کو یقینی بنایا جاسکے کہ بورڈ کی مجموعی کارکردگی اور تاثیر کو کمپنی کے لیے مقرر کردہ مقاصد کے خلاف ناپا جائے۔ جائزے کی بنیاد پر بورڈ، ممبران اور بورڈ کی کمیٹیوں کی مجموعی کارکردگی تسلی بخش ہے۔

#### بورڈ کی قانونی اور مشاورتی کمیٹیاں

بورڈ نے تین سال کی مدت کے لیے قانونی اور مشاورتی کمیٹیاں تشکیل دی ہیں، جیسا کہ:

#### 1۔ بورڈ آؤٹ کمیٹی (BAC)

بورڈ آؤٹ کمیٹی تین (3) ڈائریکٹرز پر مشتمل ہوتی ہے جس میں ایک آزاد ڈائریکٹر (ID) جو کمیٹی کا چیئر مین ہوتا ہے۔

نام	زمرہ
محترمہ شائلہ صدیقی	کنوینر
محترمہ آسیہ ریاض	ممبر
جناب حافظ مدثر عالم	ممبر

## 2. انسانی وسائل اور معاوضہ کمیٹی (HRRC)

ہیومن ریسورس اینڈ ریسرچ (HRR) کمیٹی تین (3) ڈائریکٹرز پر مشتمل ہے جس میں ایک آزاد ڈائریکٹر ہے جو کمیٹی کا چیئر مین ہے۔

نام	زمرہ
جناب شعیب میر	کنوینر
جناب حافظ مدثر عالم	ممبر
جناب محمد اقبال	ممبر

### متعلقہ پارٹی لین دین

ہر بورڈ میٹنگ میں، بورڈ آف ڈائریکٹرز کمیٹی کے تمام لین دین کی منظوری دیتا ہے جو متعلقہ کمپنیوں اور متعلقہ فریقوں کے ساتھ کاروبار کے معمول کے دوران بازو کی لمبائی کی بنیاد پر انجام پاتے ہیں۔

### شیئر ہولڈنگ کا نمونہ

30 جون 2025 تک آپ کی کمپنی کے شیئر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔ یہ بیان ضابطہ کے ذریعے کی گئی ترمیم کے مطابق ہے۔

### مالیاتی رپورٹنگ

بورڈ آڈٹ کمیٹی نے بورڈ کی منظوری کے لیے کمپنی کے عبوری اور سالانہ نتائج کے مسودے کا جائزہ لیا، بحث کی اور سفارش کی۔ کمیٹی نے CFO، HOIA، اور کمپنی کے بیرونی آڈیٹرز کے ساتھ اہم اکاؤنٹنگ پالیسیوں، تخمینوں، اور مالی معلومات کی تیاری میں لگائے گئے فیصلوں پر تبادلہ خیال کیا۔

### اعترافات

بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور دیگر حکومتی اداروں سے ملنے والی قابل قدر رہنمائی اور تعاون کو بھی سراہتا ہے۔

مزید برآں، ہم اپنے شیئر ہولڈرز کے اعتماد اور تعاون کے لیے ان کا شکریہ ادا کرتے ہیں، اور انتظامیہ کی لگن اور ملازمین کی محنت کو سراہتے ہیں، جو کمپنی کی ترقی میں اہم کردار ادا کر رہے ہیں۔

کے بورڈ آف ڈائریکٹرز کے لیے اور اس کی جانب سے:

-Sd-

-Sd-

ڈائریکٹر

چیف ایگزیکٹو آفیسر / ایم ڈی

بتاریخ: یکم نومبر 2025

جگہ: لاہور

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

**Name of Company:** LSE Capital Limited

**Year ended:** June 30, 2025

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: -
  - ii. Independent directors: Mr. Shoaib Mir  
Ms. Shumaila Siddiqui
  - ii. Non-Executive directors: Mr. Muhammad Iqbal  
Ms. Aasiya Riaz  
Mr. Ayaz Dawood  
Hafiz Mudassir Alam
  - iii. Executive director: Mr. Aftab Ahmad Chaudhry
  - iv. Female director: Ms. Shumaila Siddiqui  
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. Mostly the directors out of seven (7) Directors have the prescribed certification under the Directors' Training Program. Moreover, two Directors qualify for exemption of certification requirement by virtue of his qualification and experience on the Board of listed companies. The Company shall arrange Directors' Training Program for remaining directors in due course;
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. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:-

a) Audit Committee:

Sr. No.	Name	Status
1.	Ms. Shumaila Siddiqui	Chairman
2.	Ms. Aasiya Riaz	Member
3.	Hafiz Mudassir Alam	Member

b) Human Resources & Remuneration and Compensation Committee:

Sr. No.	Name	Status
1.	Mr. Shoaib Mir	Chairman
2.	Hafiz Mudassir Alam	Member
3.	Mr. Muhammad Iqbal	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 - Quarterly
  - b) Human Resources & Remuneration and Compensation Committee – At least once in a year.
15. The Board has appointed the resource for the internal audit function while considering suitably qualified and experienced for the purpose and conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that during the FY ended June 30<sup>th</sup>, 2025, the applicable and relevant requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations were complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Regulation No. 6(1):

The Board of Directors comprises seven members, including the CEO. In compliance with the requirement for independent directors to constitute at least one-third (1/3) of the total, the Board has two (2) independent directors. To maintain optimal size of the Board and decision making efficiency, the company has not rounded up the fractional requirement and considered it up to the nearest whole number.

Regulation No. 19:

The directors required to acquire the director training, shall be arranged to have their director training program certification within the next period of one year, as required under the relevant regulations.

Regulation No. 27(2)(i):

The Audit Committee meets quarterly to review quarterly financial statements. Since, the fourth quarter completes the financial year i.e., as on June 30<sup>th</sup>, the Committee's final meeting is to review the prepared and audited annual accounts including the fourth quarter.

Regulation No. 29(1):

The responsibilities as prescribed for the Nomination Committee are being taken care of at Board level as and when needed, so a separate committee is not considered to be necessary at present.

Regulation No. 30(1):

The Board has tasked the Audit Committee to oversee Risk Management related matters of the Company, therefore a separate committee has not been constituted.

-Sd-

Signature

**Chairman**

Lahore.

Date: November 01, 2025

## **INDEPENDENT AUDITOR'S MODIFIED REVIEW REPORT**

**To the members of LSE Capital 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 Capital Limited** for the year ended June 30, 2025 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

The following instances of non-compliance with the requirements of the Regulations were observed which are not appropriately stated in the Statement of Compliance:

- a) There is only one person assigned with the role of head of internal audit function without any other member and accordingly there is no internal audit department in existence in the company. Hence, the role and functions of internal audit as defined in Regulation 31(4) of the Code of Corporate Governance Regulations, 2019 are complied with in letters and not in spirit.
- b) No arrangements were in place in the company to ensure that the continued findings as highlighted by the head of internal audit to the audit committee in its meetings have been duly resolved and complied with to have effective internal control system and to have its due utility.

Based on our review, except for the above instances of non-compliance, 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 Regulations as applicable to the Company for the year ended June 30, 2025.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:



Paragraph in Statement of Compliance:

<u>Reference</u>	<u>Description</u>
I. No. 19	<p><b>Regulation No. 19:</b> The directors are required to acquire the director training, which shall be arranged to have their director training program certification within the period of one year, as required under the relevant regulations.</p> <p><b>Regulation No. 29 (1):</b> The responsibilities as prescribed for the Nomination Committee are being taken care of at Board level as and when needed, so a separate committee is not considered to be necessary at present.</p> <p><b>Regulation No. 30 (1):</b> The Board has tasked the Audit Committee to oversee Risk Management related matters of the Company, therefore a separate committee has not been constituted.</p> <p><b>Regulation No. 27 (2):</b> The Audit Committee meets quarterly to review quarterly financial statements. Since, the fourth quarter completes the financial year i.e., as on June 30th, the Committee's final meeting is to review the prepared and audited annual accounts including the fourth quarter.</p> <p><b>Regulation No. 6(1):</b> The Board of Directors comprises seven members, including the CEO. In compliance with the requirement for independent directors to constitute at least one-third (1/3) of the total, the Board has two (2) independent directors. To maintain optimal size of the Board and decision-making efficiency, the company has not rounded up the fractional requirement and considered it up to the nearest whole number.</p>

Lahore: November 1, 2025  
UDIN: CR202510269OVx6HmQds

*15-11-2025*  
*Qian Peng*  
KRESTON HYDER BHIMJI & CO.  
CHARTERED ACCOUNTANTS

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LSE CAPITAL LIMITED REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS**

### **Opinion**

We have audited the annexed unconsolidated financial statements of LSE CAPITAL LIMITED (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2025 and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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, 2025 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 unconsolidated 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 unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**Following are the Key Audit Matter(s):**

Key Audit Matter(s)	How the Matter was Addressed in our audit
<b>Investments and financial assets</b>	
<p><b>Refer to notes 6 and 11 of the unconsolidated financial statements.</b></p> <p>The carrying amount of investments and financial assets held by the Company amounted to Rs. 1,557.137 million which constitutes 44.13% of the total assets as at June 30, 2025.</p> <p>The significant portion of investments comprise of investment in subsidiary company, associates, listed &amp; unlisted equity securities and musharika financing.</p> <p>Investments and other financial assets are carried under equity method, fair value or amortized cost in accordance with the Company's accounting policy relating to their recognition and measurement. Provision against investments is based on impairment policy of the Company which includes both subjective and objective factors.</p> <p>We identified assessing carrying value of the investment as a key audit matter because of its significance to the unconsolidated financial statements and because assessing the fair value and the key impairment assumptions involves a significant degree of management judgement.</p>	<ul style="list-style-type: none"> <li>Assessed the design and tested the operating effectiveness of key controls in place relating to valuation of investments;</li> <li>Checked on a test basis the valuation of investments, recognition of proportionate share of post-acquisition post tax profits and other comprehensive income of investees as recorded in the general ledger to supporting documents, externally quoted market prices, break-up values, etc.</li> <li>Checking the existence of shares from the Central Depository Company's report.</li> <li>Obtained independent confirmations for verifying the existence of investments portfolio as at June 30, 2025 and reconciled it with the books and records of the Company. Where such confirmations were not available, alternate procedures were performed;</li> <li>Obtained duly executed musharika financing covenant entered into with the party and checked underlying terms &amp; conditions attaching thereto as regards to amount of loan, tenor, pricing and collateral requirements;</li> <li>Obtained independent confirmation from the third party for verifying the existence and valuation of musharika finance provided as at June 30, 2025 and reconciled it with the books and records of the Company;</li> <li>Evaluated the Company's assessment for impairment, if any including those securities that are not traded actively in market in accordance with the accounting and reporting standards as applicable in Pakistan and performed an independent assessment of the assumptions and conclusions; and</li> </ul> <p>Considered the Company's disclosures of investments in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.</p>

**Information Other than the Unconsolidated 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 unconsolidated financial statements and our auditor's report thereon.



Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated 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 Unconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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.

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

#### **Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 unconsolidated 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 prohibits 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 the 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 Muhammad Usman Shah, FCA.

LAHORE: November 01, 2025  
UDIN: AR20251026976Sm0dPwr

  
KRESTON HYDER BHIMJI & CO.  
CHARTERED ACCOUNTANTS

**LSE CAPITAL LIMITED**  
**UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025**

		2025	2024
	Note	Rs. in 000s	
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property and equipment	4	1,322,993	1,321,392
Right of use asset	5	45,704	57,129
Investment in related parties	6	1,075,510	896,024
Investment property	7	456,276	392,122
Net investment in finance lease	8	4,274	4,275
Long term deposits	9	2,719	548
		2,907,476	2,671,490
<b>Current Assets</b>			
Inventories	10	2,442	2,411
Financial assets	11	481,627	640,047
Trade and other receivables	12	55,063	42,160
Advances, deposits and prepayments	13	25,352	14,175
Tax refunds due from the Government - net	14	24,833	28,935
Cash and bank balances	15	31,862	192,012
		621,179	919,740
<b>TOTAL ASSETS</b>		<b>3,528,655</b>	<b>3,591,230</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized Share Capital</b>			
200,000,000 (2024: 200,000,000) ordinary shares of Rs. 10 each	16	2,000,000	2,000,000
50,000,000 (2024: 50,000,000) preference shares of Rs. 10 each	16	500,000	500,000
Issued, subscribed and paid-up share capital	16	1,811,534	1,811,534
<b>Capital Reserves:</b>			
- Surplus on revaluation of property and equipment	17	74,624	75,822
- Building reserve fund	18	6,593	1,682
- Merger reserve		289,814	289,814
- Fair value reserve		63,891	20,223
<b>Revenue Reserve:</b>		<b>920,181</b>	<b>771,795</b>
- Unappropriated profit		1,355,103	1,159,336
<b>Total Equity</b>		<b>3,166,637</b>	<b>2,970,870</b>
<b>Non Current Liabilities</b>			
Long term financing	20	36,670	70,450
Other liabilities	21	43,095	35,280
Deferred tax liability	22	83,594	43,075
		163,359	148,805
<b>Current Liabilities</b>			
Trade and other payables	23	133,245	330,960
Current portion of long term financing	24	33,781	26,284
Loan from director	25	-	100,000
Accrued markup on financing	26	17,824	3,952
Unclaimed dividend		13,809	10,359
		198,659	471,555
<b>Contingencies and Commitments</b>	27		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,528,655</b>	<b>3,591,230</b>

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER


DIRECTOR



**LSE CAPITAL LIMITED**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2025**

		2025	2024
	Note	Rs. in 000s	
Revenue	28	145,428	35,191
<b>Operating Expenses</b>			
Administrative and general expenses	29	(189,378)	(61,574)
Other expenses	30	(2,435)	(4,355)
<b>Operating Loss</b>		(46,385)	(30,738)
Other income	31	326,051	96,679
Income from associates	32	106,087	33,476
<b>Profit Before Interest, Levy and Taxation</b>		385,753	99,417
Finance cost	33	(79,259)	(19,887)
<b>Profit Before Levy and Taxation</b>		306,494	79,530
Levy	34	(20,991)	(10,669)
<b>Profit Before Taxation</b>		285,503	68,861
Taxation	35	(46,916)	52,145
<b>Net Profit After Taxation</b>		238,587	121,006
<b>Earnings Per Share - Basic and Diluted</b>	36	1.32	2.66

The annexed notes from 1 to 46 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**CHIEF FINANCIAL OFFICER**

  
**DIRECTOR**

LSE CAPITAL LIMITED

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	Rs. in 000s	
Net Profit After Taxation		238,587	121,006
Other Comprehensive Income			
<u>Items that can not be reclassified to profit or loss</u>			
Surplus arose on fresh revaluation of land and building		-	85,615
Impact of related deferred tax		-	(9,793)
<u>Items that may be subsequently reclassified to profit or loss</u>			
Share in OCI of associate - net of tax	6.5	51,374	23,792
Impact of deferred tax	22.3	(7,706)	(3,569)
		43,668	96,045
Total Comprehensive Income for the Year		<u>282,255</u>	<u>217,051</u>

The annexed notes from 1 to 46 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

LSE CAPITAL LIMITED  
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

	Share Capital	Capital Reserves			Revenue Reserve	Total Reserves	Total Equity	
		Surplus on Revaluation of Property and Equipment	Building Reserve	Merger Reserve	Fair value Reserve			Unappropriated Profit
Note	----- 'Rs. in 000s -----							
Balance as at June 30, 2023	210,000	-	-	-	48,118	24,657	72,775	282,775
Transactions between the interim period transferred to retained earnings as per merger scheme	-	-	-	-	6,730	580	7,310	7,310
Adjustments / Transfers as per scheme of merger	1,601,534	-	-	289,814	(54,848)	656,341	891,307	2,492,841
Adjustments related to pre-merger transactions	-	-	-	-	-	(1,645)	(1,645)	(1,645)
Reclassification to profit or loss from other comprehensive income on disposal of investment in associates	-	-	-	-	-	(20,380)	(20,380)	(20,380)
Net Profit after taxation	-	-	-	-	-	121,006	121,006	121,006
Other comprehensive income	-	75,822	-	-	20,223	-	96,045	96,045
Total comprehensive income for the year	-	75,822	-	-	20,223	121,006	217,051	217,051
Cost incurred in raising capital under merger scheme	-	-	-	-	-	(8,380)	(8,380)	(8,380)
Amount collected from building occupants for fixed assets replacement fund	18	-	1,682	-	-	(384)	1,298	1,298
Balance as at June 30, 2024	1,811,534	75,822	1,682	289,814	20,223	771,795	1,159,336	2,970,870
Net profit after taxation	-	-	-	-	-	238,587	238,587	238,587
Other comprehensive income	-	-	-	-	43,668	-	43,668	43,668
Total comprehensive income for the year	-	-	-	-	43,668	238,587	282,255	282,255
Amount collected from building occupants for fixed assets replacement fund	18	-	4,911	-	-	(822)	4,089	4,089
Realization of revaluation surplus on property and equipment through depreciation (net of tax)	-	(1,198)	-	-	-	1,198	-	-
Transactions with owners of the Company								
Cash dividend @ Rs. 0.50 per share for the year ended June 30, 2024	-	-	-	-	-	(90,577)	(90,577)	(90,577)
Balance as at June 30, 2025	1,811,534	74,624	6,593	289,814	63,891	920,181	1,355,103	3,166,637

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



**LSE CAPITAL LIMITED**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025**

		2025	2024
	Note	Rs. in 000s	
<b>Cash (Used in) / Generated from Operations</b>	37	(246,816)	52,831
Finance cost paid		(65,387)	(23,839)
Income tax paid		(30,502)	(4,914)
<b>Net Cash (Used in) / Generated from Operating Activities</b>		(342,705)	24,078
<b>Cash Flows from Investing Activities</b>			
Proceeds from disposal of property and equipment		329	2,500
Proceeds from disposal of right of use asset		-	7,800
Cash and cash equivalents - profit on saving bank accounts	31	6,678	440
Purchase of operating fixed assets	4	(21,746)	(8,778)
Capital work in progress incurred	4	(166)	(175)
Running musharikah financing provided during the year	11	(50,000)	(300,000)
Proceeds from encashment of investments - net		356,332	-
Disbursement of advance for purchase of unlisted securities	12	(60,000)	-
Proceeds from disposal of investment in Ensmile Limited		-	205,000
Investment made in the share capital of subsidiary company		(10,000)	-
Investment made in the share capital of associated companies	6	(60,197)	(222)
Investment realized / (made) in Margin Trading system through LSEFSL		17,644	(17,644)
Net investment in finance lease - rentals		343	-
Return received on musharikah financing		125,600	12,026
Rentals received during the year		39,024	22,781
Dividend received		50,205	-
Long term deposits paid	9	(2,171)	(548)
<b>Net Cash Generated from / (Used in) Investing Activities</b>		391,875	(76,820)
<b>Cash Flows from Financing Activities</b>			
Loan (repaid) / obtained from director	25	(100,000)	100,000
Long term financing obtained during the year	20	-	100,000
Repayment of long term financing	20	(26,283)	(3,266)
Dividend paid during the year		(87,126)	-
Amounts collected from building occupants against Building reserve	18	4,089	1,298
<b>Net Cash (Used in) / Generated from Financing Activities</b>		(209,320)	198,032
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>		(160,150)	145,290
Cash received from merging entities		-	46,633
Cash and cash equivalents at beginning of the year	15	192,012	89
<b>Cash and cash equivalents at end of the year</b>	15	31,862	192,012

The annexed notes from 1 to 46 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**CHIEF FINANCIAL OFFICER**

  
**DIRECTOR**



**1 Legal Status and its Nature of Business****1.1 Legal status and operations**

LSE Capital Limited is the newly adopted name of the Modaraba Management Company, which was registered as JS Finance Limited on Jan 22, 1986. The company's name was changed to Bank Islamic Modaraba Investments Limited (BIMIL) after the acquisition of its 100% equity by Bank Islamic Limited during November 07, 2007.

After the acquisition of BIMIL by the incoming sponsors, the company was first named AssetPlex Limited but later changed its name to LSE Capital Limited during 2023. Later, under the Court sanctioned scheme of merger, Modaraba Al-Mali and LSE PropTech Limited were merged with/into LSE Capital Limited, which acquired the listing status at PSX on May 24, 2024 as a consequence of its merger. The Company is licensed as a Modaraba Management company, besides carrying the license to act as a consultant to the issue for the IPOs and corporate finance advisory services.

The company also holds the licenses of Modaraba Management Company as well as the Consultant to the Issue. It managed the erstwhile Modaraba Al-Mali, which was merged in LSE Capital on April 03, 2024 under sanctioned merger order of Lahore High Court no. 72878 / 2023 dated April 03, 2024.

The company's registered office is located at The Exchange Hub, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore.

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

Business Unit	Geographical Location
Head office / Registered Office	The Exchange Hub, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore.

**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 of:

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

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

These financial statements provide comparative information in respect of the previous year. In addition when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the financial statements has been made.

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention without taking into account the effects for inflation or current values, except to the extent of following:

	Note	
Net investment in finance lease	8	(stated at Present value)
Certain property and equipment	4	(stated at Fair value)
Investment property	7	(stated at Fair value)
Financial Assets	11	(stated at Fair value and certain at amortized cost)
Trade and other receivables	12	(stated at carrying amount less impairment for expected credit loss)
Investment in associates	6	(stated at equity method)
Inventories	10	(stated at lower of cost and net realizable value)
Certain liabilities and payables	23	(stated at amortized cost)
Deferred tax liability	22	(stated as per IAS-12 "Income taxes")
Provisions	23.3	(stated as per best estimate)
Right of use asset	5	(stated at present value of future lease payments)
Lease liability	20	(stated at present value of future lease payments)

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## **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. In these financial statements, all the figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.

## **2.4 Use of significant accounting judgement, estimates and assumptions**

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires the management to exercise its judgments, make estimates and assumptions in the process of applying the company's accounting policies that affect the reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are continually evaluated and are based on historical experience and various other factors including expectations of future events 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. In the process of applying the company's accounting policies, management has made the following estimates and judgments which are significant to these financial statements:

### **Property and equipment**

The depreciation method and useful lives of property and equipment are reviewed by the management, at each financial year-end and these estimates are adjusted or revised if appropriate. The effect of any adjustment to useful lives and methods of these estimates are recognized prospectively or revised as a change in accounting estimate. In making these estimates, the Company uses the technical resources available with it. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with corresponding effects on the depreciation / amortization charge and impairment, if any.

### **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is any indication that property and equipment are impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount.

### **Allowance for expected credit losses**

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include historical collection rates and forward looking information for macro economic factors i.e. interest rates, inflation rates, unemployment rates, GDP rates etc.

### **Impairment of financial assets**

Impairment of financial assets is assessed by reviewing their market prices and the indicators used to determine the recoverable amounts of the financial assets. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

### **Provisions**

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

### **Stores and spares**

Provision for slow moving, damaged and obsolete items and their net realizable value are based on management estimate.

### **Staff retirement benefits**

The company considers the salary scale of each employee eligible under the provident fund scheme and its employment status on monthly basis to ensure the adequacy of expense and related liability on account of provident fund.

### **Income taxes**

In making the estimates for current and deferred income taxes, the management considers current income tax law and the decisions of appellate authorities on certain cases issued in the past. These estimates also include impacts of the decisions of appellate authorities about the benefits that become recoupable upon any change in tax structure of the Company.

*Kim*



## Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

## Valuation of investments measured at FVPL

The Company has recorded its investments measured at FVPL by using quotations from Pakistan Stock Exchange. This valuation is subjective to market price fluctuation and therefore, cannot be determined with precision.

## Investment in Subsidiaries and Associates

Investment in subsidiaries are carried under cost whereas investment in associates is accounted for under equity method in accordance with the Company's accounting policy relating to their recognition and measurement. Provision against investments is based on impairment policy of the Company which includes both subjective and objective factors.

## Investment Property

The assessment of fair value is subjective and is dependent on various factors including but not limited to; survey's of similar properties in the neighborhood by the valuer, demand and market conditions, location and vicinity of the property, sale and purchase trend prevalent in the market, inflation and growth rates etc. The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant adjustment.

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.

### 2.5 New standards, interpretations of and amendments to published approved accounting standards

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

There are certain amendments to the published approved accounting standards that are effective in the current year. However, these do not have any significant impact on the Company's operations and, therefore, have not been detailed in these financial statements.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
<b>2.5.2 New accounting standards, amendments and interpretations that are not yet effective</b>	
There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2025 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.	
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 10 'Consolidated financial statements'	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 'Insurance Contracts'	January 01, 2026
IAS 7 (Statement of Cash Flows)	January 01, 2026
IFRS 18 'Presentation and Disclosures in Financial Statements'	January 01, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 01, 2027
IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'	January 01, 2027
IFRS S2 'Climate-related Disclosures'	January 01, 2027

12/11/24



- 2.5.3 In addition to the above, the IASB has issued the following standards and interpretations which, as of June 30, 2025, have not been notified by the Securities and Exchange Commission of Pakistan (SECP) for local adoption. The Company will evaluate the impact of these pronouncements once they are notified for application in Pakistan.

IFRS 1 First-time Adoption of International Financial Reporting Standards

IFRIC 12 Service Concession Arrangements

### 3. Material Accounting Policy Information

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

#### 3.1 Property and equipment

##### Recognition and measurement

Property and equipment, except freehold land and building on freehold land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and building on freehold land is stated at revalued amount, being the fair value at the date of their revaluation, less subsequent accumulated impairment losses, if any.

Cost of property and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable costs of bringing the assets to their working condition.

Freehold land and buildings on freehold land are revalued every three to five years. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Additions, subsequent to revaluation, are stated at cost less accumulated depreciation and any identified impairment loss.

Any revaluation increase arising on the revaluation of land and buildings on freehold land is recognized in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of property and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land and building on freehold land is charged to statement of profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation of property and equipment relating to a previous revaluation of that asset.

Each year, the incremental depreciation and its related deferred taxation, the difference between depreciation based on revalued carrying amount of the asset and depreciation based on the asset's original cost, is transferred from surplus on revaluation of property and equipment to retained earnings. All transfers from surplus on revaluation of property and equipment are net of applicable deferred taxation. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. All other day to day maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Gains or losses on disposal of property and equipment are included in profit or loss.

##### Depreciation

Depreciation on property and equipment, except land, is charged to statement of profit or loss on the reducing balance method so as to write off the depreciable amount of an asset over its economic useful life using the annual rates mentioned in note 5.1. Depreciation on additions is charged from the month in which the asset is available for use, whereas no depreciation is charged on assets disposed off during the month.

##### Impairment

Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount over its estimated useful life.

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## **Disposal**

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Disposal of an asset is recognized when significant risk and rewards, incidental to the ownership of an asset, have been transferred to the buyer. The gain or loss on disposal or retirement of property and equipment is represented by the difference between the sale proceeds and the carrying amount of the property and equipment and is recognized as an income or expense in the year of disposal in statement of profit or loss. In case of sale or retirement of a revalued property, the attributable revaluation surplus remaining in the surplus on revaluation is transferred directly to retained earnings.

## **Capital work in progress**

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. Cost may also include borrowing costs, if any. These are transferred to operating fixed assets as and when these are available for use.

### **3.2 Investment property**

Investment Property is property held either to earn rental income or for capital appreciation or for both, but not for sale in ordinary course of business, use in production or supply of goods or services as for administrative purpose.

The Company's investment property comprises of land and building which is carried at fair value less identified impairment loss, if any.

An investment property is initially recognized at cost which is the fair value of the consideration paid. Subsequent to initial recognition, investment property whose fair value can be measured reliably without undue cost or effort on an ongoing basis is measured at fair value, at each reporting date. The changes in fair value are recognized in the statement of profit or loss. Any other investment property (whose fair value cannot be measured reliably without undue cost or effort) is measured at cost less accumulated depreciation and any impairment loss.

The fair value of investment property after initial recognition / transfer is determined at the end of each year using current market prices for comparable real estate, adjusted for any differences in nature, location and condition. The fair value of investment property is determined by an independent and professional valuer on the basis of professional assessment of the market values as disclosed in Note 7.1 of these financial statements.

An investment property is derecognized on disposal or when its nature of substance is changed i.e. it becomes owner occupied property and transferred to operating fixed assets or when no future economic benefits are expected from its sale. The gain or loss on disposal or retirement of investment property represented by the difference between the sale proceeds and its carrying amount is recognized as an income or expense in the statement of profit or loss.

### **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. All purchases and sales of investments are recognized on the trade date which is the date that the Company commits to purchase or sell the investment.

##### **3.3.1.1 Classification**

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

##### **a Amortized cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

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## **b Fair value through other comprehensive income (FVOCI)**

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss.

## **c Fair value through profit or loss (FVPL)**

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises. Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognized in profit or loss. Dividends from such investments continue to be recognized in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

### **3.3.1.2 Initial recognition and measurement**

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

### **3.3.1.3 Subsequent measurement**

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

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

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

### **3.3.1.4 Derecognition**

Financial assets are derecognized when:

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

The difference between the carrying amount and the consideration received is recognized in statement of profit or loss for all the financial assets carried at amortized cost, FVPL and FVOCI. In case of financial assets carried at FVOCI cumulative gain or loss previously recognized in OCI is reclassified to profit or loss, except for equity instruments which are recycled to retained earnings from fair value reserve within equity.

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.

