



LSE FINANCE

ANNUAL REPORT

2025



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Vision Statement

To build an institution which contributes, to strengthening local businesses, creating and sustaining jobs, improving clients' living standards and enhance, shareholders' value.

Mission Statement

Our mission is to serve as a trusted partner to our clients and counterparts, by efficiently, providing financial services that enable growth and economic progress.



Company Information

Board of Directors

1. Mr. Habib Ur Rehman Gillani	Non-Executive Director/Chairman
2. Casual Vacancy	Chief Executive Officer
3. Mr. Aftab Ahmad	Non-Executive Director
4. Ms. Aasiya Riaz	Non-Executive Director
5. Mr. Amjad Ali Khan Khattak	Independent Director
6. Mr. Amir Zia	Non-Executive Director
7. Ms. Huma Ejaz	Independent Director
8. Mehr Muhammad Iqbal	Non-Executive Director
9. Mr. Sani e Mehmood Khan	Independent Director
10. Mr. Sohail Ahmed Awan	Independent Director
11. Syed Jawwad Ahmad	Non-Executive Director
12. Syed Muhammad Talib Rizvi	Non-Executive Director

Audit Committee

1. Ms. Huma Ejaz	Chairperson
2. Mr. Amir Zia	Member
3. Mehr Muhammad Iqbal	Member

Human Resource and Remuneration Committee

1. Mr. Sohail Ahmed Awan	Chairman
2. Mr. Aftab Ahmad	Member
3. Syed Jawwad Ahmad	Member

Company Secretary

Mr. Sajjad Hyder

Chief Financial Officer

Mr. Sarmad Raheel

Auditors

Kreston Hyder Bhimji & Co. Chartered Accountant

Legal Advisor

Sayeed, Hafeez & Mirza Advocates

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
Habib Bank Limited
Bank Al Falah Limited

Registered Office

LSE Plaza, 19-Kashmir Egerton Road, Lahore.



Chairman's Review

Dear Valued Shareholders,

I am pleased to present this review for the year ended June 30, 2025, a period defined by significant strategic transformation and robust governance at LSE Financial Services Limited (LSEFSL). This year marks a clear pivot toward a new, value-focused future for the Company.

Following the unanimous resolution passed at the Annual General Meeting on November 27, 2024, the Company executed a fundamental strategic shift. This involved surrendering the Non-Banking Financial Company (NBFC) License and changing our principal line of business.

LSEFSL is now focused solely on general investment activities. Our new mandate is to invest in shares, bonds, stocks, units of mutual funds, and other related securities, as well as all types of real assets. This strategic alignment empowers the Board to pursue opportunities designed to maximize shareholder value under the new business direction.

This period also saw major corporate action concerning the Scheme of Compromises, Arrangement, and Reconstruction between LSE Financial Services Limited and Digital Custodian Company Limited. This scheme was approved by shareholders at the Extraordinary General Meeting on December 28, 2024, and has since received the requisite final sanction from the Honorable Lahore High Court, Lahore. The Board is fully authorized by the General Body to implement all necessary steps under this scheme to ensure the retrieval of maximum value for our shareholders.

The Board of Directors provided unwavering guidance throughout this transformative year, ensuring strong governance and supporting management excellence. Our governance framework remains robust, with all Directors, including Independent Directors, actively contributing to transparent and effective decision-making processes. As Chairman, I am committed to fostering a culture of openness and constructive collaboration.

Our commitment to excellence is reinforced by the independent Internal Audit department, which follows a risk-based audit methodology, ensuring continuous enhancement of our controls and compliance.

We extend our deepest gratitude to our valued shareholders for your continued trust and confidence during this period of significant corporate evolution. We also sincerely appreciate the dedication and support of all our associates and stakeholders.

As LSEFSL embarks on this new phase, we reaffirm our commitment to maintaining our integral role within the capital market and financial sector. We pray for Almighty Allah's blessings in all our future endeavors.

Thank you.

-Sd-

Chairman



Directors' Report

Dear Shareholders,

The Board of Directors of LSE Financial Services Limited (LSEFSL) is pleased to present its report, together with the audited financial statements and Auditors' report thereon, for the year ended June 30, 2025.