*KCM*



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 amortized cost. The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

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

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

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognizes in profit or loss, as an impairment loss (or reversal of impairment), the amount of expected credit losses (or reversal of impairment) that is required to adjust the loss allowance at the reporting date. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### 3.3.1.6 Reclassification

When the Company changes its business model for managing financial assets, it reclassifies all affected financial assets accordingly. The Company applies the reclassification prospectively from the reclassification date.

In case of reclassification out of the amortized cost measurement category to fair value through profit or loss measurement category, fair value of the financial asset is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost and fair value is recognized in profit or loss.

In case of reclassification out of fair value through profit or loss measurement category to the amortized cost measurement category, fair value of the financial asset at the reclassification date becomes its new gross carrying amount.

In case of reclassification out of fair value through other comprehensive income measurement category to the amortized cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

In case of reclassification out of fair value through profit or loss measurement category to the fair value through other comprehensive income measurement category, the financial asset continues to be measured at fair value.

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### **3.3.2 Financial liabilities**

#### **3.3.2.1 Initial recognition and measurement**

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

The Company does not reclassify any of its financial liabilities.

Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in profit or loss.

#### **3.3.2.2 Subsequent measurement**

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

#### **3.3.2.3 Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective of carrying amounts is recognized in the statement of 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 statement of 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 Inventory**

Inventory represents usable stores and spares and are valued principally on First in First Out Basis (FIFO) at lower of cost and net realizable value except for items in transit, while items considered obsolete, if any, are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Net realizable value signifies the selling price in the ordinary course of business less estimated costs necessary to be incurred in order to make the sale.

Spare parts of capital nature which can be used only in connection with an item of property and equipment are shown separately as capital spares and are carried at cost less accumulated impairment, if any.

### **3.5 Trade and other receivables**

Trade and other receivables represent the Company's right and are initially recognized at an amount of consideration that is unconditional unless they contain significant financing component in which case they are recognized at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest rate method. Deduction, if any, is made for doubtful receivables based on expected credit losses model. Bad debts are written off when identified. Provision for loss allowance on doubtful debts is charged to statement of profit or loss.

### **3.6 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 recognized for future operating losses.

### **3.7 Taxation - Levvy and Income Tax**

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

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### 3.7.1 Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements, except for taxes on dividends on the Company's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence these continue to be categorized as current income tax.

### 3.7.2 Current

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

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

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

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

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

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

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

### 3.7.3 Deferred

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

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

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

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

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

Deferred tax is calculated at rates that are expected to apply to the year 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.

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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.

### **3.8 Investments in subsidiary and associates**

Investments in subsidiaries and associates where the Company has control / significant influence are measured at cost less impairment, if any, in the Company's separate financial statements and subsequently under equity method in case of investment in associates. At each reporting date, the recoverable amounts of investments are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense in the statement of profit or loss.

Investments in subsidiaries and associates 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.

The Company is required to issue consolidated financial statements along with its separate financial statements, in accordance with the requirements of IAS 27, 'Separate Financial Statements'.

### **3.9 Cash and cash equivalents**

Cash and cash equivalents are stated at cost. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, cash at banks in saving accounts which are free of encumbrances and book overdrawn balances, if any.

### **3.10 Trade and other payables**

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

### **3.11 Contract liabilities / advance from customers**

A contract liability is recognized if a payment is received from a customer before the Company transfers the related goods. Contract liabilities are recognized as revenue when the Company transfers control of the related goods to the customer.

### **3.12 Staff retirement benefits**

The Company operates recognized provident fund scheme covering all its permanent employees. The employees become eligible under the scheme if they successfully receive confirmation about their permanent employment status which is usually after two to three months from the first day of their joining. Equal contributions @ 10% per month are made both by the Company and employees to the fund.

### **3.13 Contingent liabilities**

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

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

### **3.14 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:

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### Level 1

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

### Level 2

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

### Level 3

If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the statement of 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.

#### 3.15 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future year to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

#### 3.16 Revenue recognition

Revenue is recognized in accordance by applying the following steps:

- i) Identifying contract with a customer
- ii) Identifying performance obligation in the contract
- iii) Determining transaction price of the contract
- iv) Allocating transaction price to each of the separate performance obligations in the contract
- v) Recognizing the revenue when (or as) the Company satisfies a performance obligation

The Company recognizes revenue as follows:

##### Room maintenance services / Software services

Revenue is recognized when the Company has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable within 10 days from the invoice date.

##### Finance lease

The Company follows the 'financing method' in accounting for recognition of finance lease. The total unearned finance income i.e. the excess of minimum lease payments over the cost of the leased asset is deferred and then amortized over the term of the lease, so as to produce a systematic return on the net investment in finance leases.

##### 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.

##### Rental income

Rental income from investment property is recognized in profit or loss on a straight-line basis over the lease term.

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## **Dividend income**

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

### **3.17 Operating Segments**

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as the chief operating decision-maker that made strategic decisions and who is also responsible for allocating resources to the operating segments, assessing their performance and whose results are regularly reviewed by it based on the discrete financial information of each segment.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets, consist primarily of investment property, trade and other receivables, investments in financial assets at FVPL, investment in associates, net investment in finance lease. Segment liabilities comprise of trade and other payables and exclude items that are common to all operating segments.

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment transfers are eliminated from the total, if any.

The management has determined that the Company has two major reporting segments; Income from investment in strategic portfolios and rental & related income earned from the leased building owned by the company, that reflect the management structure of the company.

### **3.18 Related party transactions**

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

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

### **3.19 Dividend distributions**

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

### **3.20 Share capital**

Ordinary shares are classified as equity. Share capital represents the face value of shares that have been issued. Any transaction costs associated with the issuance of shares are deducted from share capital, net of any related income tax benefits, if any. Retained earnings include all current and prior period profits.

### **3.21 Earnings per share**

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss, as the case may be, attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. The Company does not account for the effect of potential ordinary shares while calculating dilutive loss per share in accordance with the requirements of the IAS 33 'Earnings per Share'.

### **3.22 Comprehensive income**

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards.

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		2025	2024
	Note	Rs. in 000s	
4 Property and Equipment			
Operating fixed assets	4.1	1,316,169	1,314,734
Capital work in progress - civil work	4.2	6,824	6,658
		<u>1,322,993</u>	<u>1,321,392</u>

#### 4.1 Operating Fixed Assets

Particulars	Cost / Revalued Amount						Accumulated Depreciation						Written Down Value as at June 30, 2025	
	Balance as at July 01, 2024	Additions	Revaluation Surplus	Revaluation Adjustment	Disposals	Balance as at June 30, 2025	Rate	Balance as at July 01, 2024	Charge for the year	Disposals	Revaluation Surplus	Balance as at June 30, 2025		
	-----'Rs. in 000s-----						%	-----'Rs. in 000s-----						
<u>Owned assets</u>														
Land freehold	1,111,508	-	-	-	-	1,111,508	-	-	-	-	-	-	1,111,508	
Buildings on freehold land	134,982	-	-	-	-	134,982	5%	-	6,749	-	-	6,749	128,233	
Computer and accessories	30,580	1,036	-	-	(12,384)	19,232	30%	26,163	1,450	(12,066)	-	15,547	3,685	
Furniture and fixture	17,636	625	-	-	(1,019)	17,242	10%	10,126	774	(959)	-	9,941	7,301	
Office equipment	6,633	188	-	-	(5,327)	1,494	20%	6,406	66	(5,326)	-	1,146	348	
Electric fittings and appliances	138,776	2,785	-	-	(3,689)	137,872	20%	102,174	7,499	(3,642)	-	106,031	31,841	
Vehicles	497	17,112	-	-	(497)	17,112	20%	352	976	(457)	-	871	16,241	
Elevator	19,969	-	-	-	-	19,969	20%	16,198	754	-	-	16,952	3,017	
Generators	34,206	-	-	-	(6)	34,200	10%	22,064	1,214	(5)	-	23,273	10,927	
Arms and security equipment	6,715	-	-	-	(405)	6,310	10%	3,285	343	(386)	-	3,242	3,068	
Library books	318	-	-	-	(318)	-	25%	318	-	(318)	-	-	-	
Leasehold improvements	5,697	-	-	-	(5,697)	-	20%	5,697	-	(5,697)	-	-	-	
Total	1,507,517	21,746	-	-	(29,342)	1,499,921		192,783	19,825	(28,856)	-	183,752	1,316,169	

Particulars	Cost / Revalued Amount						Accumulated Depreciation						Written Down Value as at June 30, 2024	
	Addition under Merger as at April 03,2024	Additions	Revaluation Surplus	Revaluation Adjustment	Disposals	Balance as at June 30, 2024	Rate	Addition under Merger as at April 03,2024	Charge for the year	Disposals	Revaluation Surplus	Balance as at June 30, 2024		
	-----'Rs. in 000s-----						%	-----'Rs. in 000s-----						
<b><u>Owned assets</u></b>														
Land freehold	1,059,660	-	51,848	-	-	1,111,508	-	-	-	-	-	-	1,111,508	
Buildings on freehold land	127,632	-	33,767	(26,417)	-	134,982	5%	25,085	1,332	-	(26,417)	-	134,982	
Computer and accessories	30,036	544	-	-	-	30,580	30%	25,681	482	-	-	26,163	4,417	
Furniture and fixture	17,636	-	-	-	-	17,636	10%	9,878	248	-	-	10,126	7,510	
Office equipment	6,633	-	-	-	-	6,633	20%	6,386	20	-	-	6,406	227	
Electric fittings and appliances	138,776	-	-	-	-	138,776	20%	99,885	2,289	-	-	102,174	36,602	
Vehicles	45,913	8,234	-	-	(53,650)	497	20%	14,359	360	(14,367)	-	352	145	
Elevator	19,969	-	-	-	-	19,969	20%	15,875	323	-	-	16,198	3,771	
Generators	34,206	-	-	-	-	34,206	10%	21,728	336	-	-	22,064	12,142	
Arms and security equipment	6,715	-	-	-	-	6,715	10%	3,191	94	-	-	3,285	3,430	
Library books	318	-	-	-	-	318	25%	317	1	-	-	318	-	
Leasehold improvements	5,697	-	-	-	-	5,697	20%	5,697	-	-	-	5,697	-	
Total	1,493,191	8,778	85,615	(26,417)	(53,650)	1,507,517		228,082	5,485	(14,367)	(26,417)	192,783	1,314,734	

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4.1.1 The particulars of operating fixed assets disposed off during the year are as follows:

Particulars	Cost	Carrying amount	Sale price	Loss on disposal - Note 31	Particulars of the purchaser	Mode of disposal	Relationship with the purchaser
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----- 'Rs. in 000s -----

Computer and accessories

Laptop HP Elite book	123	24	24	-	Mr. Ghulam Mustafa	As per Company's policy	Employee
Laptop HP Probook	290	173	173	-	Mr. Ghulam Mustafa	As per Company's policy	Employee
Apple I-PAD Mini	50	2	2	-	Mr. Ghulam Mustafa	As per Company's policy	Employee
Laptop HP Pavilion	210	90	90	-	Miss Fiza	As per Company's policy	Employee
	673	289	289	-			

Vehicles

Honda CD 70 LEN - 8459	71	5	5	-	Mr. Muhammad Waqas	As per Company's policy	Employee
Honda CD 70 LEV - 3752	69	4	4	-	Mr. Azhar Ashraf	As per Company's policy	Employee
Honda CD 70 LEX - 3756	73	8	8	-	Mr. Muhammad Abid	As per Company's policy	Employee
Honda CD 70 LEN - 3432	71	6	6	-	Mr. Nadeem	As per Company's policy	Employee
Honda CD 70 LEO - 2781	72	6	6	-	Mr. Muhammad Zaheer	As per Company's policy	Employee
Honda CD 70 LEO - 2783	72	6	6	-	Mr. Zia Ullah	As per Company's policy	Employee
Honda CD 70 LEV - 3749	69	4	4	-	Mr. Yasir	As per Company's policy	Employee
	497	39	39	-			

June 30, 2025

1,170	328	328	-
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June 30, 2024

53,650	39,234	38,488	(746)
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4.1.2 During the year, fully depreciated assets included in the Property and Equipment having cost amounting to Rs. 28.172 million and carrying amount of Rs. 0.156 million have been written off (Note 29).

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#### 4.1.3 Measurement of fair values

The Company obtains an independent valuation for its freehold land and building (classified as property and equipment) every three to five years. The valuation is conducted by an independent valuer who is approved by Pakistan Banks' Association (PBA). Latest revaluation was carried out on June 30, 2024.

##### Valuation techniques

###### Freehold land

The valuer determined the fair value of freehold land based on the market comparable approach that reflects transaction prices for similar properties in the area. The key observable inputs under this approach are the price per square feet from current year sales of comparable lots of land in the area (location and size). Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered other relevant factors as well.

###### Building on freehold land

The valuer used a cost approach (i.e. current replacement values) for building on freehold land to arrive at the fair value. Construction specifications were noted for each building and structure and new construction rates were applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

The effect of changes in the observable inputs used in the valuations cannot be determined with certainty; consequently, a qualitative disclosure of sensitivity has not been presented in these financial statements.

#### 4.1.4 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Location / Address	Usage of immovable property	Total Area (Sq. ft.)	Covered Area (Sq. ft.)
19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.	Land and Building	44,213	North Tower: 97,828 Sqft South Tower : 50,132 Sqft

#### 4.1.5 Had the revaluation of these assets not been made, the carrying value of these assets as at the reporting date would have been as under:

	2025	2024
	Rs. in 000s	
Freehold land	1,059,660	1,059,660
Building on freehold land	96,154	101,215
	<u>1,155,814</u>	<u>1,160,875</u>

#### 4.1.6 Forced sale value and assessed value of these fixed assets as at the date of revaluation (i.e. June 30, 2024) was as under:

	Forced sale value	Assessed sale value
	Rs. in 000s	
Freehold land	944,782	1,111,508
Building on freehold land	235,425	276,970
	<u>1,180,207</u>	<u>1,388,478</u>

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- 4.1.7 On April 07, 1987 Lahore Stock Exchange (Guarantee) Limited ("LSE") purchased land measuring 8 kanals and 2 marlas from Lahore Development Authority (LDA). LSE obtained the possession of the land via LDA allotment letter dated June 04, 1987.

On August 25, 2015, Securities and Exchange Commission of Pakistan ("the Commission") via letter having refer # SMD/SE/2/(57)2002 directed demutualization of the stock exchanges in the country. Consequent to the approved scheme of integration of stock exchanges, LSE was granted Investment Finance Services ("IFS") license by the Commission on January 11, 2016 to operate as an IFS Non-Banking Finance Company ("NBFC") company under the name LSE Financial Services Limited ("LSEFSL").

On April 26, 2023, a scheme of arrangement was formulated and approved by the Honourable Lahore High Court under order no. 58175/2022 in which the business of LSEFSL was partially transferred to LSE Proptech Limited including the transfer of land and building of LSEFSL to LSE Proptech Limited.

As at the reporting, the legal title of the land is in the name of Lahore Stock Exchange (Guarantee) Limited; however, the land and buildings are in the possession of LSE Proptech Limited.

On April 03, 2024, LSE Proptech Limited has been merged into LSE Capital Limited as per the scheme of arrangement approved by Honourable Lahore High Court under order no. 78278/2023. The title of the land and building in possession of LSE Proptech Limited is ultimately transferred in the name of LSE Capital Limited.

- 4.1.8 The land and building is under the mortgage of Cordoba Leasing Limited as security for long term finance facility obtained as disclosed in the Note 20.2 of these financial statements.

## 4.2 Capital Work in Progress - civil work

The reconciliation of carrying amount is as follows:

	Note	2025 Rupees in 000s	2024
Balance as at July 01,		6,658	-
Transferred under merger scheme		-	22,260
Addition during the year		166	175
Written off	19	-	(15,777)
<b>Balance as at June 30,</b>		<b>6,824</b>	<b>6,658</b>

This represents the expenditure incurred on the structural designs and other costs for the construction of 5th floor on south tower and Mezzanine floor in LSE Plaza.

## 5 Right of Use Asset

### Cost

Balance as at July 01,		59,114	-
Transferred from fixed assets		-	35,988
Addition during the year	21.2	-	28,110
Disposal during the year		-	(4,984)
Balance as at June 30,		59,114	59,114

### Less: Accumulated Depreciation

Balance as at July 01,		1,985	-
Depreciation charged during the year	29	11,425	2,085
Disposal during the year		-	(100)
Balance as at June 30,		13,410	1,985
<b>Written down value as at June 30,</b>		<b>45,704</b>	<b>57,129</b>

Depreciation rate (%) per annum		20%	20%
---------------------------------	--	-----	-----

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5.1 This represents the contract entered into with Messrs. Cordoba Leasing Limited for the sale and lease back of 16 vehicles (10 vehicles owned by the company and six owned by its directors and other employees) at a consideration of Rs. 70 million with a lease term of 3 years. The lease will expire on April 18, 2027.

5.2 The particulars of right of use asset disposed off during the year are as follows:

Particulars	Cost	Carrying amount	Sale price	Gain on disposal (Note 31.4)	
Rs. in 000s					
2025	-	-	-	-	
2024	Vehicles	4,984	4,885	7,800	2,915

## 6 Investment in Related Parties

### Investment in wholly owned subsidiary - at cost

LSE SPAC-I Limited - un quoted

1,000,000 fully paid ordinary shares of Rs. 10 each

Note

2025

2024

Rs. in 000s

6.1

10,000

-

### Investment in associated companies - at equity method

Digital Custodian Company Limited - unquoted

LSE Ventures Limited - quoted

6.3

258,971

172,087

6.4

806,539

723,937

1,065,510

896,024

1,075,510

896,024

6.1 This represents 100% investment in the ordinary shares of LSE SPAC-I Limited, a public unlisted company incorporated on March 09, 2025. It's registered office is situated at The Exchange Hub, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore. During the year, the Company incorporated its wholly owned subsidiary on March 09, 2025, under the provisions of the Companies Act, 2017, and fully subscribed all the issued shares of the subsidiary.

The principal business of the Company is raise funds from investors and utilize those funds for merger and acquisition of company/ companies within the permitted time frame, as per the Public Offering Regulations, 2017.

The subsidiary is accounted for using cost method in these financial statements and the impairment loss is not recognized as the subsidiary has not yet commenced its commercial operations. Accordingly, no impairment loss has been recognized on the investment. Management will continue to assess the investment periodically for any indication of impairment in future periods.

6.2 These companies are locally incorporated, with their country of incorporation / registration serving as their principal place of business. The Company has significant influence on associates through significant shareholding to its representation on the Board of Directors of investees and consequently investments have been treated as associates in accordance with requirements of IAS 28 'Investment in Associates'. Digital Custodian Company Limited (DCCL) is an unlisted public company hence its published price quotes are not available. The shares of LSE Ventures Limited (LSEVL) are listed on Pakistan Stock Exchange and its published price quotes is Rs. 5.75 per share. The shares of all the associated companies have a face value of Rs. 10 each.

6.3 DCCL was incorporated on February 12, 1992 under the repealed Companies Ordinance, 1984. The Company converted its status from private limited company to unlisted public company on June 19, 2009. The principal objective of DCCL is to act as trustee of investment trust schemes, voluntary pension schemes and real estate investment trust schemes to provide custodian service and to act as transfer agent / share registrar of securities of listed and unlisted companies and mutual funds etc.

6.4 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 Honourable Lahore High Court, accomplished through a reverse merger with Data Textiles Limited.

16/11/25



	Note	2025		
		DCCL	LSEVL	Total
		Rs. in 000s		
Balance as at July 01, 2024		172,087	723,937	896,024
Further investment made during there year		38,500	21,697	60,197
Share of post tax income for the year				
- through profit or loss	32	1,753	55,868	57,621
- through other comprehensive income		1,172	50,202	51,374
Gain on bargain purchase	32	45,459	3,007	48,466
Less: Dividend received during the year		-	(48,172)	(48,172)
Balance as at June 30, 2025		258,971	806,539	1,065,510
Number of shares held		22,215,728	49,883,397	
Shareholding in %age		42.50%	27.78%	

	Note	2024		
		DCCL	LSEVL	Total
		Rs. in 000s		
Balance as at July 01, 2023		135,812	-	135,812
Acquired under merger scheme as at April 03, 2024		12,926	689,796	702,722
Further investment made during there year		-	222	222
Share of post tax income for the year				-
- through profit or loss	32	21,644	11,832	33,476
- through other comprehensive income		1,705	22,087	23,792
Balance as at June 30, 2025		172,087	723,937	896,024
Number of shares held		14,897,248	48,171,586	
Shareholding in %age		28.50%	26.82%	

## 6.6

The summarized financial information in respect of associates is set out below. The summarized financial information represents the amounts as shown in the associate's latest available audited financial statements for the year ended June 30, 2025.

	DCCL	LSEVL
	Rs. in 000s	
<b>Extracts of Statement of Financial Position</b>		
Current assets	39,132	312,500
Non-current assets	631,662	2,960,781
Current liabilities	(47,982)	(173,739)
Non-current liabilities	(15,974)	(445,934)
Net assets of the associate	606,838	2,653,608

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# **Extracts of the statement of profit or loss and comprehensive income**

	DCCL	LSEVL
	----- Rs. in 000s -----	
Revenue	127,342	466,265
Profit after tax	3,956	206,398
Other comprehensive income	2,757	184,656
Total comprehensive income	6,713	391,054

Reconciliation of the above summarized financial information to the carrying amount of the interest in the associates recognized in these financial statements is as follows:

Net assets of the associate	606,838	2,653,608
Proportion of the Company's ownership interest	42.50%	27.78%
Company portion of net assets of the Associate	257,933	737,041
Goodwill arisen on acquisition of shares	1,038	69,498
	<u>258,971</u>	<u>806,539</u>
Cost of Investment	<u>185,500</u>	<u>488,189</u>

- 6.7 The investment in subsidiary and associated companies and undertakings have been made in accordance with the requirement under Companies Act, 2017.

## **7 Investment Property - At Fair Value**

	Note	2025	2024
		Rs. in 000s	
Balance as on July 01,		392,122	-
Transfer under merger scheme		-	378,431
Gain on revaluation	31	<u>64,154</u>	<u>13,691</u>
Balance as at June 30,		<u>456,276</u>	<u>392,122</u>

- 7.1 The fair value of investment property is determined at the end of each year by independent suitably qualified valuer. The fair value of the investment property as at May 02, 2025 was performed by M/s Unicorn International Surveyors, who are independent valuers not related to the Company.

There are no level 1 and level 3 assets or any transfers between levels 1, 2 and 3 during the year.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties/capitalization of net income method, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighborhood. The capitalization rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Property Type	Location	Area	Independent Valuer	Fair Value	Forced Sale Value
Rs. in 000s					
Building on freehold land	Lahore	27,097 square feet	M/s Unicorn International Surveyors	456,276	387,835

- 7.2 The land and building is under the mortgage of Cordoba Leasing Limited as security for long term finance facility obtained as disclosed in the Note 20.2 of these financial statements.

16/12/24



## 8 Net Investment in Finance Lease

Balance as at July 01,  
Transfer under merger scheme  
Add: Finance income for the year  
Less: Rental received during the year  
Balance as at June 30,

Note

	2025	2024
	Rs. in 000s	
	4,275	-
	-	4,189
	342	86
	(343)	-
8.1	4,274	4,275

8.1 The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Upto one year  
Two to five years  
Above five years

343	343
1,374	1,374
20,607	20,950
22,324	22,667
(18,050)	(18,392)
4,274	4,275

Less: Discounting  
Closing balance

8.2 The Company has entered into lease arrangements for lease of office spaces i.e. 106,199 square feet in North and South Towers for a lease period of upto 99 years. Interest rate implicit @ 8% in the lease is used as a discount factor to determine the present value of minimum lease payments.

## 9 Long Term Deposits

Deposit against :

- Central Depository Company Limited
- Utilities
- Others

9.1

75	75
2,567	420
77	53
2,719	548

9.1 This amount has been deposited with Central Depository Company Limited against share registrar services. Central Depository Company Limited is an associate of LSE Ventures Limited, an associate of the company.

## 10 Inventories

Consumable store items

2,442	2,411
-------	-------

## 11 Financial Assets

At fair value through profit and loss

Investment in Equity Securities

- Listed securities
- Unlisted securities - Ensmile limited

11.1

11.2

71,627	142,403
-	180,000
71,627	322,403

at amortized cost

Investment in Margin Trading System of NCCPL

Musharikhah Financing (secured) - under islamic mode

Advance for purchase of shares - unsecured and considered good

11.3

11.4

11.5

-	17,644
350,000	300,000
60,000	-
410,000	317,644
481,627	640,047

16/11/2024



11.1 Breakup of investment in listed equity securities is as under:

2025							
Scrip	Symbol	Ownership %	Qty	Cost / share	Cost	Market Rate	Fair Value
				Rs.	Rs. in 000s	Rs.	Rs. in 000s
Bank Islami Pakistan Limited	BIPL	0.023%	260,000	30.36	7,895	35.82	9,313
ECOPACK Limited	ECOP	0.439%	212,000	87.96	18,648	66.32	14,060
Invest Capital Investment Bank Limited	ICIBL	0.421%	1,200,000	6.82	8,185	10.27	12,324
MACPAC Films Limited	MACFL	0.481%	285,000	27.06	7,711	49.38	14,074
TATA Textile Mills Limited	TATM	0.004%	2,500	105.25	263	129.71	324
Ghani Chemicals Industries Limited	GCIL	0.056%	320,000	22.39	7,166	24.86	7,955
Blue Ex Limited (GEM)	GEMBLUEX	0.709%	194,500	65.00	12,643	61.81	12,022
Ghani Chemworld Limited	GCWL	0.064%	160,000	-	-	9.72	1,555
					<u>62,511</u>		<u>71,627</u>

2024							
Scrip	Symbol	Ownership %	Qty	Cost / share	Cost	Market Rate	Fair Value
				Rs.	Rs. in 000s	Rs.	Rs. in 000s
Ghani Chemicals Industries Limited	GCIL	2.193%	12,509,749	15.00	187,646	11.03	137,983
Blue Ex Limited	GEMBLUEX	0.977%	267,895	65.00	17,413	16.50	4,420
					<u>205,059</u>		<u>142,403</u>

11.2 During the year, the Company had disposed of 2,525,000 equity shares of Ensmile Limited, representing 16.67% ownership interest in the investee. The shares were sold to the original sponsors of the investee company at an agreed price of Rs. 71.29 per share.

11.3 This represents amount invested through LSE Financial Services Limited in Marginal Trading System (MTS) and receives mark-up income net of 1% service charges and MTS charges. Investment in Margin Trading System of NCCPL is an undisclosed market of financees and financiers with a participation ratio of 85 to 15 carrying mark-up of KIBOR with spread of maximum upto 8% per annum. It carries mark-up at range of 20.38% to 23.19% per annum (2024: 24.15% to 35.16% per annum).

11.4 This represents Musharika Financing facility provided to Messrs. AG Publications (Private) Limited, through its Chief Executive Officer Mr. Iqbal Z. Ahmad, who is also a Chairman of Messrs. Pakistan Gas Port (PGP) Consortium Limited, out of the approved limit of Rs. 400 million, on a pre-agreed Profit-Sharing Rate (PSR) being not less than 6 months KIBOR+16%, or 2.5% per month whichever is higher, for revival of the company operating Jamshoro Joint Venture Limited (JJVL). It is recoverable in lump sum after the lapse of seven months from the date of disbursement of musharika financing whereas PSR is to be serviced on monthly basis. It is secured against pledge over 49,424,163 common shares of JJVL owned by Mr. Iqbal Z. Ahmad (Chief executive, director & major shareholder of JJVL) representing 51% of JJVL's voting share capital by way of a duly registered pledge charge with SECP, mortgage over the property owned by the daughter of Mr. Iqbal Z. Ahmad measuring 19 kanals and 12 marlas, situated at Bedian road, opposite DHA Phase-V, post-dated cheques signed by Mr. Iqbal Z. Ahmad for the repayment of monthly PSR and the lump sum amounts for encashment to secure the provided facility and confirmation letters from Messrs. PGP Consortium Limited (PGPCL) and Messrs. Pakistan Gas Port Limited (PGPL) for the payment of the future dividend (to be declared and disbursed by the company from time to time) in respect of the family members of Mr. Iqbal Z. Ahmad for the amount of facility provided.

ICM



11.5 The breakup of advance amount is as under:

Investee Company	Class of Shares	Number of Shares	Ownership Interest in the investee	Advance (% of total consideration)	Advance disbursed (Rs. "000")
Jamshoro Joint Venture Limited (JJVL)	A-Class	9,691,012	10%	20%	30,615
Energy Resource Business Limited (BVI)	Ordinary	9,810	9.81%	20%	29,385
<b>Total</b>					<b>60,000</b>

11.5.1 The Company entered into an agreement with Mr. Jamal Akbar Ansari, holding 10% equity stake in the Class-A shares of JJVL, for purchase of his entire shareholding in JJVL at an agreed consideration of Rs. 153.077 million comprising 9,691,012 ordinary shares @ of Rs. 15.80 per share. As mutually agreed, the company has paid an advance to the party representing 20% of the consideration agreed. This transaction is materialized on August 11, 2025 and all the shares acquired under this arrangement have been transferred in the name of the Company on the same date.

11.5.2 On June 20, 2025, the Company entered into a duly executed term sheet with Mr. Jamal Akbar Ansari holding 9.81% equity stake in the ordinary shares of Messrs. Energy Resource Business Limited (ERBL) whereby the investee holds 95% of the Class-B shares of JJVL. Under this arrangement, the company has given an advance to the party representing 20% of the total purchase price of shares. Through this investment, the company indirectly holds 4.66% of ownership interest in JJVL. The shares of ERBL have been transferred in the name of Company on July 31, 2025.

12 Trade and Other Receivables

Trade receivables - unsecured

- From leaseholders

- From tenants

Insurance claims receivable - IGI Holdings Limited

Other receivables - unsecured and considered good

Accrued profit on musharika financing - under islamic mode

Note

2025

2024

Rs. in 000s

12.1

9,425

6,855

12.2

6,161

9,300

-

7,800

12.3

33,552

12,905

11.4

5,925

5,300

55,063

42,160

12.1 Trade receivables from leaseholders

Considered good

Considered doubtful

Less: Expected credit loss

12.1.1

9,425

6,855

17,461

16,504

26,886

23,359

(17,461)

(16,504)

9,425

6,855

12.1.1 Expected credit loss from leaseholders

Balance as at July 01,

Transfer under merger scheme

Expected credit loss during the year

Balance written off

Balance as at June 30,

16,504

-

-

13,227

1,160

3,277

(203)

-

17,461

16,504

100%

## 12.1.2 Age analysis of trade receivables from leaseholders

Description	Year end	Past due					Total Gross amount due
		0-30 Days	31-60 Days	61-90 Days	91-365 Days	Above 365 days	
----- Rs. in 000s -----							
Leaseholders	2025	3,055	2,617	1,668	8,359	11,187	26,886
Leaseholders	2024	3,097	1,359	992	3,781	14,130	23,359

## 12.2 Trade receivables from tenants

Considered good  
Considered doubtful

Less: Expected credit loss

Note	2025	2024
	Rs. in 000s	
	6,161	9,300
	3,634	2,983
	9,795	12,283
12.2.1	(3,634)	(2,983)
	6,161	9,300

### 12.2.1 Expected credit loss from tenants

Balance as at July 01,  
Transfer under merger scheme  
Expected credit loss during the year  
Balance as at June 30,

2,983	-
-	1,905
651	1,078
3,634	2,983

### 12.2.2 Age analysis of trade receivables from tenants:

Description	Year end	Past due					Total Gross amount due
		0-30 Days	31-60 Days	61-90 Days	91-365 Days	Above 365 days	
----- Rs. in 000s -----							
Tenants	2025	3,130	1,901	1,124	3,372	268	9,795
Tenants	2024	4,396	377	592	4,092	2,826	12,283

12.3 This includes balance receivable from Messrs. Digital Custodian Company Limited, an associated company along with mark-up @ 6 months KIBOR + 2% per annum as per the requirements of section 199 of the Companies Act, 2017. It is unsecured and will be recoverable in the ordinary course of business. The breakup and maximum outstanding amount due from the related parties at the end of any month during the year is as follows:

Gross Amount Due		Maximum Outstanding amount
2025	2024	
----- Rs. in 000s -----		
9,094	-	9,094
23,502	4,427	23,502
32,596	4,427	32,596

Receivable against the equity management fee  
Other receivable \_ current account

16/11/24



### 12.3.1 Age analysis of other receivables from related parties:

Description	Year end	Past due					Total Gross
		0-30 Days	31-60 Days	61-90 Days	91-365 Days	Above 365 days	
Rs. in 000s							
Receivable against the equity management fee		-	-	3,031	6,063	-	9,094
Other receivable _ current account		3,018	12	-	16,045	4,427	23,502
	2025	3,018	12	3,031	22,108	4,427	32,596
	2024	-	-	4,427	-	-	4,427

### 13 Advances, Deposits and Prepayments

#### Considered good

	Note	2025	2024
Rs. in 000s			
Advance to suppliers - unsecured		15,450	11,374
Advances to employees - secured			
- against expenses		200	250
- against salaries	13.1	919	821
- against house rent and others	13.2	80	564
Advances to brokers		7,617	-
Prepayments		1,086	1,166
		25,352	14,175

**13.1** This includes Rs. 0.395 million (2024: Rs. 0.279 million) as advance given to executives during the year in terms of their employment which is adjustable in the ordinary course of business against their monthly salaries which is normally within one year. These balances are within the age bracket of one year.

The maximum aggregate balance due from the executives at the end of any month during the year is Rs. 1.145 million (2024: Rs. 0.759 million).

**13.2** This includes an amount of Nil (2024: Rs. 0.54 million) as advance given to one of the director of LSE Ventures Limited, an associated undertaking of the company in the ordinary course of business that have been recovered during the year.

### 14 Tax Refunds Due From The Government - net

	Note	2025	2024
Rs. in 000s			
Balance as at July 01,		28,935	2,522
Transfer under merger scheme		-	27,769
Income tax deducted at source during the year - net		30,502	4,914
Prior year adjustment	35	(1,897)	(446)
Less: Provision for taxation		(32,707)	(5,824)
Balance as at June 30,		24,833	28,935

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15	Cash and Bank Balances	Note	2025	2024
			Rs. in 000s	
	Cash in hand		100	100
	Cash at bank in savings account	15.1	31,762	191,912
			<u>31,862</u>	<u>192,012</u>

15.1 This carries mark-up ranging from 8.50% to 20.50% per annum (2024: 17.25% to 20.50% per annum). This includes Rs. 0.322 million (2024: Rs. 0.404 million) held under islamic windows of banks.

#### 16 Issued, Subscribed and Paid-up Share Capital

2025		2024		2025		2024	
Number of shares				Rs. in 000s			
16.1	Authorized share capital						
	200,000,000	200,000,000	Ordinary shares of Rs. 10 each	2,000,000		2,000,000	
	50,000,000	50,000,000	Preference shares of Rs. 10 each	500,000		500,000	
	<u>250,000,000</u>	<u>250,000,000</u>		<u>2,500,000</u>		<u>2,500,000</u>	
16.2	Issued, subscribed and paid up capital						
	21,000,000	21,000,000	Ordinary shares of Rs. 10 each issued for cash	210,000		210,000	
	160,153,345	160,153,345	Ordinary shares of Rs. 10 each issued other than in cash	1,601,534		1,601,534	
	<u>181,153,345</u>	<u>181,153,345</u>		<u>1,811,534</u>		<u>1,811,534</u>	

16.3 LSE Capital Limited has merged as per Lahore High Court Order dated April 03, 2024 under which 160,153,445 shares has been issued in favor of shareholders of LSE Proptech Limited and Modaraba Al Mali as per the approved merger scheme.

16.4 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.

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

	2025	2024
	Number of shares	
Balance as at July 01,	181,153,345	21,000,000
Issued other than in cash	-	160,153,345
Balance as at June 30,	<u>181,153,345</u>	<u>181,153,345</u>

16.6 The shareholding structure of the Company is as under:

Name of shareholders	%age of shareholding	Number of shares	
Danish Elahi	14%	24,697,350	24,697,350
LSE Ventures Limited	12%	22,615,904	22,370,904
Chief executive and family	11%	20,590,004	20,580,546
Iqbal Usman and associates	9%	15,604,156	15,604,156
Zahid Latif Securities (Private) Limited	8%	13,758,156	12,720,002
Digital Custodian Company Limited	7%	12,935,548	12,691,763
LSE Financial Services Limited	6%	10,000,000	10,000,000
Aslam Khaliq	4%	7,237,163	7,237,163
Amir Zia	0%	-	3,618,581
Others	30%	53,715,064	51,632,880
		<u>181,153,345</u>	<u>181,153,345</u>

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		2025	2024
		Rs. in 000s	
<b>17 Surplus on Revaluation of Property and Equipment</b>	<b>Note</b>		
<b>Gross amount of revaluation surplus</b>			
Balance as at July 01,		85,615	-
Surplus arose on fresh revaluation of land and building	4.1	-	85,615
Incremental depreciation on revaluation of building		(1,688)	-
Balance as at June 30,		83,927	85,615
<b>Less: Deferred tax</b>			
Balance as at July 01,		(9,793)	-
Tax effect of Incremental depreciation on revaluation of building	22.3	490	(9,793)
Balance as at June 30,		(9,303)	(9,793)
<b>Balance as at June 30, net of deferred tax</b>		<b>74,624</b>	<b>75,822</b>
17.1 The surplus on revaluation of property and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.			
<b>18 Building Reserve Fund</b>		<b>6,593</b>	<b>1,682</b>
18.1 This reserve was formed for replacement of major fixed assets of the Company. The Company and its long term lease holders contribute their respective shares at Rs. 4 per sq. ft. in the fund.			
18.2 Movement during the year:			
Balance as at July 01,		1,682	-
Building reserve collected during the year		4,911	1,682
Balance as at June 30,		6,593	1,682
<b>19 Adjustments Related to Pre-merger Transactions</b>			
Capital work in progress written off	4.2	-	(15,777)
Old liabilities written back	19.1	-	14,132
		-	(1,645)
19.1 This represented the old outstanding balance previously payable by LSE Proptech Limited, which was no more payable by the company and accordingly written back in the last year in the statement of changes in equity (SOCE) in line with the approved scheme of merger.			
<b>20 Long Term Financing</b>			
<b>Under conventional mode</b>			
Lease liability	20.1	24,555	48,378
Financial liability at amortized cost	20.2	12,115	22,072
		<b>36,670</b>	<b>70,450</b>

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- 20.1 This financing has been obtained through sale and lease back of vehicles of the company from Cordoba Leasing Limited with a lease term of 36 months. It carries markup @ 1.95% per month, payable monthly and repayable in 36 equal monthly instalments along with markup. It is secured against registration of vehicles in the name of Cordoba Leasing Limited, personnel guarantee of chief executive of the company, demand promissory note of Rs. 98.182 million, registered charge on all the present and future assets of the company amounting to Rs.150 million, 36 post dated cheques of Rs. 2.727 million each and assignment of receivables from the tenants of the property owned by the company.

		2025	2024
	Note	Rs. in 000s	
Balance as at July 01,		67,259	-
Assets acquired under finance lease		-	70,000
Accretion of finance cost		13,773	2,976
Repayments made during the year		(32,653)	(5,717)
Balance as at June 30,		48,379	67,259
Less: current portion shown under current liabilities	24	(23,824)	(18,881)
		24,555	48,378

#### 20.1.1 Movement in Lease liability during the year

#### 20.1.2 Maturity analysis of gross and discounted lease liabilities

	Gross amount		Present value	
	2025	2024	2025	2024
	Rs. in 000s		Rs. in 000s	
Up to one year	32,727	32,727	23,824	18,881
After one year	27,273	60,000	24,555	48,378
Total lease liability	60,000	92,728	48,379	67,259

- 20.2 This long term finance facility from Cordoba Leasing Limited was obtained to meet the working capital requirements of the company amounting to Rs. 30 million. It carries markup at the rate of @ 30% per annum, payable monthly and repayable in 36 equal monthly instalments along with the markup. It is secured against the mortgage of immovable property owned by the company, personal guarantee of the chief executive of the company, duly signed demand promissory note for the amount of facility, registered charge on all the present and future assets of the company amounting to Rs. 150 million and 36 post dated cheques of Rs. 1.274 million each.

		2025	2024
	Note	Rs. in 000s	
Balance as at July 01,		29,475	-
Loan obtained during the year		-	30,000
Repayments made during the year		(7,403)	(525)
Balance as at June 30,		22,072	29,475
Less: current portion of financial liability	24	(9,957)	(7,403)
		12,115	22,072

#### 20.2.1 Movement in financial liability at amortized cost during the year

100%

## 20.2.2 Maturity analysis of gross and discounted financial liabilities

	Gross amount		Present value	
	2025	2024	2025	2024
	Rs. in 000s		Rs. in 000s	
Up to one year	15,283	15,283	9,957	7,403
More than one year and less than 5 years	14,009	29,292	12,115	22,072
Total financial liability	29,292	44,575	22,072	29,475

## 21 Other Liabilities

Deposits from employees against vehicles	21.1	12,041	6,091
Payable against Sale and lease back	21.2	28,110	28,110
Security deposit against rent		2,944	1,079
		43,095	35,280

**21.1** This represents deposits from employees against the purchase of vehicles for employees. Initially vehicles are held in the name of Company which will be transferred upon settlement of all related liabilities. These deposits are recovered in 60 equal monthly interest free installments.

**21.2** This represents payable to related parties and other employees of the company on account of sale and lease back transaction entered into with Cordoba Leasing Limited. The party wise breakup of payable to related parties is as under :

	2025	2024
	Rs. in 000s	
Chief Executive / Director	14,000	14,000
Digital Custodian Company Limited, an associated company	5,500	5,500
	19,500	19,500

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	Note	2025	2024
		Rs. in 000s	
22 Deferred Tax Liability	22.1	83,594	43,075
22.1 Breakup of deferred tax liability			
Taxable temporary differences			
Accelerated tax depreciation		19,804	16,072
Share of profit from associate		58,774	22,794
Net investment in finance lease		1,239	1,239
Surplus on property and equipment		9,303	9,793
Financial assets - Listed		1,367	-
Deductible temporary differences			
Loss allowance on receivables		(6,118)	(4,786)
Right of use of assets		(775)	(2,021)
Financial assets - Listed		-	(16)
		83,594	43,075
22.2 Deferred tax assets / liabilities on temporary differences are measured at effective rate of 29% (2024 : 29%).			
22.3 Reconciliation of deferred tax liabilities - Net			
Balance as at July 01,		43,075	16,370
Transferred under merger Scheme		-	64,687
Deferred tax effect charged to statement of profit or loss	35	33,303	(47,746)
Deferred tax effect charged to other comprehensive income	22.4	7,706	13,362
Deferred Tax impact on realization of Ensmile shares		-	(3,598)
Deferred tax effect charged to statement of changes in equity	17	(490)	-
Balance as at June 30,		83,594	43,075
22.4 Analysis of change in deferred tax			

	Statement of Financial Position		Statement of Profit or loss		Statement of Comprehensive Income		Statement of Changes in Equity	
	2025	2024	2025	2024	2025	2024	2025	2024
	Rs. in 000s.							
Accelerated tax depreciation	19,804	16,072	3,732	16,072	-	-	-	-
Share of profit from associate	58,774	22,794	28,273	2,855	7,706	3,569	-	-
Surplus on property and equipment	9,303	9,793	-	-	-	9,793	(490)	-
Net investment in finance lease	1,239	1,239	-	1,239	-	-	-	-
Financial Assets - listed	1,367	(16)	1,384	(16)	-	-	-	-
Right of use of assets	(775)	(2,021)	1,246	(2,021)	-	-	-	-
Loss allowance on receivables	(6,118)	(4,786)	(1,332)	(4,786)	-	-	-	-
Transfer under merger scheme	-	-	-	(64,687)	-	-	-	-
Loss on realization of ensmile shares	-	-	-	3,598	-	-	-	-
	83,594	43,075	33,303	(47,746)	7,706	13,362	(490)	-

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		2025	2024
	Note	Rs. in 000s	
<b>23 Trade and Other Payables</b>			
Payable to Ghani Chemical Industries Limited	23.1	7,000	174,706
Creditors for Services		3,905	10,377
Security deposits - Ijarah finance	23.2	-	3,762
Accrued liabilities	23.3	12,058	16,045
Sales tax payable		3,444	3,709
Contract liability	23.4	2,430	7,401
Advance received against sale of Ensmile shares		-	25,000
Payable to related parties	23.5	103,404	88,338
Retention money - unsecured		1,004	896
Temporary overdraft		-	726
		<b>133,245</b>	<b>330,960</b>

23.1 This represents the balance payable to the above named party by the company against purchase of its shares as per the duly executed term sheet previously entered into between Modaraba Al Mali and the said party which then becomes payable by the company under the merger scheme dated April 03, 2024.

23.2 These represent amounts received under Ijarah Finance as security deposits transferred to the company under the merger scheme, which were stated to be repayable / adjustable on the expiry of the Ijarah period. However, due to default by the counterparties in making payments due under the Ijarah finance facility, this balance is written back during the year being no more payable as it equates the amount of Ijarah finance receivable by the company under the contract from the counterparties who had already defaulted for their obligations towards the company (Note 31).

23.3 This includes an amount of Rs. 7.386 million (2024: Rs. 7.386 million) that had been provided for by LSE Proptech Limited and has been transferred to the company under the merger scheme against the legal case filed by the employees that were previously been employed by LSE Financial Services Limited as disclosed in Note 27.1 of these financial statements.

23.4 This represents advance received from the following parties :

	2025	2024
	Rs. in 000s	
Tenants	2,430	6,799
Leaseholders and Companies	-	602
	<b>2,430</b>	<b>7,401</b>

23.5 This represents an amount payable to associated companies as current account, to meet the working capital and operational requirements of the company. It carries markup @ 6 Months KIBOR + 1% per annum. It is unsecured and payable on demand. The breakup is as under:

LSE Ventures Limited	79,289	88,153
LSE Financial Services Limited	24,115	185
	<b>103,404</b>	<b>88,338</b>

## 24 Current Portion of Long Term Financing

Lease liability	20.1.1	23,824	18,881
Financial liability at amortized cost	20.2.1	9,957	7,403
		<b>33,781</b>	<b>26,284</b>

## 25 Loan From Director - secured

Under conventional mode	25.1	-	100,000
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25.1 This short term loan facility was obtained from the Chief Executive / Director of the Company amounting to Rs. 100 million to meet its working capital requirements for the period of 6 months. It carried markup @ 30% per annum, payable monthly. It was repayable after 6 months in lump sum or in 6 equal monthly instalments at the beginning of each month succeeding the month of disbursement whereas the markup was to be serviced on monthly basis. It was secured against least pari passu charge in right and priority of payment with all its other present or future, actual or contingent, unsecured and unsubordinated obligations and liabilities, except for those obligations and liabilities mandatorily preferred by law of general application to companies. This facility was paid off in full during the year.

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		2025	2024
		Rs. in 000s	
<b>26 Accrued markup on financing</b>	<b>Note</b>		
Long term financing - secured			
Under conventional mode			
- lease liability		189	264
- financial liability at amortized cost		294	380
Short term financing			
- loan from director - secured and under conventional mode	25	-	1,208
- payable to associated companies - unsecured			
LSE Ventures Limited	23.5	14,885	2,100
LSE Financial Services Limited	23.5	2,456	-
		<u>17,824</u>	<u>3,952</u>

## 27 Contingencies and Commitments

### 27.1 Contingencies

The company is contingently liable for the following:

- o Certain employees had been reinstated and arrears / back benefits were paid in accordance with Labour Court Order, dated August 13, 2020. However, these employees filed fresh petitions for determination and recovery of back benefits from the LSE Proptech Limited which has now become due on the part of company under the merger scheme. Under the circumstances, the Company incorporated a certain provision in the financial statements up to June 30, 2025 based on its best estimate. This case is pending adjudication until the terminal date. However, the Company expects a favourable outcome in the instant case.
- o The Company has not recognized provision for Punjab Workers' Welfare Fund (PWWF) amounting to Rs. 6.130 million (2024: Rs. 1.591 million) on the pretext that it does not fall under the definition of industrial establishment as defined in Clause (d) of Section 2 of the Punjab Workers' Welfare Fund Act, 2019 nor does it employ any worker as defined in Clause (i) of Section 2 of the Act and Section 2 of the Punjab Industrial Relation Act, 2010.

### 27.2 Commitments

There is no commitment outstanding as at the reporting date (2024: Nil).

		2025	2024
		Rs. in 000s	
<b>28 Revenue</b>	<b>Note</b>		
Investment properties - rental income		43,995	15,380
Other revenues - inclusive of PRA sales tax			
Room maintenance services		38,513	10,488
Advisory fee		23,844	8,667
Equity management fee	28.1	46,552	-
Software services		7,923	2,208
		116,832	21,363
Less: PRA sales tax	28.2	(15,399)	(1,552)
		101,433	19,811
		<u>145,428</u>	<u>35,191</u>

- 28.1** This represents the management fees charged to associated group companies on account of management of their payroll by the company and provision of administrative services to them as per the duly executed agreement entered into between the parties. The breakup of equity management fee is as under:

#### Associated companies

LSE Financial Services Limited	6,208	-
LSE Ventures Limited	31,250	-
Digital Custodian Company Limited	9,094	-
	<u>46,552</u>	<u>-</u>

- 28.2** The aggregate PRA sales tax amounting to Rs. 15.399 million (2024: Rs.1.552 million) is charged on room maintenance services, advisory fee, equity management fee and software services income.

16/11/24

29 Administrative and General Expenses	Note	2025	2024
		Rs. in 000s	
Salaries and benefits	29.1	75,522	23,752
Information technology related expenses		3,285	128
Insurance		1,942	271
Travelling and conveyance		10,517	3,222
Printing and stationery		1,656	172
Utilities		3,038	1,425
Repairs and maintenance		12,951	1,609
Security expenses		9,257	1,438
Communication, entertainment and public relations		11,072	1,172
Legal and professional charges	29.2	18,428	15,331
Fees and subscription		1,050	568
Rent, rates and taxes		1,689	376
Auditors' remuneration	29.3	1,400	1,284
Board meetings fee	29.4	1,175	1,925
Old debit balances written off		4,492	-
Miscellaneous expenses	29.5	498	1,331
Property and equipment written off	4.1.2	156	-
Depreciation on property and equipment	4.1	19,825	5,485
Depreciation on Right of use asset	5	11,425	2,085
		<u>189,378</u>	<u>61,574</u>

29.1 Salaries and benefits include Rs. 2.81 million (2024: Rs. 0.613 million) in respect of contribution to provident fund.

29.2 This includes an amount of Rs. 14.778 million as consultancy charges paid to Mr. Amir Zia, Chief Executive of the subsidiary company namely; LSE SPAC-I Limited.

**29.3 Auditors' remuneration**

Audit fee	1,000	850
Other assurance / attestation services	400	434
	<u>1,400</u>	<u>1,284</u>

29.4 Meeting fee is being paid to the Non-executive and independent directors of the company for attending corporate meetings of the company at rates as approved by the Board of Directors.

29.5 This includes Rs. Nil (2024: Rs.0.3 million) as donation given by the company. The directors and their relatives have no interest in the donee.

**30 Other Expenses**

Expected credit loss on trade receivables	12.1.1 & 12.2.1	1,811	4,355
Bad debts written off		624	-
		<u>2,435</u>	<u>4,355</u>

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### 31 Other Income

		2025	2024
	Note	Rs. in 000s	
<b>Income from financial assets:</b>			
Cash and cash equivalents - profit on saving bank accounts	31.1	6,678	440
Interest Income from related parties	31.2	2,242	6,780
Return on musharikah financing - <i>under islamic mode</i>	11.4	126,225	17,300
Realized fair value gain on investments in Ensmile Limited		-	6,031
Fair value gain recycled from OCI on disposal of associate		-	23,977
Unrealized fair value gain on investment in listed equity securities - net		18,549	17,900
Realized fair value gain on investment in listed equity securities - net		87,007	-
Dividend Income on investment in listed equity securities		2,033	-
Interest Income on exposure in MTS		4,783	47
Finance income on net investment in finance lease	8	342	86
		<b>247,859</b>	<b>72,561</b>
<b>Income from non financial assets:</b>			
Unrealized gain on investment property carried at fair value	7	64,154	13,691
Old credit balances / excess provisions written back	23.2	3,762	4,650
Parking charges and miscellaneous income	31.3	10,276	3,419
Gain from coal trading	31.4	-	189
Gain on disposal of property and equipment	31.5	-	2,169
		<b>78,192</b>	<b>24,118</b>
		<b>326,051</b>	<b>96,679</b>

31.1 This includes Rs. 0.130 million (2024: Rs. 0.205 million) earned from bank accounts maintained under Islamic windows of banks.

31.2 This represents income from related parties under section 199 as per the Companies Act, 2017 :

#### Associated undertakings :

LSE Ventures Limited

Digital Custodian Company Limited

	-	5,201
	<b>2,242</b>	<b>1,579</b>
	<b>2,242</b>	<b>6,780</b>

31.3 This includes an interest income amounting to Rs. Nil (2024: Rs.0.204 million) against advance to one of the directors of LSE Ventures Limited, an associate of the company.

#### 31.4 Gain from coal trading

Revenue from sale of coal

Less: sales tax @ 18%

	-	7,743
	-	(1,181)
	-	6,562
	-	(6,373)
	-	189

Less: Cost of coal sold

31.5 Gain / (loss) on disposal of property and equipment and right of use of asset is as follows:

Loss on property and equipment

Gain on right of use of assets

4.1.1	-	(746)
5	-	2,915
	-	2,169

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		2025	2024
		Rs. in 000s	
<b>32 Income from Associates</b>	<b>Note</b>		
Post tax share of profit from associates			
Digital Custodian Company Limited	6.5	1,753	21,644
LSE Ventures Limited	6.5	55,868	11,832
		57,621	33,476
Gain on bargain purchase			
Digital Custodian Company Limited	32.1	45,459	-
LSE Ventures Limited	32.1	3,007	-
		48,466	-
		106,087	33,476
32.1	This represents the excess of Company's interest in the net assets of the associates over the original cost of investment and is recognized in accordance with the requirements of International Accounting Standard 28, "Investments in Associates and Joint Ventures"		
<b>33 Finance Cost</b>			
Mark-up on financing	33.1	79,223	19,477
Bank charges		36	410
		79,259	19,887
33.1	This represents the markup expense against financing obtained from the following parties under conventional mode:		
	<b>Related Parties</b>		
Director / Chief Executive	25	12,542	4,958
Associated Undertakings :			
LSE Ventures Limited	23.5	14,885	8,100
LSE Financial Services Limited	23.5	2,456	185
<b>Others</b>			
Long term financing	20	21,553	6,234
Ghani Chemical Industries Limited	23.1	27,787	-
		79,223	19,477
<b>34 Levy</b>			
Alternate corporate tax - differential		11,289	-
Minimum Tax on services		-	3,025
Tax on dividend		305	-
Capital gain tax		9,397	7,644
		20,991	10,669
This represents final taxes paid under sections 153(1), 150 and 37(A) of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.			
<b>35 Taxation</b>			
Current Tax			
Normal tax		4,490	(4,845)
Tax on dividend from associate	35.1	7,226	-
Prior year adjustment	14	1,897	446
		13,613	(4,399)
Deferred tax	22.3	33,303	(47,746)
		46,916	(52,145)

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35.1 This represents tax on dividend income received from associated companies as disclosed in Note 6 of these financial statements that is classified as income tax as per the Circular # 10/2024 issued by the Institute of the Chartered Accountants of Pakistan (ICAP) dated June 14, 2024.

35.2 Income tax return has been filed to the income tax authorities upto and including tax year 2024 under the provisions of the Income Tax Ordinance, 2001.

35.3 Relationship between tax expense and accounting profit

Accounting profit for the year before levy and taxation	<u>306,494</u>	<u>79,530</u>
Applicable tax rate	<u>29%</u>	<u>29%</u>
Tax on income	88,883	-
Tax effect on difference of admissible and non-admissible expenses	(22,427)	-
Tax effect on income charged to final tax classified as levy	(61,966)	-
Reduced tax rate effect on final tax income classified as income tax	7,226	-
Prior year adjustment	1,897	-
Deferred tax	33,303	-
	<u>46,916</u>	<u>-</u>

35.4 Relationship between tax expense and accounting profit for the comparative period was not applicable since the company had suffered loss from business and accordingly no provision for normal taxation was recognized in the last year.

### 36 Earnings per Share - Basic and Diluted

	<u>2025</u>	<u>2024</u>
Net profit after taxation attributable to ordinary shareholders ( <i>Rs. in 000s</i> )	<u>238,587</u>	<u>121,006</u>
Weighted average number of ordinary shares ( <i>Number of shares in thousands</i> )	<u>181,153</u>	<u>45,447</u>
Earning per share - Basic and diluted ( <i>Rupees</i> )	<u>1.32</u>	<u>2.66</u>

36.1 The figure for diluted earnings per share is the same as basic earnings per share as the company has not issued any instrument which would have an impact on basic earnings per share when exercised.

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**37 Cash Generated from Operations**

Note	2025	2024
	Rs. in 000s	
	306,494	79,530
<b>Profit before levy and taxation</b>		
<b>Adjustments</b>		
Depreciation	4.1 19,825	5,485
Depreciation on right of use asset	5 11,425	2,085
Income from associates	6.5 (106,087)	(33,476)
Finance income on net investment in finance lease	8 (342)	(86)
Investment properties - rental income	28 (43,995)	(15,380)
Cash and cash equivalents - profit on saving bank accounts	31 (6,678)	(440)
Return on musharikah financing - under islamic mode	11.4 (126,225)	(17,300)
Impairment loss on trade and other receivables	30 1,811	4,355
Bad debts written off	30 624	-
Unrealized gain on investment property	31 (64,154)	(13,691)
Realized fair value gain on investments in Ensmile Limited	31 -	(6,031)
Fair value gain recycled from OCI on disposal of associate	31 -	(23,977)
Old credit balances / excess provisions written back	31 (3,762)	(4,650)
Old debit balances written off	29 4,492	-
Loss on disposal of property and equipment	4.1.1 & 4.1.2 156	746
Fair value gain on investment in listed equity securities - net	(105,556)	-
Dividend Income on investment in listed equity securities	31 (2,033)	-
Gain on disposal of right of use asset	31.5 -	(2,915)
Finance cost	33 79,259	19,887
<b>Loss before working capital changes</b>	(341,240)	(85,388)
(Increase) / decrease in current assets:		
- Inventory	10 (30)	(239)
- Trade and other receivables	12 (14,713)	18,101
- Advances, deposits and prepayments	13 (15,669)	(29,361)
	(30,412)	(11,499)
Increase / (decrease) in current liabilities:		
- Trade and other payables	23 (189,473)	41,062
- Other liabilities - deposits from employees	7,815	29,126
	(181,658)	70,188
<b>Cash (Used in) / Generated from Operations</b>	<b>(246,816)</b>	<b>52,831</b>

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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.