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.

Performance Review:

In the last AGM of the Company held on November 27, 2024, the shareholders of the Company unanimously decided to surrender the Company's NBFC/Investment Finance Services Licence. The shareholders also resolved to change the principal line of business to make investment to invest in shares, bonds, stocks, units of mutual funds or any other securities or its related instruments, or otherwise in all types of real assets and in such manner as may from time to time be determined by the Company and to hold, or sale such real assets, shares, bonds, stocks, units of mutual funds or any other securities or its related instruments, subject to the compliance with applicable laws, but in any event not to act as an Investment Company or Non-banking Finance Company and Brokerage House and shall not invite deposits from the public.

The General Body has also authorized the Board, that wherever necessary and deemed prudent for the benefit of the shareholders and for the retrieval of the maximum value of the Company, the Board can implement any restructuring scheme for the above purpose.

Afterwards, in the EOGM of the Company held on December 28th, 2024, conducted under the Order No. 75382/2024 dated, December 4, 2024 of the Honorable Lahore High Court, Lahore, through its appointed Co-Chairmen, approved the Scheme of Compromises, Arrangement and Reconstruction of LSE Financial Services Limited (and its Members) and Digital Custodian Company Limited (and its Members), in terms of provisions of Sections 279 to 283 and all other enabling provisions of the



Companies Act, 2017. The honorable Lahore High Court has sanctioned/approved the Scheme vide its Order dated October 13, 2025.

Financial Performance:

Rupees in '000'	2025	2024
Operating Income	30,790	39,348
Other Income	18,954	20,386
Share of profit of Associates	14,468	79,511
Admin & General Expenses	(39,822)	(54,485)
Finance Cost	(223)	(5,871)
Profit before Taxation	24,167	78,889
Taxation	(5,981)	(17,621)
Net Profit	18,186	61,268
Equity + Revaluation Surplus	456,979	453,735
Total Asset	489,180	544,414
Net Asset	456,979	453,735
Total Liability	32,200.63	90,679.55
Shares outstanding (Nos.)	35,678	35,678
Earnings per share EPS	0.51	1.72

Recommendation on Cash Dividend

In view of operational results of the Company, the directors have not recommended any dividend for the year ended June 30, 2025 (2024: 0.5 per share).

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 Company has appointed its designated Head of Internal Audit of the Company. The Board has adequately ensured that the system of internal financial controls is sound in design and has been effectively implemented and monitored through outsourced Internal Auditors.

The financial statements, prepared by the management of your company, fairly present its state of affairs, the result of its operations, cash flows and changes in equity. Proper books of accounts 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.

Credit Rating

VIS Credit Rating Company Limited (VIS) has recently reaffirmed the entity ratings of LSEFSL at 'A/A-1' (Single A/A-One). Outlook on the assigned ratings is 'Rating Watch – Developing.



ESG Reporting

LSEFSL remained steadfast in its commitment to CSR and Environmental Management during the year. Our key focus areas included education, healthcare, and environmental protection. As a responsible corporate citizen, LSEFSL strives to make a positive impact on the communities we serve. We also remained dedicated to implementing best practices in Corporate Governance (CCG), ensuring transparency, accountability, and ethical business conduct. Through these initiatives, we aim to create long-term value for our stakeholders and contribute to a sustainable future.

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	100%
2	Median Gender Pay Gap	100%

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 Director	Category	Total No. of meetings	No. of meetings attended
1.	Mr. Habib ur Rehman Gillani	Chairman / Non-Executive Director	4	4
2.	Mr. Aftab Ahmad Ch.	Non-Executive Director	4	4
3.	Mr. Amir Zia	Non-Executive Director	4	4
4.	Mr. Syed Jawad Ahmad	Non-Executive Director	4	4
5.	Mr. Syed Muhammad Talib Rizvi	Non-Executive Director	4	4
6.	Ms. Aasiya Riaz	Non-Executive Director	4	3
7.	Mr. Muhammad Iqbal	Non-Executive Director	4	4
8.	Ms. Huma Ejaz	Independent Director	4	4
9.	Mr. Sohail Ahmad Awan	Independent Director	4	4
10.	Mr. Sanie Mahmood Khan	Independent Director	4	4
11.	Mr. Amjad Ali Khattak	Independent Director	4	4
12.	Vacant	Chief Executive Officer	-	-