### 38.1 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 market prices. Market risk comprise three types of risk; foreign currency risk, interest rate risk, commodity price and equity price risk that will affect the Company's income or the value of its holdings of financial instruments.

#### Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates and arises where transactions are conducted in foreign currency. As there are no foreign currency receivables / payables of the Company, it is not exposed to currency risk (June 30, 2024: Nil).

#### 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 exposed to floating interest rate risk as its variable interest bearing liabilities exceeds its variable rate financial assets.

	Note	2025 Rs. in 000s	2024
<b>Financial assets</b>			
<u>Floating rate instruments</u>			
Bank balances	15	31,762	191,912
Investment in Margin Trading System of NCCPL	11	-	17,644
Other receivables	12.3	32,596	4,427
<b>Total Financial Assets - variable</b>		<b>64,358</b>	<b>213,983</b>
<b>Financial liabilities</b>			
<u>Floating rate instruments</u>			
Payable to related parties		(103,404)	(88,338)
<b>Net financial Assets</b>		<b>(39,046)</b>	<b>125,645</b>

#### 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 taxation for the year would have been (lower) / higher by Rs. 0.390 million (2024: Rs. 1.26 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 price risk on account of its investments carried at fair value through profit or loss. At the reporting date, the company has held investment in equity instruments amounting to Rs. 71.627 million (2024: Rs. 322.403 million).

#### Sensitivity analysis for financial assets at FVPL

As at reporting date, if fair value of equity investments increases / (decreases) by Rs. 1 with all other variables held constant, profit before taxation for the year would have been higher / (lower) by Rs. 9.12 million (2024: Rs. 15.303 million), mainly as a result of fair value fluctuation on PSX of the listed equity investments.

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## 38.2 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 sundry receivables) and from its investing activities, including deposits with banks and financial institutions, and other financial instruments.

As at the reporting date, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

<u>Financial Assets</u>	<u>Note</u>	2025	2024
		<u>Rs. in 000s</u>	
Net investment in finance lease	8	4,274	4,275
Long term deposits	9	2,719	548
Advances to employees - adjustable in cash	13	8,616	1,386
Financial assets	11	481,627	640,047
Trade and other receivables	12	55,063	42,160
Bank balances	15	31,762	191,912
		<u>584,061</u>	<u>880,328</u>

### Credit Quality of Financial Assets

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.

The aging of trade debts from leaseholders and tenants and related impairment loss as at the reporting date is as under:

	2025	2024
	<u>Rs. in 000s</u>	
Neither past due nor impaired	-	-
Past due but not impaired		
0 -30 days	5,924	7,493
31 - 60 days	3,153	1,508
61 - 90 days	1,528	1,386
> 91 days	4,943	5,773
Past due and impaired		
0 -30 days	261	-
31 - 60 days	1,365	228
91 - 120 days	1,264	199
> 91 days	18,243	19,055
<b>Total Gross Amount Due</b>	<u>36,681</u>	<u>35,642</u>

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

The risk management committee has established a credit policy under which each new customer is analyzed 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.

10/11/2024



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 either banks (with reasonably high credit ratings) and trade receivables for which the exposure is spread over a large number of counter parties.

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			2025	2024
	Short term	Long term	Agency		
Bank Islamic Pakistan Limited	A-1	AA-	PACRA	322	62
Bank Al-Habib Limited	A-1+	AAA	PACRA	26,223	191,850
MCB Bank Limited	A-1+	AAA	PACRA	5,217	-
				<u>31,762</u>	<u>191,912</u>

'Other receivables include Rs. 32.596 million (2024: Rs. 4.427 million) receivable from related party namely; Digital Custodian Company Limited (DCCL), Rs. Nil (2024: Rs. 7.800 million) receivable from IGI Holdings Limited and Rs. 0.956 million (2024: Rs. 8.478 million) due from corporate entities that are financially sound and having strong financial track record and creditworthiness.

### 38.3 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	5 - 10 years
Rs. in 000s						

#### Contractual maturities of financial liabilities as at June 30, 2025:

Long term financing	70,451	70,451	33,781	36,670	-	-
Loan from director	-	-	-	-	-	-
Other liabilities	2,944	2,944	-	2,944	-	-
Trade and other payables	127,371	127,371	127,371	-	-	-
Unclaimed dividend	13,809	13,809	13,809	-	-	-
Accrued markup on financing	17,824	17,824	17,824	-	-	-
	<u>232,399</u>	<u>232,399</u>	<u>192,785</u>	<u>39,614</u>	<u>-</u>	<u>-</u>

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Contractual maturities of financial liabilities as at June 30, 2024:

Long term financing	96,734	96,734	26,284	33,781	36,669	
Loan from director	100,000	100,000	100,000	-	-	-
Other liabilities	1,079	1,079	-	1,079	-	-
Trade and other payables	294,849	294,849	294,849	-	-	-
Unclaimed dividend	10,359	10,359	10,359	-	-	-
Accrued markup on financing	3,952	3,952	3,952	-	-	-
	<u>506,973</u>	<u>506,973</u>	<u>435,444</u>	<u>34,860</u>	<u>36,669</u>	<u>-</u>

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.

#### 38.4 Financial instruments by categories

	Note	2025 Rs. in 000s	2024
<b><u>Financial asset as at fair value</u></b>			
Investment in Equity Securities	11	71,627	322,403
<b><u>Financial asset as at amortized cost</u></b>			
Net investment in finance lease	8	4,274	4,275
Long term deposits	9	2,719	548
Advances to employees - adjustable in cash	13	8,616	1,386
Advance to related parties - unsecured	13	32,596	4,427
Financial assets	11	410,000	317,644
Trade and other receivables	12	22,467	37,733
Cash and bank balances	15	31,862	192,012
		<u>584,161</u>	<u>880,428</u>
<b><u>Financial liabilities at amortized cost</u></b>			
Long term financing	20	70,451	96,734
Loan from director	25	-	100,000
Other liabilities	21	2,944	1,079
Trade and other payables	23	127,371	294,849
Unclaimed dividend		13,809	10,359
Accrued markup on financing	26	17,824	3,952
		<u>232,399</u>	<u>506,973</u>

#### 38.5 Fair value measurement

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 and non-financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of financial instruments.

##### Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and

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2025				
	Level 1	Level 2	Level 3	Total
<b>Financial assets - measured at fair value</b>				
Investments in equity securities	71,627	-	-	71,627
<b>Non - financial assets - measured at fair value</b>				
Property and Equipment	-	1,239,741	-	1,239,741
Investment property	-	456,276	-	456,276
	<u>71,627</u>	<u>1,696,017</u>	<u>-</u>	<u>1,767,644</u>
2024				
	Level 1	Level 2	Level 3	Total
<b>Financial assets - measured at fair value</b>				
Investments in equity securities	322,403	-	-	322,403
<b>Non - financial assets - measured at fair value</b>				
Property and Equipment	-	1,246,490	-	1,246,490
Investment property	-	392,122	-	392,122
	<u>322,403</u>	<u>1,638,612</u>	<u>-</u>	<u>1,961,015</u>

There were no transfers amongst levels during the year.

### 39 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:

- 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
- 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 as follows:

	Note	2025	2024
		Rs. in 000s	
Total Debts (long term and short term)	39.1	70,451	196,734
Less: Cash and cash equivalents		(31,862)	(191,286)
<b>Net Debt</b>		<b>38,589</b>	<b>5,448</b>
Equity		3,166,637	2,970,870
<b>Total capital employed</b>		<b>3,205,226</b>	<b>2,976,318</b>
Gearing ratio		1.20%	0.18%

39.1 Total debts include lease liability, financial liabilities at amortized cost and loan from director.

11/11/24



40 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2025							Total
	Equity			Liabilities				
	Share capital	Building Reserve	Unappropriated Profit	Lease liability	Financial liability at amortized cost	Loan from director	Unclaimed dividend	
	Rupees in 000s							
Balance as at July 1, 2024	1,811,534	1,682	771,795	67,259	29,475	100,000	10,359	2,792,104
<b>Changes from financing cash flows</b>								
Amount collected from building occupants for fixed assets replacement fund	-	4,089	-	-	-	-	-	4,089
Dividend issued during the year	-	-	-	-	-	-	-	-
Lease liability obtained during the year	-	-	-	-	-	-	-	-
Repayment of lease finance	-	-	-	(18,880)	-	-	-	(18,880)
Loan received during the year	-	-	-	-	-	-	-	-
Repayment during the year	-	-	-	-	(7,403)	-	-	(7,403)
Director loan obtained during the year	-	-	-	-	-	-	-	-
Repayment of director loan during the year	-	-	-	-	-	(100,000)	-	(100,000)
Dividend issued during the year	-	-	-	-	-	-	-	-
Dividend paid during the year	-	-	-	-	-	-	(87,126)	(87,126)
Total changes from financing cash flows	-	4,089	-	(18,880)	(7,403)	(100,000)	(87,126)	(209,320)
<b>Other changes</b>								
Total accumulated profits related other changes	-	822	148,386	-	-	-	90,577	239,785
Balance as at June 30, 2025	1,811,534	6,593	920,181	48,379	22,072	-	13,810	2,822,569

	2024							Total
	Equity			Liabilities				
	Share capital	Building Reserve	Unappropriated Profit	Lease liability	Financial liability at amortized cost	Loan from director	Unclaimed dividend	
	Rupees in 000s							
Balance as at July 1, 2023	210,000	-	24,657	-	-	-	10,359	245,016
<b>Changes from financing cash flows</b>								
Shares issued for cash during the year	-	-	-	-	-	-	-	-
Amount collected from building occupants for fixed assets replacement fund	-	1,298	-	-	-	-	-	1,298
Dividend issued during the year	-	-	-	-	-	-	-	-
Lease liability obtained during the year	-	-	-	70,000	-	-	-	70,000
Repayment of lease finance	-	-	-	(2,741)	-	-	-	(2,741)
Loan received during the year	-	-	-	-	30,000	-	-	30,000
Repayment during the year	-	-	-	-	(525)	-	-	(525)
Director loan obtained during the year	-	-	-	-	-	100,000	-	100,000
Repayment of director loan during the year	-	-	-	-	-	-	-	-
Dividend issued during the year	-	-	-	-	-	-	-	-
Dividend paid during the year	-	-	-	-	-	-	-	-
Total changes from financing cash flows	-	1,298	-	67,259	29,475	100,000	-	198,032
<b>Other changes</b>								
Shares issued other than in cash	1,601,534	-	-	-	-	-	-	1,601,534
Total accumulated Profits related other changes	-	384	747,138	-	-	-	-	747,522
	1,601,534	384	747,138	-	-	-	-	2,349,056
Balance as at June 30, 2024	1,811,534	1,682	771,795	67,259	29,475	100,000	10,359	2,792,104

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## 41.1 Operating Segments

Management has determined the operating segments based on the information presented to the Chief Executive Officer of the Company for allocation of resources and assessment of performance. Reporting structure of the Company is based on this internal management reporting structure. The Company has two strategic divisions i.e. Strategic investments and rental, room maintenance & related services, which are its reportable segments. These divisions have different operations and were managed separately because they require different strategies.

Reportable segments	Operations
Strategic Investment	Fair value gain (realized / unrealized), share of profit from associates, return on loan and receivables, dividend income etc.
Rental, Room maintenance and related services	Rental income, room maintenance, parking charges, fair value gain on investment property etc.

**Information about reportable segments**

Information related to each reportable segment is set out below. Segment profit / (loss) before levy and tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	2025		
	Strategic Investments	Rental, Room maintenance and related services	Total
Segment income	344,684	157,280	501,964
Segment related cost	-	(2,435)	(2,435)
Segment profit before levy and taxation	344,684	154,845	499,529
<b>Segment assets</b>			
Investment in related parties	1,075,510	-	1,075,510
Financial Assets	481,627	-	481,627
Net Investment in finance lease	-	4,274	4,274
Accrued markup on loan and receivables	5,925	-	5,925
Investment property	-	456,276	456,276
Trade and other receivables	-	15,586	15,586
Advance to broker	7,617	-	7,617
<b>Segment liabilities</b>			
Payable to Ghani Chemical Industries Limited	7,000	-	7,000
Security deposit against rent	-	2,944	2,944
Contract liability	-	2,430	2,430
	2024		
	Strategic Investments	Rental, Room maintenance and related services	Total
Segment income	98,684	42,851	141,535
Segment related cost	-	(4,355)	(4,355)
Segment profit before levy and taxation	98,684	38,496	137,180
<b>Segment assets</b>			
Investment in related parties	896,024	-	896,024
Financial Assets	640,047	-	640,047
Net Investment in finance lease	-	4,275	4,275
Accrued markup on loan and receivables	5,300	-	5,300
Investment property	-	392,122	392,122
Trade and other receivables	-	16,155	16,155
<b>Segment liabilities</b>			
Payable to Ghani Chemical Industries Limited	174,706	-	174,706
Advance received against sale of Ensmile shares	25,000	-	25,000
Security deposit against rent	-	1,079	1,079
Contract liability	-	7,401	7,401

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## 41.2

## Reconciliations of information on reportable segments to the amounts reported in the financial statements

	Note	2025 Rs. in 000s	2024
<b>Income</b>			
Total income for reportable segments	41.1	501,964	141,535
Unallocated income		75,602	23,811
<b>Combined income</b>		<b>577,566</b>	<b>165,346</b>
<b>Profit before levy and taxation</b>			
Segment results before levy and tax	41.1	499,529	137,180
Unallocated amounts:			
- other income		75,602	23,811
- administrative expense	29	(189,378)	(61,574)
- finance cost	33	(79,259)	(19,887)
<b>Profit before levy and taxation</b>		<b>306,494</b>	<b>79,530</b>
<b>Assets</b>			
Total assets for reportable segments		2,046,815	1,953,923
Other unallocated amounts		1,481,841	1,637,307
<b>Combined total assets</b>		<b>3,528,655</b>	<b>3,591,230</b>
<b>Liabilities</b>			
Total liabilities for reportable segments		12,374	208,186
Other unallocated amounts		349,644	412,174
<b>Combined total liabilities</b>		<b>362,018</b>	<b>620,360</b>

## 41.3 The sales percentage by geographic region is as follows:

	2025 %	2024 %
Pakistan	100	100

## 41.4 There is no individual customer from whom more than 10% of total revenue is received.

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

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## 42 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)
LSE Ventures Limited	Associated Company	27.78%
LSE Financial Services Limited	Associated Company	Common directorship
LSE SPAC-1 Limited	Wholly owned Subsidiary Company	100.00%
Digital Custodian Company Limited	Associated Company	42.50%
Mr. Shoaib Mir	Chairman/Independent Director	Common directorship
Mr. Aftab Ahmad	Chief Executive Officer	Common directorship
Ms. Aasiya Riaz	Non-Executive Director	Common directorship
Mr. Muhammad Iqbal	Non-Executive Director	Common directorship
Ms. Shumaila Siddique	Independent Director	Common directorship
Mr. Yaser Manzoor	Non-Executive Director	Common directorship
Mr. Aoun Muhammad	Non-Executive Director	Common directorship
Lahore Stock Exchange Limited - Employees' Provident Fund Trust	Post employment benefits	Employee's fund

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

Names of Related Parties	Nature of Transactions	Relationship	2025	2024
			Rs. in 000s	
LSE SPAC-I Limited	Investment during the year	Wholly owned Subsidiary Company	10,000	-
<b>LSE Financial Services Limited (LSEFSL)</b>				
	Expenses paid by the company on behalf of LSEFSL	Common Directorship	3,886	9,407
	Reimbursement of expenses paid		4,421	9,407
	Expenses paid by the LSEFSL on behalf of the company		-	24,633
	Advance received		29,689	-
	Markup Expense on Advance		2,456	-
	Equity management fee charged to the party		6,208	-
	Dividend paid to the party		5,000	-
	MTS Investment made during the year		170,000	48,964
	MTS Investment reversed during the year		183,821	31,320
	MTS Income received		4,783	2,523
<b>LSE Ventures Limited (LSE VL)</b>				
	Expenses paid by the company on behalf of party	Associated Company	43,813	52,522
	Reimbursement of expenses paid		38,128	42,249
	Payment made for investment		-	63,000
	Payment against investment received back		7,740	20,000
	Advance received		162,613	100,000
	Advance refunded		157,000	-
	Advisory services charged to the party		10,500	-
	Equity management fee charged to the party		31,250	-
	Dividend received from the party		48,172	-
	Dividend paid to the party		11,185	-
	Markup Expense on Advance received		14,885	8,100
<b>Digital Custodian Company Limited</b>				
	Funds provided to the party	Associated Company	20,695	4,427
	Interest income charged to the party		2,242	1,579
	Equity management fee charged to the party		9,094	-
	Expenses borne by the company on behalf of the party		565	-
	Shares registrar services provided by the party		133	152
<b>Lahore Stock Exchange Limited - Employees' Provident Fund Trust</b>				
	Total Contribution made during the year	Employee's fund	5,619	1,225

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Key management personnel	Salary & other benefits of CEO	11,666	11,927
	Loan received from CEO	-	100,000
	Loan paid back to CEO	100,000	3,750
	Interest on loan paid to CEO	12,542	4,958
	Director's meeting fee	1,175	1,925

**Balances outstanding as at.**

**Financial Asset - current assets**

MTS Investment Through LSE Financial Services Limited	-	17,644
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**Trade and Other Receivables**

Receivable from Digital Custodian Company Limited	32,596	4,427
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**Other liabilities**

Payable against Sale and lease back to chief executive	14,000	14,000
Payable against Sale and lease back to Digital Custodian Company Limited, an associated company	5,500	5,500

**Trade and other payables**

Payable to LSE Venture Limited	79,289	88,338
Payable to LSE Financial Services Limited	24,115	-

**Accrued markup on financing**

Payable to LSE Venture Limited	14,885	2,100
Payable to LSE Financial Services Limited	2,456	-

**43 Remuneration of Chief Executive Officer, Directors and Executives**

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

	Chief Executive Officer		Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Rs. in 000s								
Managerial remuneration	5,088	6,815	-	-	7,964	12,683	13,052	19,498
Company's contribution to the provident fund trust	509	682	-	-	796	1,207	1,305	1,889
Housing and utilities	2,798	3,748	-	-	4,380	6,976	7,178	10,724
Meeting fees	-	-	1,175	1,925	-	-	1,175	1,925
Others	3,271	682	51	45	3,115	2,420	6,437	3,147
	11,666	11,927	1,226	1,970	16,255	23,286	29,147	37,183
Number of persons	1	1	6	7	9	15	16	23

43.1 In addition to the above, Chief Executive is provided with the Company's maintained vehicle for official purposes only.

43.2 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.

**44 Number of Employees**

	2025	2024
Total number of employees at the year end	63	68
Average number of employees during the year	65	68

**45 Date of 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 01, 2025.

**46 General**

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

46.2 The LSE Group maintains the employees provident fund trust at group level for all its permanent employees being employed by the group companies. All the necessary formalities as regards to the management of the fund and monthly contributions to the fund's bank account are being made by all the companies at regular intervals in accordance with Section 218 of the Companies Act, 2017 and Rules formed thereof.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



## INDEPENDENT AUDITORS' REPORT

**To the members of LSE Capital Limited**  
**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the annexed consolidated financial statements of **LSE Capital Limited ("the Holding Company") and its subsidiary ("the Group")**, which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Following are the Key Audit Matter(s):**

Sr. No.	Key Audit Matter(s)	How the Matter was addressed in our audit
1	<b>Investments and financial assets</b>	
	<p><b>Refer to notes 6 and 11 of the consolidated financial statements.</b></p> <p>The carrying amount of investments and financial assets held by the Company amounted to Rs. 1,557.137 million which constitutes 43.85% of the total assets as at June 30, 2025.</p> <p>The significant portion of investments comprise of investment in subsidiary company, associates, listed &amp; unlisted equity securities and musharika financing.</p>	<ul style="list-style-type: none"> <li>Assessed the design and tested the operating effectiveness of key controls in place relating to valuation of investments;</li> <li>Checked on a test basis the valuation of investments, recognition of proportionate share of post-acquisition post tax profits and other comprehensive income of investees as recorded in the general ledger to supporting documents, externally quoted market prices, break-up values, etc.</li> </ul>



	<p>Investments and other financial assets are carried under equity method, fair value or amortized cost in accordance with the Company's accounting policy relating to their recognition and measurement. Provision against investments is based on impairment policy of the Company which includes both subjective and objective factors.</p> <p>We identified assessing carrying value of the investment as a key audit matter because of its significance to the consolidated financial statements and because assessing the fair value and the key impairment assumptions involves a significant degree of management judgement.</p>	<ul style="list-style-type: none"> <li>• Checking the existence of shares from the Central Depository Company's report.</li> <li>• Obtained independent confirmations for verifying the existence of investments portfolio as at June 30, 2025 and reconciled it with the books and records of the Company. Where such confirmations were not available, alternate procedures were performed;</li> <li>• Obtained duly executed musharika financing covenant entered into with the party and checked underlying terms &amp; conditions attaching thereto as regards to amount of loan, tenor, pricing and collateral requirements;</li> <li>• Obtained independent confirmation from the third party for verifying the existence and valuation of musharika finance provided as at June 30, 2025 and reconciled it with the books and records of the Company;</li> <li>• Evaluated the Company's assessment for impairment, if any including those securities that are not traded actively in market in accordance with the accounting and reporting standards as applicable in Pakistan and performed an independent assessment of the assumptions and conclusions; and</li> </ul> <p>Considered the Company's disclosures of investments in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.</p>
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#### Information Other than the Consolidated 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 consolidated financial statements and auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements**

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 to 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 consolidated 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.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Usman Shah, FCA.

LAHORE: November 01, 2025  
UDIN: AR202510269KEeyvudx0

  
KRESTON HYDER BHIMJI & CO.  
CHARTERED ACCOUNTANTS



**LSE CAPITAL LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025**

	Note	2025	2024
		Rs. in 000s	
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property and equipment	4	1,322,993	1,321,392
Right of use asset	5	45,704	57,129
Investment in associated companies	6	1,065,510	896,024
Investment property	7	456,276	392,122
Net investment in finance lease	8	4,274	4,275
Long term deposits	9	2,719	548
		2,897,476	2,671,490
<b>Current Assets</b>			
Inventories	10	2,442	2,411
Financial assets	11	481,627	640,047
Trade and other receivables	12	55,118	42,160
Advances, deposits and prepayments	13	25,352	14,175
Tax refunds due from the Government - net	14	24,846	28,935
Cash and bank balances	15	41,398	192,012
		630,783	919,740
<b>TOTAL ASSETS</b>		<b>3,528,259</b>	<b>3,591,230</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized Share Capital</b>			
200,000,000 (2024: 200,000,000) ordinary shares of Rs. 10 each	16	2,000,000	2,000,000
50,000,000 (2024: 50,000,000) preference shares of Rs. 10 each		500,000	500,000
		1,811,534	1,811,534
Issued, subscribed and paid-up share capital	16	1,811,534	1,811,534
<b>Capital Reserves:</b>			
- Surplus on revaluation of property and equipment	17	74,624	75,822
- Building reserve fund	18	6,593	1,682
- Merger reserve		289,814	289,814
- Fair value reserve		63,891	20,223
		919,735	771,795
<b>Revenue Reserve:</b>		1,354,657	1,159,336
- Unappropriated profit			
		3,166,191	2,970,870
<b>Total Equity</b>			
<b>Non Current Liabilities</b>			
Long term financing	20	36,670	70,450
Other liabilities	21	43,095	35,280
Deferred tax liability	22	83,594	43,075
		163,359	148,805
<b>Current Liabilities</b>			
Trade and other payables	23	133,295	330,960
Current portion of long term financing	24	33,781	26,284
Loan from director	25	-	100,000
Accrued markup on financing	26	17,824	3,952
Unclaimed dividend		13,809	10,359
		198,709	471,555
<b>Contingencies and Commitments</b>	27		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,528,259</b>	<b>3,591,230</b>

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

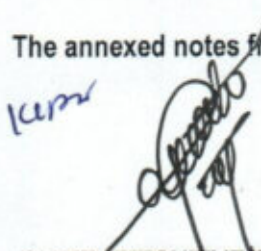
CHIEF FINANCIAL OFFICER

DIRECTOR

**LSE CAPITAL LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2025**

		2025	2024
	Note	Rs. in 000s	
Revenue	28	145,428	35,191
<b>Operating Expenses</b>			
Administrative and general expenses	29	(189,977)	(61,574)
Other expenses	30	(2,435)	(4,355)
<b>Operating Loss</b>		(46,984)	(30,738)
Other income	31	326,206	96,679
Income from associates	32	106,087	33,476
<b>Profit Before Interest, Levy and Taxation</b>		385,309	99,417
Finance cost	33	(79,259)	(19,887)
<b>Profit Before Levy and Taxation</b>		306,050	79,530
Levy	34	(20,993)	(10,669)
<b>Profit Before Taxation</b>		285,057	68,861
Taxation	35	(46,916)	52,145
<b>Net Profit After Taxation</b>		238,141	121,006
<b>Earnings Per Share - Basic and Diluted</b>	36	1.31	2.66

The annexed notes from 1 to 46 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**CHIEF FINANCIAL OFFICER**

  
**DIRECTOR**



LSE CAPITAL LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2025

		2025	2024
	Note	Rs. in 000s	
Net Profit After Taxation		238,141	121,006
Other Comprehensive Income			
<u>Items that can not be reclassified to profit or loss</u>			
Surplus arose on fresh revaluation of land and building		-	85,615
Impact of related deferred tax		-	(9,793)
<u>Items that may be subsequently reclassified to profit or loss</u>			
Share in OCI of associate - net of tax	6.4	51,374	23,792
Impact of deferred tax	22.3	(7,706)	(3,569)
		43,668	96,045
Total Comprehensive Income for the Year		<u>281,809</u>	<u>217,051</u>

The annexed notes from 1 to 46 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

LSE CAPITAL LIMITED  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

	Share Capital	Capital Reserves				Revenue Reserve	Total Reserves	Total Equity
		Surplus on Revaluation of Property and Equipment	Building Reserve	Merger Reserve	Fair value Reserve	Unappropriated Profit		
Note	----- 'Rs. in 000s -----							
Balance as at June 30, 2023	210,000	-	-	-	48,118	24,657	72,775	282,775
Transactions between the interim period transferred to retained earnings as per merger scheme	-	-	-	-	6,730	580	7,310	7,310
Adjustments / Transfers as per scheme of merger	1,601,534	-	-	289,814	(54,848)	656,341	891,307	2,492,841
Adjustments related to pre-merger transactions	-	-	-	-	-	(1,645)	(1,645)	(1,645)
Reclassification to profit or loss from other comprehensive income on disposal of investment in associates	-	-	-	-	-	(20,380)	(20,380)	(20,380)
Net Profit after taxation	-	-	-	-	-	121,006	121,006	121,006
Other comprehensive income	-	75,822	-	-	20,223	-	96,045	96,045
Total comprehensive income for the year	-	75,822	-	-	20,223	121,006	217,051	217,051
Cost incurred in raising capital under merger scheme	-	-	-	-	-	(8,380)	(8,380)	(8,380)
Amount collected from building occupants for fixed assets replacement fund	18	-	-	1,682	-	(384)	1,298	1,298
Balance as at June 30, 2024	1,811,534	75,822	1,682	289,814	20,223	771,795	1,159,336	2,970,870
Net profit after taxation	-	-	-	-	-	238,141	238,141	238,141
Other comprehensive income	-	-	-	-	43,668	-	43,668	43,668
Total comprehensive income for the year	-	-	-	-	43,668	238,141	281,809	281,809
Amount collected from building occupants for fixed assets replacement fund	18	-	-	4,911	-	(822)	4,089	4,089
Realization of revaluation surplus on property and equipment through depreciation (net of tax)	-	(1,198)	-	-	-	1,198	-	-
Transactions with owners of the Company								
Cash dividend @ Rs. 0.50 per share for the year ended June 30, 2024	-	-	-	-	-	(90,577)	(90,577)	(90,577)
Balance as at June 30, 2025	1,811,534	74,624	6,593	289,814	63,891	919,735	1,354,657	3,166,191

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



**LSE CAPITAL LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025**

		2025	2024
	Note	Rs. in 000s	
<b>Cash (Used in) / Generated from Operations</b>	37	(247,365)	52,831
Finance cost paid		(65,387)	(23,839)
Income tax paid		(30,517)	(4,914)
<b>Net Cash (Used in) / Generated from Operating Activities</b>		<b>(343,269)</b>	<b>24,078</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from disposal of property and equipment		328	2,500
Proceeds from disposal of right of use asset		-	7,800
Cash and cash equivalents - profit on saving bank accounts	31	6,778	440
Purchase of operating fixed assets	4	(21,746)	(8,778)
Capital work in progress incurred	4	(166)	(175)
Running musharikah financing provided during the year	11	(50,000)	(300,000)
Proceeds from encashment of investments - net		356,332	-
Disbursement of advance for purchase of unlisted securities	12	(60,000)	-
Proceeds from disposal of investment in Ensmile Limited		-	205,000
Investment made in the share capital of associated companies	6	(60,197)	(222)
Investment realized / (made) in Margin Trading system through LSEFSL		17,644	(17,644)
Net investment in finance lease - rentals		343	-
Return received on musharikah financing		125,600	12,026
Rentals received during the year		39,024	22,781
Dividend received		50,205	-
Long term deposits paid	9	(2,171)	(548)
<b>Net Cash Generated from / (Used in) Investing Activities</b>		<b>401,974</b>	<b>(76,820)</b>
<b>Cash Flows from Financing Activities</b>			
Loan (repaid) / obtained from director	25	(100,000)	100,000
Long term financing obtained during the year	20	-	100,000
Repayment of long term financing	20	(26,283)	(3,266)
Dividend paid during the year		(87,127)	-
Amounts collected from building occupants against Building reserve	18	4,089	1,298
<b>Net Cash (Used in) / Generated from Financing Activities</b>		<b>(209,321)</b>	<b>198,032</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>		<b>(150,614)</b>	<b>145,290</b>
Cash received from merging entities		-	46,633
Cash and cash equivalents at beginning of the year	15	192,012	89
<b>Cash and cash equivalents at end of the year</b>	15	<b>41,398</b>	<b>192,012</b>

The annexed notes from 1 to 46 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**CHIEF FINANCIAL OFFICER**

  
**DIRECTOR**



## LSE CAPITAL LIMITED

### NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

#### 1 Legal Status and its Nature of Business

##### The Group comprises of

- LSE Capital Limited ("the Holding Company"); and
- LSE SPAC-1 Limited ("the wholly owned Subsidiary Company"), collectively referred to as "the Group".

- 1.1 LSE Capital Limited is the newly adopted name of the Modaraba Management Company, which was registered as JS Finance Limited on Jan 22, 1986. The company's name was changed to Bank Islamic Modaraba Investments Limited (BIMIL) after the acquisition of its 100% equity by Bank Islamic Limited during November 07, 2007.

After the acquisition of BIMIL by the incoming sponsors, the company was first named AssetPlex Limited but later changed its name to LSE Capital Limited during 2023. Later, under the Court sanctioned scheme of merger, Modaraba Al-Mali and LSE PropTech Limited were merged with/into LSE Capital Limited, which acquired the listing status at PSX on May 24, 2024 as a consequence of its merger. The Company is licensed as a Modaraba Management company, besides carrying the license to act as a consultant to the issue for the IPOs and corporate finance advisory services.

The company also holds the licenses of Modaraba Management Company as well as the Consultant to the Issue. It managed the erstwhile Modaraba Al-Mali, which was merged in LSE Capital on April 03, 2024 under sanctioned merger order of Lahore High Court no. 72878 / 2023 dated April 03, 2024.

The company's registered office is located at The Exchange Hub, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore.

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

##### Business Unit

##### Geographical Location

Head office / Registered Office

The Exchange Hub, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore.

Data Textile operational office

- 1.2 LSE SPAC-1 Limited ("the Company") was registered on March 09, 2025 as a public unlisted company limited by shares under the Companies Act, 2017. The registered office and principal place of business of the Company is situated at LSE Plaza, The Exchange Hub, 19-Kashmir Egerton, Lahore, Pakistan. The company is a wholly owned subsidiary of Messrs. LSE Capital Limited, the Holding Company.

The principal line of business of the company is to raise funds from investors and utilize those funds for merger and acquisition of company / companies within the permitted time frame, as per the Public Offering Regulations, 2017.

#### 2. Basis of Preparation

##### 2.1 Consolidated financial statements

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies. These consolidated financial statements have been prepared from the information available in the separate audited financial statements of the Holding Company and its Subsidiary for the year ended June 30, 2025. The accounting policies used by the Subsidiary in preparation of its financial statements are consistent with that of the Holding Company.

##### 2.2 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Holding Company obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiary companies have been consolidated on a line-by-line basis and the carrying values of investment held by the Holding Company have been eliminated against the shareholders' equity in the subsidiary. Intra-Group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full.

##### 2.3 Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Holding Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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## 2.4 Business combination

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated statement of profit or loss.

## 2.5 Loss of control

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in consolidated statement of profit or loss. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are reclassified to the consolidated statement of profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently that retained interest is accounted for as an equity-accounted investee, joint venture or as an available for sale financial asset depending on the level of influence retained.

## 2.6 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 of:

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

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

These financial statements provide comparative information in respect of the previous year. In addition when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the financial statements has been made.

## 2.7 Basis of measurement

These financial statements have been prepared under the historical cost convention without taking into account the effects for inflation or current values, except to the extent of following:

	<u>Note</u>	
Net investment in finance lease	8	(stated at Present value)
Certain property and equipment	4	(stated at Fair value)
Investment property	7	(stated at Fair value)
Financial Assets	11	(stated at Fair value and certain at amortized cost)
Trade and other receivables	12	(stated at carrying amount less impairment for expected credit loss)
Investment in associates	6	(stated at equity method)
Inventories	10	(stated at lower of cost and net realizable value)
Certain liabilities and payables	23	(stated at amortized cost)
Deferred tax liability	22	(stated as per IAS-12 "Income taxes")
Provisions	23.3	(stated as per best estimate)
Right of use asset	5	(stated at present value of future lease payments)
Lease liability	20	(stated at present value of future lease payments)

## 2.8 Presentation and functional currency

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

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## 2.9 Use of significant accounting judgement, estimates and assumptions

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires the management to exercise its judgments, make estimates and assumptions in the process of applying the Group's accounting policies that affect the reported amounts of assets, liabilities, income and expenses. These estimates and related assumptions are continually evaluated and are based on historical experience and various other factors including expectations of future events 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. In the process of applying the Group's accounting policies, management has made the following estimates and judgments which are significant to these financial statements:

### Property and equipment

The depreciation method and useful lives of property and equipment are reviewed by the management, at each financial year-end and these estimates are adjusted or revised if appropriate. The effect of any adjustment to useful lives and methods of these estimates are recognized prospectively or revised as a change in accounting estimate. In making these estimates, the Group uses the technical resources available with it. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with corresponding effects on the depreciation / amortization charge and impairment, if any.

### Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that property and equipment are impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount.

### Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include historical collection rates and forward looking information for macro economic factors i.e. interest rates, inflation rates, unemployment rates, GDP rates etc.

### Impairment of financial assets

Impairment of financial assets is assessed by reviewing their market prices and the indicators used to determine the recoverable amounts of the financial assets. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

### Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Group would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

### Stores and spares

Provision for slow moving, damaged and obsolete items and their net realizable value are based on management estimate.

### Staff retirement benefits

The Group considers the salary scale of each employee eligible under the provident fund scheme and its employment status on monthly basis to ensure the adequacy of expense and related liability on account of provident fund.

### Income taxes

In making the estimates for current and deferred income taxes, the management considers current income tax law and the decisions of appellate authorities on certain cases issued in the past. These estimates also include impacts of the decisions of appellate authorities about the benefits that become recoupable upon any change in tax structure of the Group.

### Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Group, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events.

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## Valuation of investments measured at FVPL

The Group has recorded its investments measured at FVPL by using quotations from Pakistan Stock Exchange. This valuation is subjective to market price fluctuation and therefore, cannot be determined with precision.

## Investment in Subsidiaries and Associates

Investment in subsidiaries are carried under cost whereas investment in associates is accounted for under equity method in accordance with the Group's accounting policy relating to their recognition and measurement. Provision against investments is based on impairment policy of the Group which includes both subjective and objective factors.

## Investment Property

The assessment of fair value is subjective and is dependent on various factors including but not limited to; survey's of similar properties in the neighborhood by the valuer, demand and market conditions, location and vicinity of the property, sale and purchase trend prevalent in the market, inflation and growth rates etc. The effect of any changes in estimate is accounted for on a prospective basis. Further, determining adjustments for any differences in nature, location and condition of the investment property involves significant adjustment.

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.

### 2.10 New standards, interpretations of and amendments to published approved accounting standards

#### 2.10.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year:

There are certain amendments to the published approved accounting standards that are effective in the current year. However, these do not have any significant impact on the Group's operations and, therefore, have not been detailed in these financial statements.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
2.10.2 New accounting standards, amendments and interpretations that are not yet effective	
There are certain other new and amended standards, interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 01, 2025 but are considered not to be relevant or will not have any significant effect on the Group's operations and are, therefore, not detailed in these financial statements.	
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 10 'Consolidated financial statements'	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IAS 7 (Statement of Cash Flows)	January 01, 2026
IFRS 18 'Presentation and Disclosures in Financial Statements'	January 01, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 01, 2027
IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'	January 01, 2027
IFRS S2 'Climate-related Disclosures'	January 01, 2027
2.10.3 In addition to the above, the IASB has issued the following standards and interpretations which, as of June 30, 2025, have not been notified by the Securities and Exchange Commission of Pakistan (SECP) for local adoption. The Group will evaluate the impact of these pronouncements once they are notified for application in Pakistan.	
IFRS 1 First-time Adoption of International Financial Reporting Standards	
IFRIC 12 Service Concession Arrangements	

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### 3. Material Accounting Policy Information

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

#### 3.1 Property and equipment

##### Recognition and measurement

Property and equipment, except freehold land and building on freehold land, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Freehold land and building on freehold land is stated at revalued amount, being the fair value at the date of their revaluation, less subsequent accumulated impairment losses, if any.

Cost of property and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable costs of bringing the assets to their working condition.

Freehold land and buildings on freehold land are revalued every three to five years. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Additions, subsequent to revaluation, are stated at cost less accumulated depreciation and any identified impairment loss.

Any revaluation increase arising on the revaluation of land and buildings on freehold land is recognized in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of property and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land and building on freehold land is charged to statement of profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation of property and equipment relating to a previous revaluation of that asset.

Each year, the incremental depreciation and its related deferred taxation, the difference between depreciation based on revalued carrying amount of the asset and depreciation based on the asset's original cost, is transferred from surplus on revaluation of property and equipment to retained earnings. All transfers from surplus on revaluation of property and equipment are net of applicable deferred taxation. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and cost of the item can be measured reliably. All other day to day maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Gains or losses on disposal of property and equipment are included in profit or loss.

##### Depreciation

Depreciation on property and equipment, except land, is charged to statement of profit or loss on the reducing balance method so as to write off the depreciable amount of an asset over its economic useful life using the annual rates mentioned in note 5.1. Depreciation on additions is charged from the month in which the asset is available for use, whereas no depreciation is charged on assets disposed off during the month.

##### Impairment

Where carrying amounts exceed the respective recoverable amount, assets are written down to their recoverable amounts and the impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount over its estimated useful life.

##### Disposal

An item of property and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Disposal of an asset is recognized when significant risk and rewards, incidental to the ownership of an asset, have been transferred to the buyer. The gain or loss on disposal or retirement of property and equipment is represented by the difference between the sale proceeds and the carrying amount of the property and equipment and is recognized as an income or expense in the year of disposal in statement of profit or loss. In case of sale or retirement of a revalued property, the attributable revaluation surplus remaining in the surplus on revaluation is transferred directly to retained earnings.

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## **Capital work in progress**

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. Cost may also include borrowing costs, if any. These are transferred to operating fixed assets as and when these are available for use.

## **3.2 Investment property**

Investment Property is property held either to earn rental income or for capital appreciation or for both, but not for sale in ordinary course of business, use in production or supply of goods or services as for administrative purpose.

The Group's investment property comprises of land and building which is carried at fair value less identified impairment loss, if any.

An investment property is initially recognized at cost which is the fair value of the consideration paid. Subsequent to initial recognition, investment property whose fair value can be measured reliably without undue cost or effort on an ongoing basis is measured at fair value, at each reporting date. The changes in fair value are recognized in the statement of profit or loss. Any other investment property (whose fair value cannot be measured reliably without undue cost or effort) is measured at cost less accumulated depreciation and any impairment loss.

The fair value of investment property after initial recognition / transfer is determined at the end of each year using current market prices for comparable real estate, adjusted for any differences in nature, location and condition. The fair value of investment property is determined by an independent and professional valuer on the basis of professional assessment of the market values as disclosed in Note 7.1 of these financial statements.

An investment property is derecognized on disposal or when its nature of substance is changed i.e. it becomes owner occupied property and transferred to operating fixed assets or when no future economic benefits are expected from its sale. The gain or loss on disposal or retirement of investment property represented by the difference between the sale proceeds and its carrying amount is recognized as an income or expense in the statement of profit or loss.

## **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 Group 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. All purchases and sales of investments are recognized on the trade date which is the date that the Group commits to purchase or sell the investment.

#### **3.3.1.1 Classification**

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Group classifies its financial assets at amortized cost and fair value through profit or loss. This classification is based on the Group'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.

##### **a Amortized cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

##### **b Fair value through other comprehensive income (FVOCI)**

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss.

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## c Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss in the period in which it arises. Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognized in profit or loss. Dividends from such investments continue to be recognized in profit or loss when the Group's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

### 3.3.1.2 Initial recognition and measurement

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

### 3.3.1.3 Subsequent measurement

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

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

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

### 3.3.1.4 Derecognition

Financial assets are derecognized when:

- the contractual rights to receive cash flows from the assets have expired; or
- the Group 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 Group has transferred substantially all the risks and rewards of the asset; or
  - b) the Group 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 statement of profit or loss for all the financial assets carried at amortized cost, FVPL and FVOCI. In case of financial assets carried at FVOCI cumulative gain or loss previously recognized in OCI is reclassified to profit or loss, except for equity instruments which are recycled to retained earnings from fair value reserve within equity.

If the Group 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 Group 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 Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group 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 Group has retained.

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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 Group could be required to repay.

If the Group's continuing involvement is in only a part of a financial asset, the Group 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 Group recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized cost. The Group assesses on a forward looking basis the expected credit losses associated with its financial assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

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

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

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Group recognizes in profit or loss, as an impairment loss (or reversal of impairment), the amount of expected credit losses (or reversal of impairment) that is required to adjust the loss allowance at the reporting date. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 3.3.1.6 Reclassification

When the Group changes its business model for managing financial assets, it reclassifies all affected financial assets accordingly. The Group applies the reclassification prospectively from the reclassification date.

In case of reclassification out of the amortized cost measurement category to fair value through profit or loss measurement category, fair value of the financial asset is measured at the reclassification date. Any gain or loss arising from a difference between the previous amortized cost and fair value is recognized in profit or loss.

In case of reclassification out of fair value through profit or loss measurement category to the amortized cost measurement category, fair value of the financial asset at the reclassification date becomes its new gross carrying amount.

In case of reclassification out of fair value through other comprehensive income measurement category to the amortized cost measurement category, the financial asset is reclassified at its fair value at the reclassification date. However, the cumulative gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. The effective interest rate and the measurement of expected credit losses are not adjusted as a result of the reclassification.

In case of reclassification out of fair value through profit or loss measurement category to the fair value through other comprehensive income measurement category, the financial asset continues to be measured at fair value.

## 3.3.2 Financial liabilities

### 3.3.2.1 Initial recognition and measurement

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

The Group does not reclassify any of its financial liabilities.

Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in profit or loss.

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### 3.3.2.2 Subsequent measurement

The Group 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 amortization is included as finance costs in the statement of profit or loss. Difference between carrying amount and consideration paid is recognized in the statement of profit or loss when the liabilities are derecognized.

### 3.3.2.3 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective of carrying amounts is recognized in the statement of 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 statement of 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 Group intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

### 3.4 Inventory

Inventory represents usable stores and spares and are valued principally on First in First Out Basis (FIFO) at lower of cost and net realizable value except for items in transit, while items considered obsolete, if any, are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Net realizable value signifies the selling price in the ordinary course of business less estimated costs necessary to be incurred in order to make the sale.

Spare parts of capital nature which can be used only in connection with an item of property and equipment are shown separately as capital spares and are carried at cost less accumulated impairment, if any.

### 3.5 Trade and other receivables

Trade and other receivables represent the Group's right and are initially recognized at an amount of consideration that is unconditional unless they contain significant financing component in which case they are recognized at fair value. The Group holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest rate method. Deduction, if any, is made for doubtful receivables based on expected credit losses model. Bad debts are written off when identified. Provision for loss allowance on doubtful debts is charged to statement of profit or loss.

### 3.6 Provisions

A provision is recognized in the statement of financial position when the Group 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 recognized for future operating losses.

### 3.7 Taxation - Levy and Income Tax

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

#### 3.7.1 Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements, except for taxes on dividends on the Group's investment in associates which are specifically within the scope of IAS 12 and hence these continue to be categorized as current income tax.

#### 3.7.2 Current

Current income tax assets and liabilities for the current and prior years 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.

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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 Group in accordance with the provisions of the Income Tax Ordinance, 2001. Super tax, if applicable, on the Group is calculated as per applicable tax rates as per Income Tax Ordinance, 2001.

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

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

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

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

### 3.7.3 **Deferred**

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

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

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

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

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

Deferred tax is calculated at rates that are expected to apply to the year 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 Group 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.

### 3.8 **Investments in associates**

Investment in associates where the Group has significant influence are measured at cost less impairment, if any, in the Group's financial statements and subsequently under equity method. At each reporting date, the recoverable amounts of investments are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as expense in the statement of profit or loss.

Investment in associates 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.

The Group is required to issue consolidated financial statements along with its separate financial statements, in accordance with the requirements of IAS 27, 'Separate Financial Statements'.

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### 3.9 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, cash at banks in saving accounts which are free of encumbrances and book overdrawn balances, if any.

### 3.10 Trade and other payables

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

### 3.11 Contract liabilities / advance from customers

A contract liability is recognized if a payment is received from a customer before the Group transfers the related goods. Contract liabilities are recognized as revenue when the Group transfers control of the related goods to the customer.

### 3.12 Staff retirement benefits

The Group operates recognized provident fund scheme covering all its permanent employees. The employees become eligible under the scheme if they successfully receive confirmation about their permanent employment status which is usually after two to three months from the first day of their joining. Equal contributions @ 10% per month are made both by the Group and employees to the fund.

### 3.13 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 Group.

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

### 3.14 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 Group has access at that date. There are three levels which are as under:

#### Level 1

The Group 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 Group 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 Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the statement of 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 Group'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.

### 3.15 Impairment of non-financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets that offset available revaluation surplus are charged against this surplus, all other impairment losses are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future year to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

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### 3.16 Revenue recognition

Revenue is recognized in accordance by applying the following steps:

- i) Identifying contract with a customer
- ii) Identifying performance obligation in the contract
- iii) Determining transaction price of the contract
- iv) Allocating transaction price to each of the separate performance obligations in the contract
- v) Recognizing the revenue when (or as) the Group satisfies a performance obligation

The Group recognizes revenue as follows:

#### Room maintenance services / Software services

Revenue is recognized when the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable within 10 days from the invoice date.

#### Finance lease

The Group follows the 'financing method' in accounting for recognition of finance lease. The total unearned finance income i.e. the excess of minimum lease payments over the cost of the leased asset is deferred and then amortized over the term of the lease, so as to produce a systematic return on the net investment in finance leases.

#### 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.

#### Rental income

Rental income from investment property is recognized in profit or loss on a straight-line basis over the lease term.

#### Dividend income

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

### 3.17 Operating segments

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as the chief operating decision-maker that made strategic decisions and who is also responsible for allocating resources to the operating segments, assessing their performance and whose results are regularly reviewed by it based on the discrete financial information of each segment.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets, consist primarily of investment property, trade and other receivables, investments in financial assets at FVPL, investment in associates, net investment in finance lease. Segment liabilities comprise of trade and other payables and exclude items that are common to all operating segments.

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment transfers are eliminated from the total, if any.

The management has determined that the Group has two major reporting segments; Income from investment in strategic portfolios and rental & related income earned from the leased building owned by the Group, that reflect the management structure of the Group.

### 3.18 Related party transactions

Related parties comprise the parent Group, associated companies / undertakings, directors of the Group and their close relatives and key management personnel of the Group. Transactions in relation to revenue, purchases and services with related parties are made at arm's length prices determined in accordance with the Group'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 Group 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 Group to not to do so.

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**3.19 Dividend distributions**

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

**3.20 Share capital**

Ordinary shares are classified as equity. Share capital represents the face value of shares that have been issued. Any transaction costs associated with the issuance of shares are deducted from share capital, net of any related income tax benefits, if any. Retained earnings include all current and prior period profits.

**3.21 Earnings per share**

The Group presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss, as the case may be, attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any. The Group does not account for the effect of potential ordinary shares while calculating dilutive loss per share in accordance with the requirements of the IAS 33 'Earnings per Share'.

**3.22 Comprehensive income**

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards.

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4	Property and Equipment	Note	2025	2024
			Rs. in 000s	
	Operating fixed assets - tangible	4.1	1,316,169	1,314,734
	Capital work in progress - civil work	4.2	6,824	6,658
			<u>1,322,993</u>	<u>1,321,392</u>

#### 4.1 Operating Fixed Assets - Tangible

Particulars	Cost / Revalued Amount						Accumulated Depreciation						Written Down Value as at June 30, 2025
	Balance as at July 01, 2024	Additions	Revaluation Surplus	Revaluation Adjustment	Disposals	Balance as at June 30, 2025	Rate	Balance as at July 01, 2024	Charge for the year	Disposals	Revaluation Surplus	Balance as at June 30, 2025	
	-----'Rs. in 000s-----						%	-----'Rs. in 000s-----					
<b><u>Owned assets</u></b>													
Land freehold	1,111,508	-	-	-	-	1,111,508	-	-	-	-	-	-	1,111,508
Buildings on freehold land	134,982	-	-	-	-	134,982	5%	-	6,749	-	-	6,749	128,233
Computer and accessories	30,580	1,036	-	-	(12,384)	19,232	30%	26,163	1,450	(12,066)	-	15,547	3,685
Furniture and fixture	17,636	625	-	-	(1,019)	17,242	10%	10,126	774	(959)	-	9,941	7,301
Office equipment	6,633	188	-	-	(5,327)	1,494	20%	6,406	66	(5,326)	-	1,146	348
Electric fittings and appliances	138,776	2,785	-	-	(3,689)	137,872	20%	102,174	7,499	(3,642)	-	106,031	31,841
Vehicles	497	17,112	-	-	(497)	17,112	20%	352	976	(457)	-	871	16,241
Elevator	19,969	-	-	-	-	19,969	20%	16,198	754	-	-	16,952	3,017
Generators	34,206	-	-	-	(6)	34,200	10%	22,064	1,214	(5)	-	23,273	10,927
Arms and security equipment	6,715	-	-	-	(405)	6,310	10%	3,285	343	(386)	-	3,242	3,068
Library books	318	-	-	-	(318)	-	25%	318	-	(318)	-	-	-
Leasehold improvements	5,697	-	-	-	(5,697)	-	20%	5,697	-	(5,697)	-	-	-
<b>Total</b>	<b>1,507,517</b>	<b>21,746</b>	<b>-</b>	<b>-</b>	<b>(29,342)</b>	<b>1,499,921</b>		<b>192,783</b>	<b>19,825</b>	<b>(28,856)</b>	<b>-</b>	<b>183,752</b>	<b>1,316,169</b>

Particulars	Cost / Revalued Amount						Accumulated Depreciation						Written Down Value as at June 30, 2024
	Addition under Merger as at April 03,2024	Additions	Revaluation Surplus	Revaluation Adjustment	Disposals	Balance as at June 30, 2024	Rate	Addition under Merger as at April 03,2024	Charge for the year	Disposals	Revaluation Surplus	Balance as at June 30, 2024	
	-----'Rs. in 000s-----						%	-----'Rs. in 000s-----					
<b><u>Owned assets</u></b>													
Land freehold	1,059,660	-	51,848	-	-	1,111,508	-	-	-	-	-	-	1,111,508
Buildings on freehold land	127,632	-	33,767	(26,417)	-	134,982	5%	25,085	1,332	-	(26,417)	-	134,982
Computer and accessories	30,036	544	-	-	-	30,580	30%	25,681	482	-	-	26,163	4,417
Furniture and fixture	17,636	-	-	-	-	17,636	10%	9,878	248	-	-	10,126	7,510
Office equipment	6,633	-	-	-	-	6,633	20%	6,386	20	-	-	6,406	227
Electric fittings and appliances	138,776	-	-	-	-	138,776	20%	99,885	2,269	-	-	102,174	36,602
Vehicles	45,913	8,234	-	-	(53,650)	497	20%	14,359	360	(14,367)	-	352	145
Elevator	19,969	-	-	-	-	19,969	20%	15,875	323	-	-	16,198	3,771
Generators	34,206	-	-	-	-	34,206	10%	21,728	336	-	-	22,064	12,142
Arms and security equipment	6,715	-	-	-	-	6,715	10%	3,191	94	-	-	3,285	3,430
Library books	318	-	-	-	-	318	25%	317	1	-	-	318	-
Leasehold improvements	5,697	-	-	-	-	5,697	20%	5,697	-	-	-	5,697	-
Total	1,493,191	8,778	85,615	(26,417)	(53,650)	1,507,517		228,082	5,485	(14,367)	(26,417)	192,783	1,314,734

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4.1.1 The particulars of operating fixed assets disposed off during the year are as follows:

Particulars	Cost	Carrying amount	Sale price	Loss on disposal - Note 31	Particulars of the purchaser	Mode of disposal	Relationship with the purchaser
-------------	------	-----------------	------------	----------------------------	------------------------------	------------------	---------------------------------

-----Rs. in 000s-----

**Computer and accessories**

Laptop HP Elite book	123	24	24	-	Mr. Ghulam Mustafa	As per Group's policy	Employee
Laptop HP Probook	290	173	173	-	Mr. Ghulam Mustafa	As per Group's policy	Employee
Apple I-PAD Mini	50	2	2	-	Mr. Ghulam Mustafa	As per Group's policy	Employee
Laptop HP Pavilion	210	90	90	-	Miss Fiza	As per Group's policy	Employee
	673	289	289	-			

**Vehicles**

Honda CD 70 LEN - 8459	71	5	5	-	Mr. Muhammad Waqas	As per Group's policy	Employee
Honda CD 70 LEV - 3752	69	4	4	-	Mr. Azhar Ashraf	As per Group's policy	Employee
Honda CD 70 LEX - 3756	73	8	8	-	Mr. Muhammad Abid	As per Group's policy	Employee
Honda CD 70 LEN - 3432	71	6	6	-	Mr. Nadeem	As per Group's policy	Employee
Honda CD 70 LEO - 2781	72	6	6	-	Mr. Muhammad Zaheer	As per Group's policy	Employee
Honda CD 70 LEO - 2783	72	6	6	-	Mr. Zia Ullah	As per Group's policy	Employee
Honda CD 70 LEV - 3749	69	4	4	-	Mr. Yasir	As per Group's policy	Employee
	497	39	39	-			

June 30, 2025

1,170 328 328 -

June 30, 2024

53,650 39,234 38,488 (746)

4.1.2 During the year, fully depreciated assets included in the Property and Equipment having cost amounting to Rs. 28.172 million and carrying amount of Rs. 0.156 million have been written off (Note 29).

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#### 4.1.3 Measurement of fair values

The Group obtains an independent valuation for its freehold land and building (classified as property and equipment) every three to five years. The valuation is conducted by an independent valuer who is approved by Pakistan Banks' Association (PBA). Latest revaluation was carried out on June 30, 2024.

##### Valuation techniques

###### Freehold land

The valuer determined the fair value of freehold land based on the market comparable approach that reflects transaction prices for similar properties in the area. The key observable inputs under this approach are the price per square feet from current year sales of comparable lots of land in the area (location and size). Different valuation methods and exercises were adopted according to experience, location and other usage of freehold land. Valuer had also considered other relevant factors as well.

###### Building on freehold land

The valuer used a cost approach (i.e. current replacement values) for building on freehold land to arrive at the fair value. Construction specifications were noted for each building and structure and new construction rates were applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

The effect of changes in the observable inputs used in the valuations cannot be determined with certainty; consequently, a qualitative disclosure of sensitivity has not been presented in these financial statements.

#### 4.1.4 Particulars of immovable property (i.e. land and building) in the name of Group are as follows:

Location / Address	Usage of immovable property	Total Area (Sq. ft.)	Covered Area (Sq. ft.)
19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.	Land and Building	44,213	North Tower: 97,828 Sqft South Tower : 50,132 Sqft

#### 4.1.5 Had the revaluation of these assets not been made, the carrying value of these assets as at the reporting date would have been as under:

	2025	2024
	Rs. in 000s	
Freehold land	1,059,660	1,059,660
Building on freehold land	96,154	101,215
	<u>1,155,814</u>	<u>1,160,875</u>

#### 4.1.6 Forced sale value and assessed value of these fixed assets as at the date of revaluation (i.e. June 30, 2024) was as under:

	Forced sale value	Assessed sale value
	Rs. in 000s	
Freehold land	944,782	1,111,506
Building on freehold land	235,425	276,970
	<u>1,180,207</u>	<u>1,388,478</u>

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**4.1.7** On April 07, 1987 Lahore Stock Exchange (Guarantee) Limited ("LSE") purchased land measuring 8 kanals and 2 marlas from Lahore Development Authority (LDA). LSE obtained the possession of the land via LDA allotment letter dated June 04, 1987.

On August 25, 2015, Securities and Exchange Commission of Pakistan ("the Commission") via letter having refer # SMD/SE/2/(57)2002 directed demutualization of the stock exchanges in the country. Consequent to the approved scheme of integration of stock exchanges, LSE was granted Investment Finance Services ("IFS") license by the Commission on January 11, 2016 to operate as an IFS Non-Banking Finance Company ("NBFC") company under the name LSE Financial Services Limited ("LSEFSL").

On April 26, 2023, a scheme of arrangement was formulated and approved by the Honourable Lahore High Court under order no. 58175/2022 in which the business of LSEFSL was partially transferred to LSE Proptech Limited including the transfer of land and building of LSEFSL to LSE Proptech Limited.

As at the reporting, the legal title of the land is in the name of Lahore Stock Exchange (Guarantee) Limited; however, the land and buildings are in the possession of LSE Proptech Limited.

On April 03, 2024, LSE Proptech Limited has been merged into LSE Capital Limited as per the scheme of arrangement approved by Honourable Lahore High Court under order no. 78278/2023. The title of the land and building in possession of LSE Proptech Limited is ultimately transferred in the name of LSE Capital Limited.

**4.1.8** The land and building is under the mortgage of Cordoba Leasing Limited as security for long term finance facility obtained as disclosed in the Note 20.2 of these financial statements.

## 4.2 Capital Work in Progress - civil work

The reconciliation of carrying amount is as follows:

	Note	2025	2024
		Rupees in 000s	
Balance as at July 01,		6,658	-
Transferred under merger scheme		-	22,260
Addition during the year		166	175
Written off	19	-	(15,777)
<b>Balance as at June 30,</b>		<b>6,824</b>	<b>6,658</b>

This represents the expenditure incurred on the structural designs and other costs for the construction of 5th floor on south tower and Mezzanine floor in LSE Plaza.

## 5 Right of Use Asset Cost

Balance as at July 01,		59,114	-
Transferred from fixed assets		-	35,988
Addition during the year	21.2	-	28,110
Disposal during the year		-	(4,984)
Balance as at June 30,		59,114	59,114

### Less: Accumulated Depreciation

Balance as at July 01,		1,985	-
Depreciation charged during the year	29	11,425	2,085
Disposal during the year		-	(100)
Balance as at June 30,		13,410	1,985
<b>Written down value as at June 30,</b>		<b>45,704</b>	<b>57,129</b>

Depreciation rate (%) per annum

20% 20%

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5.1 This represents the contract entered into with Messrs. Cordoba Leasing Limited for the sale and lease back of 16 vehicles (10 vehicles owned by the Group and six owned by its directors and other employees) at a consideration of Rs. 70 million with a lease term of 3 years. The lease will expire on April 18, 2027.

5.2 The particulars of right of use asset disposed off during the year are as follows:

Particulars	Cost	Carrying amount	Sale price	Gain on disposal (Note 31.5)	
Rs. in 000s					
2025	-	-	-	-	
2024	Vehicles	4,984	4,885	7,800	2,915

## 6 Investment in Associated Companies

### under equity method

Digital Custodian Company Limited - unquoted  
LSE Ventures Limited - quoted

Note	2025	2024
	Rs. in 000s	
6.2	258,971	172,087
6.3	806,539	723,937
	<b>1,065,510</b>	<b>896,024</b>

6.1 These companies are locally incorporated, with their country of incorporation / registration serving as their principal place of business. The Group has significant influence on associates through significant shareholding to its representation on the Board of Directors of investees and consequently investments have been treated as associates in accordance with requirements of IAS 28 'Investment in Associates'. Digital Custodian Company Limited (DCCL) is an unlisted public company hence its published price quotes are not available. The shares of LSE Ventures Limited (LSEVL) are listed on Pakistan Stock Exchange and its published price quotes is Rs. 5.75 per share. The shares of all the associated companies have a face value of Rs. 10 each.

6.2 DCCL was incorporated on February 12, 1992 under the repealed Companies Ordinance, 1984. The Company converted its status from private limited company to unlisted public company on June 19, 2009. The principal objective of DCCL is to act as trustee of investment trust schemes, voluntary pension schemes and real estate investment trust schemes to provide custodian service and to act as transfer agent / share registrar of securities of listed and unlisted companies and mutual funds etc.

6.3 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 Honourable Lahore High Court, accomplished through a reverse merger with Data Textiles Limited.

16/11/23

## 6.4

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

	Note	2025		
		DCCL	LSEVL	Total
		Rs. in 000s		
Balance as at July 01, 2024		172,087	723,937	896,024
Further investment made during there year		38,500	21,697	60,197
Share of post tax income for the year				
- through profit or loss	32	1,753	55,868	57,621
- through other comprehensive income		1,172	50,202	51,374
Gain on bargain purchase	32	45,459	3,007	48,466
Less: Dividend received during the year		-	(48,172)	(48,172)
Balance as at June 30, 2025		258,971	806,539	1,065,510
Number of shares held		22,215,728	49,883,397	
Shareholding in %age		42.50%	27.78%	

	Note	2024		
		DCCL	LSEVL	Total
		Rs. in 000s		
Balance as at July 01, 2023		135,812	-	135,812
Acquired under merger scheme as at April 03, 2024		12,926	689,796	702,722
Further investment made during there year		-	222	222
Share of post tax income for the year				
- through profit or loss	32	21,644	11,832	33,476
- through other comprehensive income		1,705	22,087	23,792
Balance as at June 30, 2025		172,087	723,937	896,024
Number of shares held		14,897,248	48,171,586	
Shareholding in %age		28.50%	26.82%	

## 6.5

The summarized financial information in respect of associates is set out below. The summarized financial information represents the amounts as shown in the associate's latest available audited financial statements for the year ended June 30, 2025.

	DCCL	LSEVL
	Rs. in 000s	
<b>Extracts of Statement of Financial Position</b>		
Current assets	39,132	312,500
Non-current assets	631,662	2,960,781
Current liabilities	(47,982)	(173,739)
Non-current liabilities	(15,974)	(445,934)
Net assets of the associate	606,838	2,653,608

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# **Extracts of the statement of profit or loss and comprehensive income**

	DCCL	LSEVL
	Rs. in 000s	
Revenue	127,342	466,265
Profit after tax	3,956	206,398
Other comprehensive income	2,757	184,656
Total comprehensive income	6,713	391,054

Reconciliation of the above summarized financial information to the carrying amount of the interest in the associates recognized in these financial statements is as follows:

Net assets of the associate	606,838	2,653,608
Proportion of the Group's ownership interest	42.50%	27.78%
Group portion of net assets of the Associate	257,933	737,041
Goodwill arisen on acquisition of shares	1,038	69,498
	258,971	806,539
Cost of Investment	185,500	488,189

- 6.6 The investment in subsidiary and associated companies and undertakings have been made in accordance with the requirement under Companies Act, 2017.

## **7 Investment Property - At Fair Value**

**Note**

		2025	2024
		Rs. in 000s	
Balance as on July 01,		392,122	-
Transfer under merger scheme		-	378,431
Gain on revaluation	31	64,154	13,691
Balance as at June 30,		456,276	392,122

- 7.1 The fair value of investment property is determined at the end of each year by independent suitably qualified valuer. The fair value of the investment property as at May 02, 2025 was performed by M/s Unicorn International Surveyors, who are independent valuers not related to the Group.

There are no level 1 and level 3 assets or any transfers between levels 1, 2 and 3 during the year.

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties/capitalization of net income method, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighborhood. The capitalization rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

There has been no change to the valuation technique during the year. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Property Type	Location	Area	Independent Valuer	Fair Value	Forced Sale Value
Rs. in 000s					
Building on freehold land	Lahore	27,097 square feet	M/s Unicorn International Surveyors	456,276	387,835

- 7.2 The land and building is under the mortgage of Cordoba Leasing Limited as security for long term finance facility obtained as disclosed in the Note 20.2 of these financial statements.

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## 8 Net Investment in Finance Lease

Balance as at July 01,  
Transfer under merger scheme  
Add: Finance income for the year  
Less: Rental received during the year  
Balance as at June 30,

Note

8.1

	2025	2024
	Rs. in 000s	
	4,275	-
	-	4,189
	342	86
	(343)	-
	4,274	4,275

8.1 The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Upto one year

Two to five years

Above five years

Less: Discounting

Closing balance

343	343
1,374	1,374
20,607	20,950
22,324	22,667
(18,050)	(18,392)
4,274	4,275

8.2 The Group has entered into lease arrangements for lease of office spaces i.e. 106,199 square feet in North and South Towers for a lease period of upto 99 years. Interest rate implicit @ 8% in the lease is used as a discount factor to determine the present value of minimum lease payments.

## 9 Long Term Deposits

Deposit against :

- Central Depository Company Limited
- Utilities
- Others

9.1

75	75
2,567	420
77	53
2,719	548

9.1 This amount has been deposited with Central Depository Company Limited against share registrar services. Central Depository Company Limited is an associate of LSE Ventures Limited, an associate of the Group.

## 10 Inventories

Consumable store items

2,442 2,411

## 11 Financial Assets

At fair value through profit and loss

Investment in Equity Securities

- Listed securities
- Unlisted securities - Ensmile limited

11.1

11.2

71,627	142,403
-	180,000
71,627	322,403

at amortized cost

Investment in Margin Trading System of NCCPL

Musharikah Financing (secured) - under islamic mode

Advance for purchase of shares - unsecured and considered good

11.3

11.4

11.5

-	17,644
350,000	300,000
60,000	-
410,000	317,644
481,627	640,047

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11.1 Breakup of investment in listed equity securities is as under:

2025							
Scrip	Symbol	Ownership %	Qty	Cost / share	Cost	Market Rate	Fair Value
				Rs.	Rs. in 000s	Rs.	Rs. in 000s
Bank Islami Pakistan Limited	BIPL	0.023%	260,000	30.36	7,895	35.82	9,313
ECOPACK Limited	ECOP	0.439%	212,000	87.96	18,648	66.32	14,060
Invest Capital Investment Bank Limited	ICIBL	0.421%	1,200,000	6.82	8,185	10.27	12,324
MACPAC Films Limited	MACFL	0.481%	285,000	27.06	7,711	49.38	14,074
TATA Textile Mills Limited	TATM	0.004%	2,500	105.25	263	129.71	324
Ghani Chemicals Industries Limited	GCIL	0.056%	320,000	22.39	7,166	24.86	7,955
Blue Ex Limited (GEM)	GEMBLUEX	0.709%	194,500	65.00	12,643	61.81	12,022
Ghani Chemworld Limited	GCWL	0.064%	160,000	-	-	9.72	1,555
					62,511		71,627

2024							
Scrip	Symbol	Ownership %	Qty	Cost / share	Cost	Market Rate	Fair Value
				Rs.	Rs. in 000s	Rs.	Rs. in 000s
Ghani Chemicals Industries Limited	GCIL	2.193%	12,509,749	15.00	187,646	11.03	137,983
Blue Ex Limited	GEMBLUEX	0.977%	267,895	65.00	17,413	16.50	4,420
					205,059		142,403

- 11.2 During the year, the Group had disposed of 2,525,000 equity shares of Ensmile Limited, representing 16.67% ownership interest in the investee. The shares were sold to the original sponsors of the investee company at an agreed price of Rs. 71.29 per share.
- 11.3 This represents amount invested through LSE Financial Services Limited in Marginal Trading System (MTS) and receives mark-up income net of 1% service charges and MTS charges. Investment in Margin Trading System of NCCPL is an undisclosed market of financees and financiers with a participation ratio of 85 to 15 carrying mark-up of KIBOR with spread of maximum upto 8% per annum. It carries mark-up at range of 20.38% to 23.19% per annum (2024: 24.15% to 35.16% per annum).
- 11.4 This represents Musharika Financing facility provided to Messrs. AG Publications (Private) Limited, through its Chief Executive Officer Mr. Iqbal Z. Ahmad, who is also a Chairman of Messrs. Pakistan Gas Port (PGP) Consortium Limited, out of the approved limit of Rs. 400 million, on a pre-agreed Profit-Sharing Rate (PSR) being not less than 6 months KIBOR+16%, or 2.5% per month whichever is higher, for revival of the company operating Jamshoro Joint Venture Limited (JJVL). It is recoverable in lump sum after the lapse of seven months from the date of disbursement of musharika financing whereas PSR is to be serviced on monthly basis. It is secured against pledge over 49,424,163 common shares of JJVL owned by Mr. Iqbal Z. Ahmad (Chief executive, director & major shareholder of JJVL) representing 51% of JJVL's voting share capital by way of a duly registered pledge charge with SECP, mortgage over the property owned by the daughter of Mr. Iqbal Z. Ahmad measuring 19 kanals and 12 marlas, situated at Bedian road, opposite DHA Phase-V, post-dated cheques signed by Mr. Iqbal Z. Ahmad for the repayment of monthly PSR and the lump sum amounts for encashment to secure the provided facility and confirmation letters from Messrs. PGP Consortium Limited (PGPCL) and Messrs. Pakistan Gas Port Limited (PGPL) for the payment of the future dividend (to be declared and disbursed by the company from time to time) in respect of the family members of Mr. Iqbal Z. Ahmad for the amount of facility provided.

*ICM*



11.5 The breakup of advance amount is as under:

Investee Company	Class of Shares	Number of Shares	Ownership Interest in the investee	Advance (% of total consideration)	Advance disbursed (Rs. "000")
Jamshoro Joint Venture Limited (JJVL)	A-Class	9,691,012	10%	20%	30,615
Energy Resource Business Limited (BVI)	Ordinary	9,810	9.81%	20%	29,385
<b>Total</b>					<b>60,000</b>

11.5.1 The Group entered into an agreement with Mr. Jamal Akbar Ansari, holding 10% equity stake in the Class-A shares of JJVL, for purchase of his entire shareholding in JJVL at an agreed consideration of Rs. 153.077 million comprising 9,691,012 ordinary shares @ of Rs. 15.80 per share. As mutually agreed, the Group has paid an advance to the party representing 20% of the consideration agreed. This transaction is materialized on August 11, 2025 and all the shares acquired under this arrangement have been transferred in the name of the Group on the same date.

11.5.2 On June 20, 2025, the Group entered into a duly executed term sheet with Mr. Jamal Akbar Ansari holding 9.81% equity stake in the ordinary shares of Messrs. Energy Resource Business Limited (ERBL) whereby the investee holds 95% of the Class-B shares of JJVL. Under this arrangement, the Group has given an advance to the party representing 20% of the total purchase price of shares. Through this investment, the group indirectly holds 4.66% of ownership interest in JJVL. The shares of ERBL have been transferred in the name of Group on July 31, 2025.

12 Trade and Other Receivables	Note	2025	2024
		Rs. in 000s	
Trade receivables - unsecured			
- From leaseholders	12.1	9,425	6,855
- From tenants	12.2	6,161	9,300
Insurance claims receivable - IGI Holdings Limited		-	7,800
Other receivables - unsecured and considered good	12.3	33,552	12,905
Accrued profit on musharika financing - under islamic mode	11.4	5,925	5,300
Accrued profit on bank deposits - under islamic mode		55	-
		<b>55,118</b>	<b>42,160</b>
<b>12.1 Trade receivables from leaseholders</b>			
Considered good		9,425	6,855
Considered doubtful		17,461	16,504
		26,886	23,359
Less: Expected credit loss	12.1.1	(17,461)	(16,504)
		<b>9,425</b>	<b>6,855</b>
<b>12.1.1 Expected credit loss from leaseholders</b>			
Balance as at July 01,		16,504	-
Transfer under merger scheme		-	13,227
Expected credit loss during the year		1,160	3,277
Balance written off		(203)	-
Balance as at June 30,		<b>17,461</b>	<b>16,504</b>

*16/11/25*



### 12.1.2 Age analysis of trade receivables from leaseholders

Description	Year end	Past due					Total Gross amount due
		0-30 Days	31-60 Days	61-90 Days	91-365 Days	Above 365 days	
----- Rs. in 000s -----							
Leaseholders	2025	3,055	2,617	1,668	8,359	11,187	26,886
Leaseholders	2024	3,097	1,359	992	3,781	14,130	23,359

### 12.2 Trade receivables from tenants

Considered good  
Considered doubtful

Less: Expected credit loss

Note	2025	2024
	Rs. in 000s	
	6,161	9,300
	3,634	2,983
	9,795	12,283
12.2.1	(3,634)	(2,983)
	6,161	9,300

#### 12.2.1 Expected credit loss from tenants

Balance as at July 01,  
Transfer under merger scheme  
Expected credit loss during the year  
Balance as at June 30,

2,983	-
-	1,905
651	1,078
3,634	2,983

#### 12.2.2 Age analysis of trade receivables from tenants:

Description	Year end	Past due					Total Gross amount due
		0-30 Days	31-60 Days	61-90 Days	91-365 Days	Above 365 days	
----- Rs. in 000s -----							
Tenants	2025	3,130	1,901	1,124	3,372	268	9,795
Tenants	2024	4,396	377	592	4,092	2,826	12,283

12.3 This includes balance receivable from Messrs. Digital Custodian Company Limited, an associated company along with mark-up @ 6 months KIBOR + 2% per annum as per the requirements of section 199 of the Companies Act, 2017. It is unsecured and will be recoverable in the ordinary course of business. The breakup and maximum outstanding amount due from the related parties at the end of any month during the year is as follows:

	Gross Amount Due		Maximum Outstanding amount
	2025	2024	
	Rs. in 000s		
Receivable against the equity management fee	9,094	-	9,094
Other receivable _ current account	23,502	4,427	23,502
	32,596	4,427	32,596

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### 12.3.1 Age analysis of other receivables from related parties:

Description	Year end	Past due					Total Gross
		0-30 Days	31-60 Days	61-90 Days	91-365 Days	Above 365 days	
..... Rs. in 000s .....							
Receivable against the equity management fee		-	-	3,031	6,063	-	9,094
Other receivable _ current account		3,018	12	-	16,045	4,427	23,502
	2025	3,018	12	3,031	22,108	4,427	32,596
	2024	-	-	4,427	-	-	4,427

### 13 Advances, Deposits and Prepayments

#### Considered good

	Note	2025	2024
Rs. in 000s			
Advance to suppliers - unsecured		15,450	11,374
Advances to employees - secured			
- against expenses		200	250
- against salaries	13.1	919	821
- against house rent and others	13.2	80	564
Advances to brokers		7,617	-
Prepayments		1,086	1,166
		25,352	14,175

**13.1** This includes Rs. 0.395 million (2024: Rs. 0.279 million) as advance given to executives during the year in terms of their employment which is adjustable in the ordinary course of business against their monthly salaries which is normally within one year. These balances are within the age bracket of one year.

The maximum aggregate balance due from the executives at the end of any month during the year is Rs. 1.145 million (2024: Rs. 0.759 million).

**13.2** This includes an amount of Nil (2024: Rs. 0.54 million) as advance given to one of the director of LSE Ventures Limited, an associated company of the Group in the ordinary course of business that have been recovered during the year.

### 14 Tax Refunds Due From The Government - net

	Note	2025	2024
Rs. in 000s			
Balance as at July 01,		28,935	2,522
Transfer under merger scheme		-	27,769
Income tax deducted at source during the year - net		30,517	4,914
Prior year adjustment	35	(1,897)	(446)
Less: Provision for taxation.		(32,709)	(5,824)
Balance as at June 30,		24,846	28,935

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# 15 Cash and Bank Balances

		2025	2024
	Note	Rs. in 000s	
Cash in hand		100	100
Cash at bank in savings account	15.1	41,298	191,912
		<u>41,398</u>	<u>192,012</u>

15.1 This carries mark-up ranging from 8.50% to 20.50% per annum (2024: 17.25% to 20.50% per annum). This includes Rs. 9.858 million (2024: Rs. 0.404 million) held under islamic windows of banks.

# 16 Issued, Subscribed and Paid-up Share Capital

	2025	2024		2025	2024
	Number of shares			Rs. in 000s	
16.1 Authorized share capital					
	200,000,000	200,000,000	Ordinary shares of Rs. 10 each	2,000,000	2,000,000
	50,000,000	50,000,000	Preference shares of Rs. 10 each	500,000	500,000
	<u>250,000,000</u>	<u>250,000,000</u>		<u>2,500,000</u>	<u>2,500,000</u>

# 16.2 Issued, subscribed and paid up capital

	21,000,000	21,000,000	Ordinary shares of Rs. 10 each issued for cash	210,000	210,000
	160,153,345	160,153,345	Ordinary shares of Rs. 10 each issued other than in cash	1,601,534	1,601,534
	<u>181,153,345</u>	<u>181,153,345</u>		<u>1,811,534</u>	<u>1,811,534</u>

16.3 LSE Capital Limited has merged as per Lahore High Court Order dated April 03, 2024 under which 160,153,445 shares has been issued in favor of shareholders of LSE PropTech Limited and Modaraba Al Mali as per the approved merger scheme.

16.4 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 Group. All shares carry one vote per share without restriction.

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

	2025	2024
	Number of shares	
Balance as at July 01,	181,153,345	21,000,000
Issued other than in cash	-	160,153,345
Balance as at June 30,	<u>181,153,345</u>	<u>181,153,345</u>

16.6 The shareholding structure of the Group is as under:

Name of shareholders	%age of shareholding	Number of shares	
Danish Elahi	14%	24,697,350	24,697,350
LSE Ventures Limited	12%	22,615,904	22,370,904
Chief executive and family	11%	20,590,004	20,580,548
Iqbal Usman and associates	9%	15,604,156	15,604,156
Zahid Latif Securities (Private) Limited	8%	13,758,156	12,720,002
Digital Custodian Company Limited	7%	12,935,548	12,691,763
LSE Financial Services Limited	6%	10,000,000	10,000,000
Aslam Khaliq	4%	7,237,163	7,237,163
Amir Zia	0%	-	3,618,581
Others	30%	53,715,064	51,632,880
		<u>181,153,345</u>	<u>181,153,345</u>

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		2025	2024
	Note	Rs. in 000s	
<b>17 Surplus on Revaluation of Property and Equipment</b>			
<b>Gross amount of revaluation surplus</b>			
Balance as at July 01,		85,615	-
Surplus arose on fresh revaluation of land and building	4.1	-	85,615
Incremental depreciation on revaluation of building		(1,688)	-
Balance as at June 30,		83,927	85,615
<b>Less: Deferred tax</b>			
Balance as at July 01,		(9,793)	-
Tax effect of incremental depreciation on revaluation of building	22.3	490	(9,793)
Balance as at June 30,		(9,303)	(9,793)
<b>Balance as at June 30, net of deferred tax</b>		<b>74,624</b>	<b>75,822</b>
<b>17.1</b> The surplus on revaluation of property and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.			
<b>18 Building Reserve Fund</b>		<b>6,593</b>	<b>1,682</b>
<b>18.1</b> This reserve was formed for replacement of major fixed assets of the Group. The Group and its long term lease holders contribute their respective shares at Rs. 4 per sq. ft. in the fund.			
<b>18.2 Movement during the year:</b>			
Balance as at July 01,		1,682	-
Building reserve collected during the year		4,911	1,682
Balance as at June 30,		6,593	1,682
<b>19 Adjustments Related to Pre-merger Transactions</b>			
Capital work in progress written off	4.2	-	(15,777)
Old liabilities written back	19.1	-	14,132
		-	(1,645)
<b>19.1</b> This represented the old outstanding balance previously payable by LSE Proptech Limited, which was no more payable by the Group and accordingly written back in the last year in the statement of changes in equity (SOCE) in line with the approved scheme of merger.			
<b>20 Long Term Financing</b>			
<b>Under conventional mode</b>			
Lease liability	20.1	24,555	48,378
Financial liability at amortized cost	20.2	12,115	22,072
		<b>36,670</b>	<b>70,450</b>

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- 20.1 This financing has been obtained through sale and lease back of vehicles of the Group from Cordoba Leasing Limited with a lease term of 36 months. It carries markup @ 1.95% per month, payable monthly and repayable in 36 equal monthly instalments along with markup. It is secured against registration of vehicles in the name of Cordoba Leasing Limited, personnel guarantee of chief executive of the Group, demand promissory note of Rs. 98.182 million, registered charge on all the present and future assets of the Group amounting to Rs.150 million, 36 post dated cheques of Rs. 2.727 million each and assignment of receivables from the tenants of the property owned by the Group.

	Note	2025	2024
		Rs. in 000s	
<b>20.1.1 Movement in Lease liability during the year</b>			
Balance as at July 01,		67,259	-
Assets acquired under finance lease		-	70,000
Accretion of finance cost		13,773	2,976
Repayments made during the year		(32,653)	(5,717)
Balance as at June 30,		48,379	67,259
Less: current portion shown under current liabilities	24	(23,824)	(18,881)
		<u>24,555</u>	<u>48,378</u>

**20.1.2 Maturity analysis of gross and discounted lease liabilities**

	Gross amount		Present value	
	2025	2024	2025	2024
	Rs. in 000s		Rs. in 000s	
Up to one year	32,727	32,727	23,824	18,881
After one year	27,273	60,000	24,555	48,378
Total lease liability	<u>60,000</u>	<u>92,727</u>	<u>48,379</u>	<u>67,259</u>

- 20.2 This long term finance facility from Cordoba Leasing Limited was obtained to meet the working capital requirements of the Group amounting to Rs. 30 million. It carries markup at the rate of @ 30% per annum, payable monthly and repayable in 36 equal monthly instalments along with the markup. It is secured against the mortgage of immovable property owned by the Group, personal guarantee of the chief executive of the Group, duly signed demand promissory note for the amount of facility, registered charge on all the present and future assets of the Group amounting to Rs. 150 million and 36 post dated cheques of Rs. 1.274 million each.

	Note	2025	2024
		Rs. in 000s	
<b>20.2.1 Movement in financial liability at amortized cost during the year</b>			
Balance as at July 01,		29,475	-
Loan obtained during the year		-	30,000
Repayments made during the year		(7,403)	(525)
Balance as at June 30,		22,072	29,475
Less: current portion of financial liability	24	(9,957)	(7,403)
		<u>12,115</u>	<u>22,072</u>

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## 20.2.2 Maturity analysis of gross and discounted financial liabilities

	Gross amount		Present value	
	2025	2024	2025	2024
	Rs. in 000s		Rs. in 000s	
Up to one year	15,283	15,283	9,957	7,403
More than one year and less than 5 years	14,009	29,292	12,115	22,072
Total financial liability	29,292	44,575	22,072	29,475

## 21 Other Liabilities

Deposits from employees against vehicles	21.1	12,041	6,091
Payable against Sale and lease back	21.2	28,110	28,110
Security deposit against rent		2,944	1,079
		43,095	35,280

**21.1** This represents deposits from employees against the purchase of vehicles for employees. Initially vehicles are held in the name of Group which will be transferred upon settlement of all related liabilities. These deposits are recovered in 60 equal monthly interest free installments.

**21.2** This represents payable to related parties and other employees of the Group on account of sale and lease back transaction entered into with Cordoba Leasing Limited. The party wise breakup of payable to related parties is as under :

	2025	2024
	Rs. in 000s	
Chief Executive / Director	14,000	14,000
Digital Custodian Company Limited, an associated company	5,500	5,500
	19,500	19,500

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	Note	2025	2024
		Rs. in 000s	
<b>22 Deferred Tax Liability</b>	<b>22.1</b>	<b>83,594</b>	<b>43,075</b>
<b>22.1 Breakup of deferred tax liability</b>			
<b>Taxable temporary differences</b>			
Accelerated tax depreciation		19,804	16,072
Share of profit from associate		58,774	22,794
Net investment in finance lease		1,239	1,239
Surplus on property and equipment		9,303	9,793
Financial assets - Listed		1,367	-
<b>Deductible temporary differences</b>			
Loss allowance on receivables		(6,118)	(4,786)
Right of use of assets		(775)	(2,021)
Financial assets - Listed		-	(16)
		<b>83,594</b>	<b>43,075</b>
<b>22.2</b>	Deferred tax assets / liabilities on temporary differences are measured at effective rate of 29% (2024 : 29%).		
<b>22.3 Reconciliation of deferred tax liabilities - Net</b>			
Balance as at July 01,		43,075	16,370
Transferred under merger Scheme		-	64,687
Deferred tax effect charged to statement of profit or loss	35	33,303	(47,746)
Deferred tax effect charged to other comprehensive income	22.4	7,706	13,362
Deferred Tax impact on realization of Ensmile shares		-	(3,598)
Deferred tax effect charged to statement of changes in equity	17	(490)	-
Balance as at June 30,		<b>83,594</b>	<b>43,075</b>
<b>22.4 Analysis of change in deferred tax</b>			

	Statement of Financial Position		Statement of Profit or loss		Statement of Comprehensive Income		Statement of Changes in Equity	
	2025	2024	2025	2024	2025	2024	2025	2024
Rs. in 000s.								
Accelerated tax depreciation	19,804	16,072	3,732	16,072	-	-	-	-
Share of profit from associate	58,774	22,794	28,273	2,855	7,706	3,569	-	-
Surplus on property and equipment	9,303	9,793	-	-	-	9,793	(490)	-
Net investment in finance lease	1,239	1,239	-	1,239	-	-	-	-
Financial Assets - listed	1,367	(16)	1,384	(16)	-	-	-	-
Right of use of assets	(775)	(2,021)	1,246	(2,021)	-	-	-	-
Loss allowance on receivables	(6,118)	(4,786)	(1,332)	(4,786)	-	-	-	-
Transfer under merger scheme	-	-	-	(64,687)	-	-	-	-
Loss on realization of ensmile shares	-	-	-	3,598	-	-	-	-
	<b>83,594</b>	<b>43,075</b>	<b>33,303</b>	<b>(47,746)</b>	<b>7,706</b>	<b>13,362</b>	<b>(490)</b>	<b>-</b>

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		2025	2024
	Note	Rs. in 000s	
<b>23 Trade and Other Payables</b>			
Payable to Ghani Chemical Industries Limited	23.1	7,000	174,706
Creditors for Services		3,905	10,377
Security deposits - Ijarah finance	23.2	-	3,762
Accrued liabilities	23.3	12,108	16,045
Sales tax payable		3,444	3,709
Contract liability	23.4	2,430	7,401
Advance received against sale of Ensmile shares		-	25,000
Payable to related parties	23.5	103,404	88,338
Retention money - unsecured		1,004	896
Temporary overdraft		-	726
		<b>133,295</b>	<b>330,960</b>

**23.1** This represents the balance payable to the above named party by the Group against purchase of its shares as per the duly executed term sheet previously entered into between Modaraba Al Mali and the said party which then becomes payable by the Group under the merger scheme dated April 03, 2024.

**23.2** These represent amounts received under Ijarah Finance as security deposits transferred to the Group under the merger scheme, which were stated to be repayable / adjustable on the expiry of the Ijarah period. However, due to default by the counterparties in making payments due under the Ijarah finance facility, this balance is written back during the year being no more payable as it equates the amount of Ijarah finance receivable by the Group under the contract from the counterparties who had already defaulted for their obligations towards the Group (Note 31).

**23.3** This includes an amount of Rs. 7.386 million (2024: Rs. 7.386 million) that had been provided for by LSE Proptech Limited and has been transferred to the Group under the merger scheme against the legal case filed by the employees that were previously been employed by LSE Financial Services Limited as disclosed in Note 27.1 of these financial statements.

**23.4** This represents advance received from the following parties :

	2025	2024
	Rs. in 000s	
Tenants	2,430	6,799
Leaseholders and Companies	-	602
	<b>2,430</b>	<b>7,401</b>

**23.5** This represents an amount payable to associated companies as current account to meet the working capital and operational requirements of the Group. It carries markup @ 6 Months KIBOR + 1% per annum. It is unsecured and payable on demand. The breakup is as under:

LSE Ventures Limited	79,289	88,153
LSE Financial Services Limited	24,115	185
	<b>103,404</b>	<b>88,338</b>

## 24 Current Portion of Long Term Financing

Lease liability	20.1.1	23,824	18,881
Financial liability at amortized cost	20.2.1	9,957	7,403
		<b>33,781</b>	<b>26,284</b>

## 25 Loan From Director - secured

Under conventional mode	25.1	-	100,000
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**25.1** This short term loan facility was obtained from the Chief Executive / Director of the Group amounting to Rs. 100 million to meet its working capital requirements for the period of 6 months. It carried markup @ 30% per annum, payable monthly. It was repayable after 6 months in lump sum or in 6 equal monthly instalments at the beginning of each month succeeding the month of disbursement whereas the markup was to be serviced on monthly basis. It was secured against least pari passu charge in right and priority of payment with all its other present or future, actual or contingent, unsecured and unsubordinated obligations and liabilities, except for those obligations and liabilities mandatorily preferred by law of general application to companies. This facility was paid off in full during the year.

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		2025	2024
		Rs. in 000s	
<b>26 Accrued markup on financing</b>	<b>Note</b>		
Long term financing - secured			
Under conventional mode			
- lease liability		189	264
- financial liability at amortized cost		294	380
Short term financing			
- loan from director - secured and under conventional mode	25	-	1,208
- payable to associated companies - unsecured			
LSE Ventures Limited	23.5	14,885	2,100
LSE Financial Services Limited	23.5	2,456	-
		<b>17,824</b>	<b>3,952</b>

## 27 Contingencies and Commitments

### 27.1 Contingencies

The Group is contingently liable for the following:

- o Certain employees had been reinstated and arrears / back benefits were paid in accordance with Labour Court Order, dated August 13, 2020. However, these employees filed fresh petitions for determination and recovery of back benefits from the LSE Proptech Limited which has now become due on the part of Group under the merger scheme. Under the circumstances, the Group incorporated a certain provision in the financial statements up to June 30, 2025 based on its best estimate. This case is pending adjudication until the terminal date. However, the Group expects a favourable outcome in the instant case.
- o The Group has not recognized provision for Punjab Workers' Welfare Fund (PWWF) amounting to Rs. 6.130 million (2024: Rs. 1.591 million) on the pretext that it does not fall under the definition of industrial establishment as defined in Clause (d) of Section 2 of the Punjab Workers' Welfare Fund Act, 2019 nor does it employ any worker as defined in Clause (l) of Section 2 of the Act and Section 2 of the Punjab Industrial Relation Act, 2010.

### 27.2 Commitments

There is no commitment outstanding as at the reporting date (2024: Nil).

		2025	2024
		Rs. in 000s	
<b>28 Revenue</b>	<b>Note</b>		
Investment properties - rental income		43,995	15,380
Other revenues - inclusive of PRA sales tax			
Room maintenance services		38,513	10,488
Advisory fee		23,844	8,667
Equity management fee	28.1	46,552	-
Software services		7,923	2,208
		<b>116,832</b>	<b>21,363</b>
Less: PRA sales tax	28.2	<b>(15,399)</b>	<b>(1,552)</b>
		<b>101,433</b>	<b>19,811</b>
		<b>145,428</b>	<b>35,191</b>

- 28.1** This represents the management fees charged to associated group companies on account of management of their payroll and provision of administrative services to them as per the duly executed agreement entered into between the parties. The breakup of equity management fee is as under:

#### Associated companies

LSE Financial Services Limited  
LSE Ventures Limited  
Digital Custodian Company Limited

6,208	-
31,250	-
9,094	-
<b>46,552</b>	<b>-</b>

- 28.2** The aggregate PRA sales tax amounting to Rs. 15.399 million (2024: Rs.1.552 million) is charged on room maintenance services, advisory fee, equity management fee and software services income.

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29 Administrative and General Expenses	Note	2025	2024
		Rs. in 000s	
Salaries and benefits	29.1	75,522	23,752
Information technology related expenses		3,285	128
Insurance		1,942	271
Travelling and conveyance		10,566	3,222
Printing and stationery		1,656	172
Utilities		3,038	1,425
Repairs and maintenance		12,951	1,609
Security expenses		9,257	1,438
Communication, entertainment and public relations		11,072	1,172
Legal and professional charges	29.2	18,428	15,331
Fees and subscription		1,050	568
Rent, rates and taxes		1,689	376
Auditors' remuneration	29.3	1,450	1,284
Board meetings fee	29.4	1,675	1,925
Old debit balances written off		4,492	-
Miscellaneous expenses	29.5	498	1,331
Property and equipment written off	4.1.2	156	-
Depreciation on property and equipment	4.1	19,825	5,485
Depreciation on Right of use asset	5	11,425	2,085
		<u>189,977</u>	<u>61,574</u>

29.1 Salaries and benefits include Rs. 2.81 million (2024: Rs. 0.613 million) in respect of contribution to provident fund.

29.2 This includes an amount of Rs. 14.778 million as consultancy charges paid to Mr. Amir Zia, Chief Executive of the subsidiary company of the Group namely; LSE SPAC-I Limited.

**29.3 Auditors' remuneration**

Audit fee	1,050	850
Other assurance / attestation services	400	434
	<u>1,450</u>	<u>1,284</u>

29.4 Meeting fee is being paid to the Non-executive and independent directors of the Group for attending corporate meetings of the Group at rates as approved by the Board of Directors.

29.5 This includes Rs. Nil (2024: Rs.0.3 million) as donation given by the Group. The directors and their relatives have no interest in the donee.

**30 Other Expenses**

Expected credit loss on trade receivables	12.1.1 & 12.2.1	1,811	4,355
Bad debts written off		624	-
		<u>2,435</u>	<u>4,355</u>

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### 31 Other Income

#### Income from financial assets:

Cash and cash equivalents - profit on saving bank accounts	31.1
Interest Income from related parties	31.2
Return on musharikhah financing - <i>under islamic mode</i>	11.4
Realized fair value gain on investments in Ensmile Limited	
Fair value gain recycled from OCI on disposal of associate	
Unrealized fair value gain on investment in listed equity securities - net	
Realized fair value gain on investment in listed equity securities - net	
Dividend Income on investment in listed equity securities	
Interest Income on exposure in MTS	
Finance income on net investment in finance lease	8

#### Income from non financial assets:

Unrealized gain on investment property carried at fair value	7
Old credit balances / excess provisions written back	23.2
Parking charges and miscellaneous income	31.3
Gain from coal trading	31.4
Gain on disposal of property and equipment	31.5

	2025	2024
	Rs. in 000s	
	6,833	440
	2,242	6,780
	126,225	17,300
	-	6,031
	-	23,977
	18,549	17,900
	87,007	-
	2,033	-
	4,783	47
	342	86
	248,014	72,561
	64,154	13,691
	3,762	4,650
	10,276	3,419
	-	189
	-	2,169
	78,192	24,118
	326,206	96,679

31.1 This includes Rs. 0.285 million (2024: Rs. 0.205 million) earned from bank accounts maintained under Islamic windows of banks.

31.2 This represents income from related parties under section 199 as per the Companies Act, 2017 :

#### Associated undertakings :

LSE Ventures Limited	-	5,201
Digital Custodian Company Limited	2,242	1,579

	-	5,201
	2,242	1,579
	2,242	6,780

31.3 This includes an interest income amounting to Rs. Nil (2024: Rs.0.204 million) against advance to one of the directors of LSE Ventures Limited, an associate of the Group.

#### 31.4 Gain from coal trading

Revenue from sale of coal	-	7,743
Less: sales tax @ 18%	-	(1,181)
	-	6,562
Less: Cost of coal sold	-	(6,373)
	-	189

31.5 Gain / (loss) on disposal of property and equipment and right of use of asset is as follows:

Loss on property and equipment	4.1.1	-	(746)
Gain on right of use of assets	5	-	2,915
		-	2,169

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### 32 Income from Associates

Post tax share of profit from associates  
 Digital Custodian Company Limited  
 LSE Ventures Limited

Note

2025

2024

Rs. in 000s

6.4	1,753	21,644
6.4	55,868	11,832
	57,621	33,476
32.1	45,459	-
32.1	3,007	-
	48,466	-
	106,087	33,476

Gain on bargain purchase

Digital Custodian Company Limited  
 LSE Ventures Limited

32.1 This represents the excess of Group's interest in the net assets of the associates over the original cost of investment and is recognized in accordance with the requirements of International Accounting Standard 28, "Investments in Associates and Joint Ventures"

### 33 Finance Cost

Mark-up on financing  
 Bank charges

33.1	79,223	19,477
	36	410
	79,259	19,887

33.1 This represents the markup expense against financing obtained from the following parties under conventional mode:

#### Related Parties

Director / Chief Executive

Associated Undertakings :

LSE Ventures Limited

LSE Financial Services Limited

#### Others

Long term financing

Ghani Chemical Industries Limited

25	12,542	4,958
23.5	14,885	8,100
23.5	2,456	185
20	21,553	6,234
23.1	27,787	-
	79,223	19,477

### 34 Levy

Alternate corporate tax - differential  
 Minimum Tax on services  
 Minimum tax - LSE SPAC-1 Limited  
 Tax on dividend  
 Capital gain tax

11,289	-
-	3,025
2	-
305	-
9,397	7,644
20,993	10,669

This represents final taxes paid under sections 153(1), 150, 113 and 37(A) of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

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### 35 Taxation

Current Tax			
Normal tax		4,490	(4,845)
Tax on dividend from associate	35.1	7,226	-
Prior year adjustment	14	1,897	446
		13,613	(4,399)
Deferred tax	22.3	33,303	(47,746)
		<u>46,916</u>	<u>(52,145)</u>

35.1 This represents tax on dividend income received from associated companies as disclosed in Note 6 of these financial statements that is classified as income tax as per the Circular # 10/2024 issued by the Institute of the Chartered Accountants of Pakistan (ICAP) dated June 14, 2024.

35.2 Income tax return has been filed to the income tax authorities upto and including tax year 2024 under the provisions of the Income Tax Ordinance, 2001.

#### 35.3 Relationship between tax expense and accounting profit

Accounting profit for the year before levy and taxation	<u>306,050</u>	<u>79,530</u>
Applicable tax rate	<u>29%</u>	<u>29%</u>
Tax on income	88,755	-
Tax effect on difference of admissible and non-admissible expenses	(22,299)	-
Tax effect on income charged to final tax classified as levy	(61,966)	-
Reduced tax rate effect on final tax income classified as income tax	7,226	-
Prior year adjustment	1,897	-
Deferred tax	33,303	-
	<u>46,916</u>	<u>-</u>

35.4 Relationship between tax expense and accounting profit for the comparative period was not applicable since the Group had suffered loss from business and accordingly no provision for normal taxation was recognized in the last year.

### 36 Earnings per Share - Basic and Diluted

	<u>2025</u>	<u>2024</u>
Net profit after taxation attributable to ordinary shareholders (Rs. in 000s)	<u>238,141</u>	<u>121,006</u>
Weighted average number of ordinary shares (Number of shares in thousands)	<u>181,153</u>	<u>45,447</u>
Earning per share - Basic and diluted (Rupees)	<u>1.31</u>	<u>2.66</u>

36.1 The figure for diluted earnings per share is the same as basic earnings per share as the Group has not issued any instrument which would have an impact on basic earnings per share when exercised.

ICAP

**37 Cash Generated from Operations****Note****2025****2024****Rs. in 000s**

Profit before levy and taxation

306,050

79,530

**Adjustments**

Depreciation

4.1

19,825

5,485

Depreciation on right of use asset

5

11,425

2,085

Income from associates

6.4

(106,087)

(33,476)

Finance income on net investment in finance lease

8

(342)

(86)

Investment properties - rental income

28

(43,995)

(15,380)

Cash and cash equivalents - profit on saving bank accounts

31

(6,833)

(440)

Return on musharikah financing - under islamic mode

11.4

(126,225)

(17,300)

Impairment loss on trade and other receivables

30

1,811

4,355

Bad debts written off

30

624

-

Unrealized gain on investment property

31

(64,154)

(13,691)

Realized fair value gain on investments in Ensmile Limited

31

-

(6,031)

Fair value gain recycled from OCI on disposal of associate

31

-

(23,977)

Old credit balances / excess provisions written back

31

(3,762)

(4,650)

Old debit balances written off

29

4,492

-

Loss on disposal of property and equipment

4.1.1 &amp; 4.1.2

156

746

Fair value gain on investment in listed equity securities - net

(105,556)

-

Dividend Income on investment in listed equity securities

31

(2,033)

-

Gain on disposal of right of use asset

31.5

-

(2,915)

Finance cost

33

79,259

19,887

**Loss before working capital changes**

(341,395)

(85,388)

(Increase) / decrease in current assets:

- Inventory

10

(30)

(239)

- Trade and other receivables

12

(14,713)

18,101

- Advances, deposits and prepayments

13

(15,669)

(29,361)

(30,412)

(11,499)

Increase / (decrease) in current liabilities:

- Trade and other payables

23

(189,423)

41,062

- Other liabilities - deposits from employees

7,815

29,126

(181,608)

70,188

**Cash (Used in) / Generated from Operations**

(247,365)

52,831

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### 38 Financial Risk Management

The Group'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 Group'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.

#### 38.1 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 market prices. Market risk comprise three types of risk; foreign currency risk, interest rate risk, commodity price and equity price risk that will affect the Group's income or the value of its holdings of financial instruments.

##### Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates and arises where transactions are conducted in foreign currency. As there are no foreign currency receivables / payables of the Group, it is not exposed to currency risk (June 30, 2024: Nil).

##### 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 Group is not exposed to floating interest rate risk as its variable interest bearing liabilities exceeds its variable rate financial assets.

	Note	2025 Rs. in 000s	2024
<b>Financial assets</b>			
<u>Floating rate instruments</u>			
Bank balances	15	41,298	191,912
Investment in Margin Trading System of NCCPL	11	-	17,644
Other receivables	12.3	32,596	4,427
<b>Total Financial Assets - variable</b>		<b>73,894</b>	<b>213,983</b>
<b>Financial liabilities</b>			
<u>Floating rate instruments</u>			
Payable to related parties		(103,404)	(88,338)
<b>Net financial Assets</b>		<b>(29,510)</b>	<b>125,645</b>

##### 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 taxation for the year would have been (lower) / higher by Rs. 0.295 million (2024: Rs. 1.26 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 Group is exposed to price risk on account of its investments carried at fair value through profit or loss. At the reporting date, the Group has held investment in equity instruments amounting to Rs. 71.627 million (2024: Rs. 322.403 million).

##### Sensitivity analysis for financial assets at FVPL

As at reporting date, if fair value of equity investments increases / (decreases) by Rs. 1 with all other variables held constant, profit before taxation for the year would have been higher / (lower) by Rs. 9.12 million (2024: Rs. 15.303 million), mainly as a result of fair value fluctuation on PSX of the listed equity investments.

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## 38.2 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 Group is exposed to credit risk from its operating activities (primarily sundry receivables) and from its investing activities, including deposits with banks and financial institutions, and other financial instruments.

As at the reporting date, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

<u>Financial Assets</u>	<u>Note</u>	2025	2024
		<u>Rs. in 000s</u>	
Net investment in finance lease	8	4,274	4,275
Long term deposits	9	2,719	548
Advances to employees - adjustable in cash	13	8,616	1,386
Financial assets	11	481,627	640,047
Trade and other receivables	12	55,118	42,160
Bank balances	15	41,298	191,912
		<u>593,652</u>	<u>880,328</u>

### Credit Quality of Financial Assets

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 Group monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any.

The aging of trade debts from leaseholders and tenants and related impairment loss as at the reporting date is as under:

	2025	2024
	<u>Rs. in 000s</u>	
<b>Neither past due nor impaired</b>		
<b>Past due but not impaired</b>		
0 - 30 days	5,924	7,493
31 - 60 days	3,153	1,508
61 - 90 days	1,528	1,386
> 91 days	4,943	5,773
<b>Past due and impaired</b>		
0 - 30 days	261	-
31 - 60 days	1,365	228
91 - 120 days	1,264	199
> 91 days	18,243	19,055
<b>Total Gross Amount Due</b>	<u>36,681</u>	<u>35,642</u>

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

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

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

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The Group 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 either banks (with reasonably high credit ratings) and trade receivables for which the exposure is spread over a large number of counter parties.

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			2025	2024
	Short term	Long term	Agency		
Bank Islamic Pakistan Limited	A-1	AA-	PACRA	322	62
Bank Al-Habib Limited	A-1+	AAA	PACRA	26,223	191,850
MCB Bank Limited	A-1+	AAA	PACRA	5,217	-
Faysal Bank Limited	A-1+	AA	PACRA	9,536	-
				<b>41,298</b>	<b>191,912</b>

'Other receivables include Rs. 32.596 million (2024: Rs. 4.427 million) receivable from related party namely; Digital Custodian Company Limited (DCCL), Rs. Nil (2024: Rs. 7.800 million) receivable from IGI Holdings Limited and Rs. 0.956 million (2024: Rs. 8.478 million) due from corporate entities that are financially sound and having strong financial track record and creditworthiness.

### 38.3 Liquidity risk

Liquidity risk represents the risk that the Group 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 Group maintains flexibility in funding by maintaining committed credit lines available. The Group'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 Group'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	5 - 10 years
Rs. in 000s						
<b>Contractual maturities of financial liabilities as at June 30, 2025:</b>						
Long term financing	70,451	70,451	33,781	36,670	-	-
Loan from director	-	-	-	-	-	-
Other liabilities	2,944	2,944	-	2,944	-	-
Trade and other payables	127,421	127,421	127,421	-	-	-
Unclaimed dividend	13,809	13,809	13,809	-	-	-
Accrued markup on financing	17,824	17,824	17,824	-	-	-
	<b>232,449</b>	<b>232,449</b>	<b>192,835</b>	<b>39,614</b>	<b>-</b>	<b>-</b>

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Contractual maturities of financial liabilities as at June 30, 2024:

Long term financing	96,734	96,734	26,284	33,781	36,669	
Loan from director	100,000	100,000	100,000	-	-	-
Other liabilities	1,079	1,079	-	1,079	-	-
Trade and other payables	294,849	294,849	294,849	-	-	-
Unclaimed dividend	10,359	10,359	10,359	-	-	-
Accrued markup on financing	3,952	3,952	3,952	-	-	-
	<u>506,973</u>	<u>506,973</u>	<u>435,444</u>	<u>34,860</u>	<u>36,669</u>	<u>-</u>

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.

#### 38.4 Financial instruments by categories

	Note	2025 Rs. in 000s	2024
<b><u>Financial asset as at fair value</u></b>			
Investment in Equity Securities	11	71,627	322,403
<b><u>Financial asset as at amortized cost</u></b>			
Net investment in finance lease	8	4,274	4,275
Long term deposits	9	2,719	548
Advances to employees - adjustable in cash	13	8,616	1,386
Advance to related parties - unsecured	13	32,596	4,427
Financial assets	11	410,000	317,644
Trade and other receivables	12	22,522	37,733
Cash and bank balances	15	41,398	192,012
		<u>593,752</u>	<u>880,428</u>
<b><u>Financial liabilities at amortized cost</u></b>			
Long term financing	20	70,451	96,734
Loan from director	25	-	100,000
Other liabilities	21	2,944	1,079
Trade and other payables	23	127,421	294,849
Unclaimed dividend		13,809	10,359
Accrued markup on financing	26	17,824	3,952
		<u>232,449</u>	<u>506,973</u>

#### 38.5 Fair value measurement

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 and non-financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of financial instruments.

##### Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (level 3).

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2025			
Level 1	Level 2	Level 3	Total
<b>Financial assets - measured at fair value</b>			
Investments in equity securities	71,627	-	71,627
<b>Non - financial assets - measured at fair value</b>			
Property and equipment	-	1,239,741	1,239,741
Investment property	-	456,276	456,276
	<u>71,627</u>	<u>1,696,017</u>	<u>1,767,644</u>
2024			
Level 1	Level 2	Level 3	Total
<b>Financial assets - measured at fair value</b>			
Investments in equity securities	322,403	-	322,403
<b>Non - financial assets - measured at fair value</b>			
Property and equipment	-	1,246,490	1,246,490
Investment property	-	392,122	392,122
	<u>322,403</u>	<u>1,638,612</u>	<u>1,961,015</u>

There were no transfers amongst levels during the year.

### 39 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 Group defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to shareholders.

The Group's objectives when managing capital are:

- 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
- to provide an adequate return to shareholders.

The Group 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 Group 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 Group 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 Group is as follows:

	Note	2025	2024
		Rs. in 000s	
Total Debts (long term and short term)	39.1	70,451	196,734
Less: Cash and cash equivalents		(41,398)	(191,286)
<b>Net Debt</b>		<b>29,053</b>	<b>5,448</b>
Equity		3,166,191	2,970,870
<b>Total capital employed</b>		<b>3,195,244</b>	<b>2,976,318</b>
Gearing ratio		<b>0.91%</b>	<b>0.18%</b>

39.1 Total debts include lease liability, financial liabilities at amortized cost and loan from director.

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## 40 Reconciliation of movement of liabilities to cash flows arising from financing activities

2025							
Equity			Liabilities				Total
Share capital	Building Reserve	Unappropriated Profit	Lease liability	Financial liability at amortized cost	Loan from director	Unclaimed dividend	

Rupees in 000s

Balance as at July 1, 2024 1,811,534 1,682 771,795 67,259 29,475 100,000 10,359 2,792,104

#### Changes from financing cash flows

Amount collected from building occupants for fixed assets replacement fund

Dividend issued during the year

Lease liability obtained during the year

Repayment of lease finance

Loan received during the year

Repayment during the year

Director loan obtained during the year

Repayment of director loan during the year

Dividend issued during the year

Dividend paid during the year

#### Total changes from financing cash flows

#### Other changes

Total accumulated profits related other changes

Balance as at June 30, 2025

-	4,089	-	-	-	-	-	4,089
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(18,880)	-	-	-	(18,880)
-	-	-	-	(7,403)	-	-	(7,403)
-	-	-	-	-	(100,000)	-	(100,000)
-	-	-	-	-	-	(87,127)	(87,127)
-	4,089	-	(18,880)	(7,403)	(100,000)	(87,127)	(209,321)

-	822	147,940	-	-	-	90,577	239,339
1,811,534	6,593	919,735	48,379	22,072	-	13,809	2,822,123

2024							
Equity			Liabilities				Total
Share capital	Building Reserve	Unappropriated Profit	Lease liability	Financial liability at amortized cost	Loan from director	Unclaimed dividend	

Rupees in 000s

Balance as at July 1, 2023 210,000 - 24,657 - - - 10,359 245,016

#### Changes from financing cash flows

Shares issued for cash during the year

Amount collected from building occupants for fixed assets replacement fund

Dividend issued during the year

Lease liability obtained during the year

Repayment of lease finance

Loan received during the year

Repayment during the year

Director loan obtained during the year

Repayment of director loan during the year

Dividend issued during the year

Dividend paid during the year

#### Total changes from financing cash flows

#### Other changes

Shares issued other than in cash

Total accumulated Profits related other changes

-	-	-	-	-	-	-	-
-	1,298	-	-	-	-	-	1,298
-	-	-	-	-	-	-	-
-	-	-	70,000	-	-	-	70,000
-	-	-	(2,741)	-	-	-	(2,741)
-	-	-	-	30,000	-	-	30,000
-	-	-	-	(525)	-	-	(525)
-	-	-	-	-	100,000	-	100,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,298	-	67,259	29,475	100,000	-	198,032

1,601,534	-	-	-	-	-	-	1,601,534
-	384	747,138	-	-	-	-	747,522
1,601,534	384	747,138	-	-	-	-	2,349,056
1,811,534	1,682	771,795	67,259	29,475	100,000	10,359	2,792,104

Balance as at June 30, 2024

10/12/24



## 41 Segment Reporting

### 41.1 Operating Segments

Management has determined the operating segments based on the information presented to the Chief Executive Officer of the Group for allocation of resources and assessment of performance. Reporting structure of the Group is based on this internal management reporting structure. The Group has two strategic divisions i.e. Strategic investments and rental, room maintenance & related services, which are its reportable segments. These divisions have different operations and were managed separately because they require different strategies.

Reportable segments	Operations
Strategic Investment	Fair value gain (realized / unrealized), share of profit from associates, return on loan and receivables, dividend income etc.
Rental, Room maintenance and related services	Rental income, room maintenance, parking charges, fair value gain on investment property etc.

#### Information about reportable segments

Information related to each reportable segment is set out below. Segment profit / (loss) before levy and tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	2025		
	Strategic Investments	Rental, Room maintenance and related services	Total
Segment income	344,684	157,280	501,964
Segment related cost	-	(2,435)	(2,435)
Segment profit before levy and taxation	344,684	154,845	499,529
<b>Segment assets</b>			
Investment in associated companies	1,065,510	-	1,065,510
Financial Assets	481,627	-	481,627
Net Investment in finance lease	-	4,274	4,274
Accrued markup on loan and receivables	5,925	-	5,925
Investment property	-	456,276	456,276
Trade and other receivables	-	15,586	15,586
Advance to broker	7,617	-	7,617
<b>Segment liabilities</b>			
Payable to Ghani Chemical Industries Limited	7,000	-	7,000
Security deposit against rent	-	2,944	2,944
Contract liability	-	2,430	2,430
	2024		
	Strategic Investments	Rental, Room maintenance and related services	Total
Segment income	98,684	42,851	141,535
Segment related cost	-	(4,355)	(4,355)
Segment profit before levy and taxation	98,684	38,496	137,180
<b>Segment assets</b>			
Investment in related parties	896,024	-	896,024
Financial Assets	640,047	-	640,047
Net Investment in finance lease	-	4,275	4,275
Accrued markup on loan and receivables	5,300	-	5,300
Investment property	-	392,122	392,122
Trade and other receivables	-	16,155	16,155
<b>Segment liabilities</b>			
Payable to Ghani Chemical Industries Limited	174,706	-	174,706
Advance received against sale of Ensmile shares	25,000	-	25,000
Security deposit against rent	-	1,079	1,079
Contract liability	-	7,401	7,401

100m

## 41.2

## Reconciliations of information on reportable segments to the amounts reported in the financial statements

	Note	2025 Rs. in 000s	2024
<b>Income</b>			
Total income for reportable segments	41.1	501,964	141,535
Unallocated income		75,757	23,811
<b>Combined income</b>		<b>577,721</b>	<b>165,346</b>
<b>Profit before levy and taxation</b>			
Segment results before levy and tax	41.1	499,529	137,180
Unallocated amounts:			
- other income		75,757	23,811
- administrative expense	29	(189,977)	(61,574)
- finance cost	33	(79,259)	(19,887)
<b>Profit before levy and taxation</b>		<b>306,050</b>	<b>79,530</b>
<b>Assets</b>			
Total assets for reportable segments		2,036,815	1,953,923
Other unallocated amounts		1,491,444	1,637,307
<b>Combined total assets</b>		<b>3,528,259</b>	<b>3,591,230</b>
<b>Liabilities</b>			
Total liabilities for reportable segments		12,374	208,186
Other unallocated amounts		349,694	412,174
<b>Combined total liabilities</b>		<b>362,068</b>	<b>620,360</b>

## 41.3 The sales percentage by geographic region is as follows:

	2025 %	2024 %
Pakistan	100	100

## 41.4 There is no individual customer from whom more than 10% of total revenue is received.

## 41.5 All non-current assets of the Group as at reporting date are located in Pakistan.

14m



#### 42 Transactions and Balances with Related Parties

The related parties of the Group are as follows:

Names of Related Parties	Relationship	Basis of relationship / (percentage shareholding or common directorship)
LSE Ventures Limited	Associated Company	27.78%
LSE Financial Services Limited	Associated Company	Common directorship
LSE SPAC-1 Limited	Wholly owned Subsidiary Company	100.00%
Digital Custodian Company Limited	Associated Company	42.50%
Mr. Shoaib Mir	Chairman/Independent Director	Common directorship
Mr. Aftab Ahmad	Chief Executive Officer	Common directorship
Ms. Aasiya Riaz	Non-Executive Director	Common directorship
Mr. Muhammad Iqbal	Non-Executive Director	Common directorship
Ms. Shumaila Siddique	Independent Director	Common directorship
Mr. Yaser Manzoor	Non-Executive Director	Common directorship
Mr. Aoun Muhammad	Non-Executive Director	Common directorship
Lahore Stock Exchange Limited - Employees' Provident Fund Trust	Post employment benefits	Employee's fund

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

Names of Related Parties	Nature of Transactions	Relationship	2025	2024
			Rs. in 000s	
LSE SPAC-I Limited	Investment during the year	Wholly owned Subsidiary Company	10,000	-
LSE Financial Services Limited (LSEFSL)				
	Expenses paid by the Group on behalf of LSEFSL	Common Directorship	3,886	9,407
	Reimbursement of expenses paid		4,421	9,407
	Expenses paid by the LSEFSL on behalf of the Group		-	24,633
	Advance received		29,689	-
	Markup Expense on Advance		2,456	-
	Equity management fee charged to the party		6,208	-
	Dividend paid to the party		5,000	-
	MTS investment made during the year		170,000	48,964
	MTS Investment reversed during the year		183,821	31,320
	MTS income received		4,783	2,523
LSE Ventures Limited (LSE VL)				
	Expenses paid by the Group on behalf of party	Associated Company	43,813	52,522
	Reimbursement of expenses paid		38,128	42,249
	Payment made for investment		-	63,000
	Payment against investment received back		7,740	20,000
	Advance received		162,613	100,000
	Advance refunded		157,000	-
	Advisory services charged to the party		10,500	-
	Equity management fee charged to the party		31,250	-
	Dividend received from the party		48,172	-
	Dividend paid to the party		11,185	-
	Markup Expense on Advance received		14,885	8,100
Digital Custodian Company Limited				
	Funds provided to the party	Associated Company	20,695	4,427
	Interest income charged to the party		2,242	1,579
	Equity management fee charged to the party		9,094	-
	Expenses borne by the Group on behalf of the party		565	-
	Shares registrar services provided by the party		133	152
Lahore Stock Exchange Limited - Employees' Provident Fund Trust	Total Contribution made during the year	Employee's fund	5,619	1,225

100%



Key management personnel	Salary & other benefits of CEO	11,666	11,927
	Loan received from CEO	-	100,000
	Loan paid back to CEO	100,000	3,750
	Interest on loan paid to CEO	12,542	4,958
	Director's meeting fee	1,675	1,925

**Balances outstanding as at,**

**Financial Asset - current assets**

MTS Investment Through LSE Financial Services Limited	-	17,644
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**Trade and Other Receivables**

Receivable from Digital Custodian Company Limited	32,596	4,427
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**Other liabilities**

Payable against Sale and lease back to chief executive	14,000	14,000
Payable against Sale and lease back to Digital Custodian Company Limited, an associated company	5,500	5,500

**Trade and other payables**

Payable to LSE Venture Limited	79,299	88,338
Payable to LSE Financial Services Limited	24,115	-

**Accrued markup on financing**

Payable to LSE Venture Limited	14,885	2,100
Payable to LSE Financial Services Limited	2,456	-

**43 Remuneration of Chief Executive Officer, Directors and Executives**

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

	Chief Executive Officer		Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Rs. in 000s								
Managerial remuneration	5,088	6,815	-	-	7,964	12,683	13,052	19,498
Group's contribution to the provident fund trust	509	682	-	-	796	1,207	1,305	1,889
Housing and utilities	2,798	3,748	-	-	4,380	6,976	7,178	10,724
Meeting fees	-	-	1,675	1,925	-	-	1,675	1,925
Others	3,271	682	51	45	3,115	2,420	6,437	3,147
	<u>11,666</u>	<u>11,927</u>	<u>1,726</u>	<u>1,970</u>	<u>16,255</u>	<u>23,286</u>	<u>29,647</u>	<u>37,183</u>
Number of persons	<u>1</u>	<u>1</u>	<u>6</u>	<u>7</u>	<u>9</u>	<u>15</u>	<u>16</u>	<u>23</u>

43.1 In addition to the above, Chief Executive is provided with the Group's maintained vehicle for official purposes only.

43.2 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.

**44 Number of Employees**

Total number of employees at the year end

2025	2024
<u>63</u>	<u>68</u>

Average number of employees during the year

2025	2024
<u>65</u>	<u>68</u>

**45 Date of Authorization For Issue**

These financial statements have been authorized for issue by the Board of Directors of the Group in its meeting held on November 01, 2025.

**46 General**

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

46.2 The LSE Group maintains the employees provident fund trust at group level for all its permanent employees being employed by the group companies. All the necessary formalities as regards to the management of the fund and monthly contributions to the fund's bank account are being made by all the companies at regular intervals in accordance with Section 218 of the Companies Act, 2017 and Rules formed thereof.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR



## NOTICE OF ANNUAL GENERAL MEETING

**November 06, 2025**

NOTICE is hereby given, that the Annual General Meeting (“AGM”) of LSE Capital Limited (the “Company”) will be held on **Thursday, November 27<sup>th</sup>, 2025, at 09:00 a.m.** at the registered office of the Company (and via video conferencing) to transact the following business: -

### **ORDINARY BUSINESS:**

1. To confirm the minutes of the Annual General Meeting held on November 27, 2024.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2025, together with the Directors’ and Auditors’ Reports thereon.

<https://capital.lse.com.pk/downloads/annual/LSECL-Annual-Report-2025.pdf>



3. To appoint External Auditors of the Company for the year ending June 30<sup>th</sup>, 2026, and to fix their remuneration.

### **SPECIAL BUSINESS:**

4. To consider and if deemed appropriate, pass the following Special Resolutions with or without any modification(s), addition(s) and/or deletion(s), as deemed appropriate by the members:

#### **4.1 Changes in the Memorandum/Articles of Association of the Company for:**

##### **4.1.1 Stock split by reducing par/nominal value of the share of the Company from Rs. 10.00 to Rs. 5.00 per share:**

**4.1.1.1** “RESOLVED THAT pursuant to the Section 85 of the Companies Act, 2017 the approval be and is hereby accorded for subdivision of the authorized capital of LSE Capital Limited (“the Company”) from Rs. 2,500,000,000/- divided into 200,000,000 ordinary shares of Rs. 10.00 each and 50,000,000 Preference Shares of Rs. 10/- each to Rs. 2,500,000,000/- divided into 400,000,000 Ordinary shares of Rs. 5.00 each and 100,000,000 Preference Shares of Rs. 5/- each.

**4.1.1.2** FURTHER RESOLVED THAT the Company Secretary be and is hereby authorized to amend and alter the Memorandum of Association and Articles of Association of the Company to give effect of subdivision of authorized capital of the Company and to change its issued capital accordingly.

**4.1.1.3** FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to determine the entitlement dates and book closure dates (in their separate meeting of the Board or pass the resolutions through circulation) to effectuate the stock split.

- 4.1.1.4** FURTHER RESOLVED THAT approval be and is hereby accorded to replace Clause V of the Memorandum of Association and Clause 6 of the Articles of Association of the Company as follows:

**CLAUSE V OF THE MEMORANDUM OF ASSOCIATION:**

“V: The Authorized capital of the Company is Rs. 2,500,000,000/- (Rupees Pak. Two Thousand Five Hundred Million only) divided into 400,000,000 (Four Hundred million) Ordinary shares of Rs. 5/- (Rupees Five) each and 100,000,000 Preference Shares of Rs. 5/- each having such preferential, redemption, conversion, deferred, qualified or special rights, privileges or conditions as provided in the Articles of Association of the Company or in accordance with the Companies Act, 2017.”

**CLAUSE 6 OF THE ARTICLES OF ASSOCIATION:**

“Share Capital:

3. The Authorized Capital of the Company is Rs. 2,500,000,000 (Rupees Two Thousand Five Hundred Million only) divided into 400,000,000 (Four Hundred Million) Ordinary Shares of Rs. 5/- each and 100,000,000 (One Hundred Million) Preference Shares of Rs. 5/- each.”

**4.1.2** Offering of Optional Payout Structure to the Shareholders:

- 4.1.2.1** “RESOLVED THAT the approval be and is hereby accorded for the addition of the following new clauses (Articles) as Articles 80A, 80B, 80C and 80D in the Articles of Association of the Company and the renumbering of all of the next clauses (Articles) accordingly:

“80A Subject to the Companies (Further Issue of Shares) Regulations, 2020, the Company shall have the power to issue bonus shares of any class out of any reserve(s) of any kind from time to time, and the decision of the Board to issue bonus shares, once announced, shall not be varied, postponed, withdrawn or cancelled.

80B The Company shall also have the power to implement an optional payout structure whereby a shareholder may be asked to either opt for receiving cash dividend or equity dividend (as fully paid bonus shares). The Board of Directors shall have the power to determine the price/value and procedure for such optional bonus shares.

80C A shareholder choosing optional bonus will forgo his/her/their right to cash dividend whereafter the Company shall issue and credit such number of bonus shares which equals the value of cash payout (dividend) for the relevant period.

80D No Dividend shall be paid otherwise than out of profits of the year or undistributable profits. However, bonus shares shall be paid from any reserves including capital reserves.”

- 4.1.2.2** “RESOLVED FURTHER THAT with the insertion of the above clause (article), all of the next clauses (articles) shall be renumbered accordingly.”

**4.2** Transactions with associated companies/related parties (under Section 199 of the Companies Act, 2017):

- 4.2.1** “RESOLVED THAT the approval be and is hereby accorded to fix the upper limit of the Company’s investments/financing with associated companies/related parties with the condition that any investment (against equity on market price/right shares subscription/initial capital, as the case may be) shall not exceed PKR 600 Mn, and any advance/financing/loan shall not be below the rate of six (6) months KIBOR+1%. Similarly, any disposal of the already held equity or divestment



from any associated company shall not be less than the market price or the value certified by a firm of Chartered Accountants.”

**4.2.2** “FURTHER RESOLVED THAT in light of the above, the Board of the Company be and is hereby authorized to approve transactions with associated companies / related parties, which may be carried out during the financial year ending June 30, 2026.”

**4.2.3** “FURTHER RESOLVED THAT all transactions with associated companies / related parties shall be placed before the shareholders for ratification in the subsequent general body meetings.”

**4.2.4** “RESOLVED THAT the related party transactions as provided in the relevant notes of the accounts for the period ended June 30, 2025, be and are hereby approved/ratified.”

**4.3** Authorizing the Company Secretary to implement all special resolutions passed in AGM:

**4.3.1** “RESOLVED THAT the Company Secretary, be and is hereby authorized to take all necessary steps and execute all necessary documents towards fulfillment of all legal and corporate requirements involved, and to file all requisite documents with the Securities and Exchange Commission of Pakistan, as may be necessary or expedient for the purpose giving full effect to and implementing the letter, spirit and intent of the foregoing resolutions.”

The members are requested to refer to the notes enclosed with these agenda papers.

In addition to dispatch of this notice to the shareholders, this is also being placed on the Company's website (<http://www.lse.com.pk>).

Issued under the authorization of the Board of Directors of:

-Sd-

**Muhammad Sajjad Hyder**  
**Company Secretary**  
([sajjad@lse.com.pk](mailto:sajjad@lse.com.pk))

## Notes on the Ordinary and Special Business of the Company

1. SECP has granted an extension of 30 days to hold AGM up to Nov 27, 2025 vide its letter No. SMD/PRDD/Comp/(147)/2024/67 dated October 10, 2025.

2. **Book Closure:**

The Share Transfer books of the Company will remain closed, and no transfer of shares will be accepted for registration from November 21, 2025 to November 27, 2025 (both days inclusive). Any transfer request received by the office of the share registrar of the Company by the close of business on November 20<sup>th</sup>, 2025, will be treated in time for the purpose of attendance in the AGM.

3. **Availability of Audited Financial Statements:**

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 in addition to annual and quarterly financial statements for the prior years and can be downloaded from the above given web link and QR enabled code.

4. **For Attending the Meeting**

- a. In the case of individuals, the account holder concerned or the sub-account holder along with the CDC statement of his/her holding, shall be able to attend the meeting by showing original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- b. In the case of a corporate entity, the authorization letters including the resolution/ power of attorney from the Board of Directors along with the specimen signatures of the nominee shall be required for attendance.

5. **Proxies/Authorizations:**

- a. A member entitled to attend and vote at the AGM is entitled to appoint another member as his/her proxy to attend and vote instead of him/her.
- b. The proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. The CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000, issued by the SECP.
- c. The proxy form shall be witnessed by two people whose names, addresses and CNIC numbers shall be mentioned on the form, and as per the requirements mentioned in the attached form.
- d. Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- e. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- f. In case of corporate entities, the authorization letter including the resolution/ power of attorney from the board of directors, along with the specimen signature of the nominee shall be required to be submitted.
- g. The specimen of the proxy and the authorization forms for the AGM have been placed on the Company's website (<http://www.lse.com.pk>) and also attached to the notice of the meeting.

6. **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 for the purpose of election of Directors and for any other agenda item subject to the requirement of Section 143 an d144 of the Act, in accordance with the requirements and procedure contained in the aforesaid Regulations.



7. **Video Conference Facility:**

In accordance with Section 132(2) of the Act, if the Company receives consent from the members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least seven (7) days prior to the date of the AGM, the Company will arrange the video conference facility in that city subject to the availability of such facility in that city.

8. **Online Meeting Link**

Online meeting link and login credentials will be shared with only those members/proxies whose emails, containing all the required particulars, are received at the given email address ([sajjad@lse.com.pk](mailto:sajjad@lse.com.pk)) by 05:00 pm on Monday, November 24, 2025.

9. **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 Registrar Services (Pvt.) Limited  
17th Floor, Saima Trade Tower - A, I.I. Chundrigar Road, Karachi

## Statement of Material Facts 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 Thursday, November 27, 2025.

### SPECIAL BUSINESS:

#### Agenda Item # 4: Approval of Special Resolutions

- 4.1** The proposed changes in the Memorandum/Articles of Association of the Company are being made to implement the followings:
  - 4.1.1** Stock split by reducing par/nominal value of the share of the Company from Rs. 10.00 to Rs. 5.00 per share pursuant to the Section 85 of the Companies Act, 2017 the approval of the shareholders for subdivision of the authorized capital of LSE Capital Limited ("the Company") from Rs. 2,500,000,000/- divided into 200,000,000 ordinary shares of Rs. 10.00 each and 50,000,000 Preference Shares of Rs. 10/- each to Rs. 2,500,000,000/- divided into 400,000,000 Ordinary shares of Rs. 5.00 each and 100,000,000 Preference Shares of Rs. 5/- each. Accordingly, the relevant clauses will be updated as per the above change.
  - 4.1.2** To implement an optional payout arrangement for the benefit of investors. The Company can only offer an optional payout arrangement if the Articles of Association of the Company contain such provisions. The idea behind this change is that in future, the Company will pay either the cash dividend or in-kind dividend to the shareholders. Only those opting for the issuance of bonus shares will be given bonus shares equal to the cash payout. Rest of the shareholders shall be provided cash dividend.
- 4.2** This agenda relates to the transactions with associated companies/related parties [under Section 199 of the Companies Act, 2017 as well as Regulation 5(5) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017].

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 investment in its associated company/associated undertakings before sending this recommendation for the member's approval.

Moreover, the transactions conducted with the related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019. in order to promote transparent business practices, the shareholders are to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case-to-case basis during a year. Accordingly, these transactions are being placed before the shareholders in this meeting for their formal ratification.

All transactions with related parties to be ratified have been disclosed in the notes to the financial statements to the financial statements for the year ended June 30, 2025. The Company carries out transactions as per the approved policy with respect to 'transaction with related parties in the normal course of business. The nature of relationships with these related parties has been indicated in the relevant notes of the account. The Directors are interested in the resolution only to the extent of their shareholding and having their common directorships in such related parties.



Similarly, the Company shall be conducting transactions with its related parties during the year ending on June 30, 2026, as per the approved policy with respect to 'transactions with related parties' in the normal course of business. In order to promote transparent business practices, the shareholders are required to authorize the Board of Directors to approve transactions with the related parties from time-to-time and on case-to-case basis for the year ending on June 30, 2026, which transactions shall be deemed to be approved by the Shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

**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.

**(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 Ventures Limited	LSE Financial Services Limited	LSE SPAC-1 Limited
(ii)	Basis of relationship	Associated Company with 26.82% of LSECL.  LSEVL has 12% shareholding in LSECL. Common directorship	Associated Company with 28% shareholding of LSEVL. LSEFSL has 5.5% shareholding in LSECL. Common directorship	Wholly owned company of LSECL.  Common directorship
(iii)	Earnings per share for the last three years	Year 2025: Rs. 1.16 Year 2024: Rs. 1.04 Year 2023: Rs. 1.24	Year 2025: Rs. 0.51 Year 2024: Rs. 1.72 Year 2023: Rs. 0.07	Formed in 2025 Year 2025: Rs. (1.43)
(iv)	Break-up value per share, based on latest audited financial statements	Rs. 14.79 as on June 30, 2025.	Rs. 12.81 as on June 30, 2025.	Rs. 9.55 as on June 30, 2025.
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Audited Financial Statements of LSEVL for the year ended June 30, 2025 available at: <a href="http://www.lse.com.pk">http://www.lse.com.pk</a>	Audited Financial Statements of LSEFSL for the year ended June 30, 2025 available at: <a href="http://www.lse.com.pk">http://www.lse.com.pk</a>	Audited Financial Statements of LSE-SPAC for the year ended June 30, 2025 available at: <a href="http://www.lse.com.pk">http://www.lse.com.pk</a>
(vi)	In case of	Not applicable	Not applicable	Not applicable

	investment in relation to a project of associated company or associated undertaking that has not commenced operations,			
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**(B) General Disclosures:**

( i )	Maximum aggregate amount of investment to be made	Up to Rs. 600 million as equity investments for the purchase of shares, disposal of shares and short-term loans/advances for any one or more associated companies in aggregate.		
( i i )	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.	To meet the working capital requirement of the Company.
( i i i )	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	Through internal sources.	Through internal sources.	Through internal sources.



	borrowin g; (II) Details of collateral, guarante es provided and assets pledged for obtaining such funds; and (III) Cost benefit analysis;			
( i v )	Salient features of the agreement (if any) with associated company or associated undertaking with regards to proposed investment.	The format of LSE's standard financial facilitation agreements with the relevant Associated company shall be followed.		
( v )	Direct or indirect interest of director s, sponsor s, majority sharehol ders and their relatives , if any, in the associat es' compan y or associat ed underta	Following Directors only have indirect interest in the associated companies due to common directorship/shar eholding but have no direct interest in the transactions:  Mr. Aftab Ahmad Ms. Aasiya Riaz Muhammad Iqbal	Following Directors only have indirect interest in the associated companies due to common directorship/shar eholding but have no direct interest in the transactions  Mr. Aftab Ahmad Ms. Aasiya Riaz	Following Directors only have indirect interest in the associated companies due to common directorship/shar eholding but have no direct interest in the transactions  Mr. Aftab Ahmad Ms. Aasiya Riaz

	king or the transaction under consideration:			
(vii)	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.	There has not been any impairment or write off in any investment. All investments in the associated entities have been made on an arm's length basis. It is also confirmed that all past transactions have been made at the required returns.		
(viii)	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:-**

(i)	Maximum price at which securities will be acquired	<b>Market price or face value.</b> <b>The transaction shall be disclosed to the market as and when executed</b>
(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	Transactions only at market price/face value
(iii)	Maximum number of securities to be acquired	Depends on the market conditions



(iv)	Number of securities and percentage thereof held before and after the proposed investment	If subscription is to be made against right shares, then this information shall be provided accordingly.
(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:**

(i)	Category wise number of investments	Investment by way of subscription through right offer or as short-term loan / advance not exceeding Rs. 600 million in any one or more associated companies in aggregate.
(ii)	Average borrowing cost of the investing Company	No borrowing obtained by LSEVL
(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	No collateral in case subscription through the right shares. Assignment of receivables of the borrowing company
(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	As and when the advance/loan shall be extended, customary repayment schedule shall be agreed

**4.3** This resolution is being proposed to authorize the Company Secretary to implement all proposed special resolutions after their adoption/approval by the shareholders.

## Pattern of Shareholding as on June 30, 2025

Number of Shareholders	Shareholdings			Total Number of Shares Held
	From		To	
2587	1	-	100	51,798
704	101	-	500	191,494
352	501	-	1000	277,989
534	1001	-	5000	1,264,639
123	5001	-	10000	972,884
54	10001	-	15000	685,865
28	15001	-	20000	505,175
32	20001	-	25000	739,745
18	25001	-	30000	502,278
11	30001	-	35000	363,492
9	35001	-	40000	344,182
10	40001	-	45000	421,158
18	45001	-	50000	877,999
4	50001	-	55000	215,485
8	55001	-	60000	469,361
5	60001	-	65000	310,297
1	65001	-	70000	70,000
5	70001	-	75000	366,997
4	75001	-	80000	315,710
4	80001	-	85000	333,700
2	85001	-	90000	171,706
3	90001	-	95000	278,592
43	95001	-	100000	4,214,557
2	100001	-	105000	201,335
3	105001	-	110000	325,351
7	110001	-	115000	782,649
1	115001	-	120000	119,344
2	120001	-	125000	242,921
1	125001	-	130000	125,674
2	130001	-	135000	263,442
7	135001	-	140000	961,868
1	140001	-	145000	141,685
42	145001	-	150000	6,178,471
1	150001	-	155000	150,785
2	160001	-	165000	328,957
1	180001	-	185000	184,338
2	185001	-	190000	378,000
1	190001	-	195000	194,730
4	195001	-	200000	788,444
9	205001	-	210000	1,854,081
1	220001	-	225000	224,183
1	230001	-	235000	232,815
1	240001	-	245000	244,850
27	245001	-	250000	6,622,950
1	250001	-	255000	251,500
1	270001	-	275000	273,315



2	275001	-	280000	553,280
1	280001	-	285000	284,541
1	290001	-	295000	290,642
2	295001	-	300000	600,000
1	320001	-	325000	324,521
5	340001	-	345000	1,716,968
1	360001	-	365000	364,952
1	365001	-	370000	368,580
1	405001	-	410000	407,955
1	420001	-	425000	421,789
1	435001	-	440000	440,000
1	440001	-	445000	443,339
1	515001	-	520000	517,189
1	575001	-	580000	578,475
1	645001	-	650000	650,000
1	695001	-	700000	695,807
1	765001	-	770000	766,780
1	870001	-	875000	871,927
1	900001	-	905000	903,536
1	935001	-	940000	938,561
1	980001	-	985000	980,520
1	1380001	-	1385000	1,381,857
2	1760001	-	1765000	3,529,797
1	2190001		2195000	2,190,386
1	2200001		2205000	2,201,709
1	2535001		2540000	2,537,570
1	4070001		4075000	4,073,411
1	4790001		4795000	4,794,009
1	5860001		5865000	5,864,809
1	7235001		7240000	7,237,163
1	9995001		10000000	10,000,000
1	12935001		12940000	12,935,548
1	13755001		13760000	13,758,156
1	15380001		15385000	15,383,861
1	22615001		22620000	22,615,904
1	24510001		24515000	24,513,012
<b>4722</b>				<b>181,153,345</b>

## Categories of Shareholding as at June 30, 2025

S.N o.	Categories of Shareholders	Shares Held	Percenta ge
1	Directors, Chief Executive Officer their Spouse(s) and Minor Children, if any.	37,765,387	20.85
2	Associated Companies, Undertakings and Related Parties	64,980,183	35.87
3	Executives	-	0.00
4	NIT and ICP	15,269	0.01
5	Banks Development Financial Institutions, Non Banking Financial Institutions	336,678	0.19
6	Insurance Companies	16,090	0.01
7	Modarabas and Mutual Funds	245,536	0.14
	Joint Stock Companies	22,255,279	12.29
8	Others	345,414	0.19
9	General Public		
	a) Local	55,192,111	30.47
	b) Foreign	1,398	0.00
		<b>181,153,345</b>	<b>100.00</b>

### Shareholders holding 10% Shares or more

1	Mr. Danish Elahi	24,697,350	13.63
2	LSE Venture Limited	22,615,904	12.48



## Form of Proxy

I/We, \_\_\_\_\_, the undersigned member, being a member of LSE Capital 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, 2025 and/or at any adjournment thereof.

<u>The Member:</u>	<u>The Proxy:</u>
<p>Signature: _____</p> <div style="border: 1px solid black; width: 250px; height: 50px; margin: 10px auto; text-align: center; padding: 5px;"> <p>Signature over Revenue Stamp of Rs. 50/-</p> </div> <p>_____</p> <p style="text-align: center;">Seal/Stamp of the Company</p> <p>Name and Designation of the Appointer:</p> <p>_____</p> <p>CNIC No.: _____</p> <p>Father's name: _____</p> <p>Address: _____</p> <p>Date: _____</p> <p>CDC Participant ID No.: _____</p> <p>CDC Account/Sub-Account No.: _____</p> <p>No. of Shares held: _____</p>	<p>Signature: _____</p> <p>Name: _____</p> <p>CNIC No.: _____</p> <p>Father's name: _____</p> <p>Address: _____</p> <p>_____</p> <p>Date: _____</p>

Witness 1: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

CNIC No.: \_\_\_\_\_

Address: \_\_\_\_\_

Witness 2: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

CNIC No.: \_\_\_\_\_

Address: \_\_\_\_\_

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 کمیٹیٹل لمیٹڈ کارکن ہونے کے ناطے، 27 نومبر 2025 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 التوا پر۔

ممبر:	پراکسی:
دستخط:	دستخط:
دستخط ختم	نام:
50/- روپے کارپوریٹ سٹیپ	CNIC
کمپنی کی مہر/سٹیپ	نمبر:
مقرر کرنے والے کا نام اور عہدہ:	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:	گواہ 2:
دستخط:	دستخط:
نام:	نام:
CNIC نمبر:	CNIC نمبر:
پتہ:	پتہ:

### نوٹس:

1. پراکسیز، مؤثر 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۔
2. CDC سینٹیشل مالکان اور پراکسی ہولڈرز کو اپنی شناخت ثابت کرنے کے لیے اپنے کمپیوٹر یا نزدیکی شناختی کارڈ (CNIC) / پاسپورٹ کو اصل میں لانا چاہیے اور پراکسی کی صورت میں، CDC سینٹیشل مالکان اور پراکسی ہولڈرز کو چاہیے کہ وہ اپنے CNIC / پاسپورٹ کی ایک تصدیق شدہ کاپی پراکسی فارم کے ساتھ منسلک کریں۔
3. کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی نامزد شخص کے دستخط کے ساتھ (جب تک کہ یہ پہلے فراہم نہ کیا گیا ہو) پراکسی فارم کے ساتھ منسلک کیا جائے۔

## Authorization For Corporate Member (On the Letterhead Of The Company)

Date: \_\_\_\_\_

The Secretary

LSE Capital Limited.

Lahore.

Sub: Authorization to attend the AGM of LSECL on behalf of Body Corporate (Member) of the LSECL

Dear Sir,

Please be informed that Mr./Mrs./Ms. \_\_\_\_\_, S/o W/o D/o \_\_\_\_\_, holder of CNIC No. \_\_\_\_\_, has been duly authorized by the Board of Directors of our company vide resolution dated \_\_\_\_\_ to participate and vote on resolutions included in the agenda of the notice of AGM of LSE Capital Limited scheduled for November 27, 2025 or at any date adjourned/rescheduled thereof. Resolution of the Board dated \_\_\_\_\_ duly signed and stamped is attached herewith for reference and record.

Yours truly,

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Seal of the Company

## Specimen Resolution (On The Letterhead Of The Company)

The following resolution has been passed by the Board of Directors of (Name of the Company) in its meeting held on \_\_\_\_\_, at \_\_\_\_\_.

Resolved that Mr./Mrs./Ms. \_\_\_\_\_, S/o W/o D/o \_\_\_\_\_, be and is hereby authorized on behalf of the Company to participate and vote for resolutions included in the agenda of the notice of AGM of LSE Capital Limited scheduled for November 27, 2025 or at any date adjourned/rescheduled thereof.

Certified True Copy.

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Seal of the Company





**LSE CAPITAL**

**mobilizing capital – optimizing markets**