- b. The Company was granted a license by SECP to carry out Investment Finance Services as non-deposit taking NBFC. This business is exposed to several threats such as credit risk, liquidity risk, operational risk, market risk and regulatory risk, etc. Risk Management policies and procedures adopted by the Company enable it to proactively manage uncertainty and changes in internal and external environment to limit negative impacts and capitalize on opportunities. The profitability of the Company is also influenced by the overall economic, geo-political conditions of the country, policies of the Government and the performance of associated companies as well as the capital markets.
- c. At present the Chief Executive and the Executive Director of the Company are being paid the salary and such other benefits as approved by the Board under the Articles of Association and as per HR Manual of the Company. No other director is being paid any extra remuneration by the Company, except the meeting fee for attending the Board and Committee meetings. The relevant figures have been disclosed in the financial statements.

Compliance with the Code of Corporate Governance

The mandatory requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 have been duly complied with and a Statement of Compliance to this effect is annexed in the Annual Report.

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

1. The total number of directors are seven (12) as per the following: -

a. Male:	9
b. Female:	2
c. Vacant	1

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

i.	Independent directors:	Mr. Amjad Ali Khan Khattak Mr. Sohail Ahmed Awan Ms. Huma Ejaz Mr. Sani-e-Mahmood Khan
ii.	Non-Executive directors:	Mr. Habib Ur Rehman Gilani Mr. Muhammad Iqbal Ms. Aasiya Riaz Mr. Aftab Ahmad Mr. Amir Zia Syed Jawad Ahmad Syed Muhammad Talib Rizvi
iii.	Executive director:	Vacant
iv.	Female director:	Ms. Aasiya Riaz Ms. Huma Ejaz

Board Committees



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

Audit Committee:

Sr. No.	Name	Status
1.	Ms. Huma Ejaz	Chairman
2.	Mr. Amir Zia	Member
3.	Mr. Muhammad Iqbal	Member

Human Resource and Remuneration Committee:

Sr. No.	Name	Status
1.	Mr. Sohail Ahmad Awan	Chairman
2.	Mr. Aftab Ahmad	Member
3.	Syed Jawad Ahmad	Member

Future Outlook

The management is pursuing an array of promising business opportunities, carefully selecting the most advantageous paths to propel our future success.

Pattern of Shareholding

A statement of the pattern of shareholding of certain class of shareholders as at June 30, 2025, whose disclosure is required under the reporting framework, is included in the annexed shareholders' information.

Acknowledgement

The Board of Directors wishes to express sincere appreciation to the SECP, government authorities, banks, associates, members, and counterparts for their cooperation during the period under review. We also acknowledge the tireless efforts of our executives, staff, and workers, whose dedication has driven our success.

For and on behalf of the Board of Directors of LSE Financial Services Limited:

**-Sd-
Director**

**-Sd-
Director**

Date: November 1st 2025

Lahore



ڈائریکٹر رپورٹ

معزز شیئر ہولڈرز،

ایل ایس ای فنانشل سروسز لمیٹڈ (ایل ایس ای ایف ایس ایل) کا بورڈ آف ڈائریکٹرز 30 جون 2025 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی بیانات اور آڈیٹرز کی رپورٹ کے ساتھ اپنی رپورٹ پیش کرنے پر خوش ہے۔

مالی سال 2024-25 کا اقتصادی جائزہ:

بڑھتی ہوئی جغرافیائی سیاسی کشیدگی، تجارتی رگڑ اور شرح مبادلہ میں اتار چڑھاؤ کے درمیان 2025 میں متوقع عالمی نمو 2.8 فیصد تک کم ہونے کے ساتھ عالمی معاشی منظر نامے کو اعتدال پسندی کی شکل میں تشکیل دیا جا رہا ہے۔ اس غیر مستحکم بین الاقوامی پس منظر کے باوجود، پاکستان کی گھریلو معیشت نے مالی سال 2025 میں اپنی ترقی کو برقرار رکھا، جس میں موثر میکرو اکنامک مینجمنٹ اور کلیدی اشارے میں استحکام کی وجہ سے جی ڈی پی کی سالانہ نمو 2.68 فیصد ریکارڈ کی گئی۔ اس تبدیلی کے لیے اہم افراط زر میں تیزی سے کمی تھی۔ مالی نظم و ضبط میں بھی نمایاں اضافہ دیکھا گیا، جو جولائی-مارچ مالی سال 2025 کے لیے جی ڈی پی کے 3.0 فیصد کے تاریخی پرائمری سرپلس کے حصول سے نمایاں ہوا۔ بیرونی محاذ پر، اکاؤنٹ میں ایک قابل ذکر تبدیلی دیکھی گئی، جو جولائی-اپریل مالی سال 2025 کے دوران 1.9 بلین امریکی ڈالر کے غیر معمولی سرپلس کی طرف منتقل ہوا، جس میں برآمدی کارکردگی میں بہتری اور ریکارڈ ترسیلات زر کی آمد کی مدد سے، اعلیٰ ترقی کے راستے کی مضبوط بنیاد قائم کی گئی۔

اس استحکام کا براہ راست ترجمہ سرمایہ کاروں کے اعتماد کے ایک اہم احمیاء میں ہوا، خاص طور پر کیپٹل مارکیٹوں میں، جہاں پاکستان کی ایکویٹی مارکیٹ نے عالمی اسٹاک مارکیٹوں کو پیچھے چھوڑ دیا۔ بیچ مارک کے ایس ای-100 انڈیکس نے 78,824 پوائنٹس سے بڑھ کر 124,379 پوائنٹس تک 57.79 فیصد کی غیر معمولی ترقی درج کی۔ اس بے مثال کارکردگی کو مضبوط کارپوریٹ آمدنی، زوال پذیر پالیسی کی شرح اور مستحکم میکرو اکنامک ماحول سے منسوب کیا جاتا ہے۔ بڑے پیمانے پر، سرمایہ کاروں کی سرگرمی کو کمپنی کی شمولیت میں 27.5 فیصد اضافے کی طرف اشارہ کیا گیا ہے اور صنعتی شعبے نے پگھلاؤ کا مظاہرہ کیا ہے، جس میں مالی سال 2025 میں 4.77 فیصد اضافہ ہوا ہے، جو مینوفیکچرنگ کے حصے میں بحالی کی وجہ سے ہے۔

کارکردگی کا جائزہ:

27 نومبر 2024 کو منعقدہ کمپنی کی آخری ای۔ جی ایم میں کمپنی کے شیئر ہولڈرز نے متفقہ طور پر کمپنی کا این بی ایف سی / انویسٹمنٹ فنانشل سروسز لائنس حوالے کرنے کا فیصلہ کیا۔ حصص یافتگان نے حصص، بانڈز، اسٹاک، میوچل فنڈز کی اکائیوں یا کسی بھی دوسری سیکوریٹیز یا اس سے متعلق آلات میں سرمایہ کاری کرنے کے لیے سرمایہ کاری کرنے کے لیے کاروبار کی اصل لائن کو تبدیل کرنے کا بھی فیصلہ کیا، یا بصورت دیگر ہر قسم کے حقیقی اثاثوں میں اور اس انداز میں جو کمپنی وقتاً فوقتاً طے کرے اور ایسے حقیقی اثاثوں، حصص، بانڈز، اسٹاک، میوچل فنڈز کی اکائیوں یا کسی بھی دیگر سیکوریٹیز یا اس سے متعلق آلات کو قابل اطلاق قوانین کی تعمیل کے تابع رکھنا یا فروخت کرنا، لیکن کسی بھی صورت میں انویسٹمنٹ کمپنی یا نان بینکنگ فنانشل کمپنی اور بروکرنگ ہاؤس کے طور پر کام نہ کرنا اور عوام سے ڈپازٹ طلب نہیں کرنا۔

جزل باڈی نے بورڈ کو یہ بھی اختیار دیا ہے کہ جہاں کہیں بھی حصص یافتگان کے فائدے کے لیے اور کمپنی کی زیادہ سے زیادہ قیمت کی بازیابی کے لیے ضروری اور سمجھدار سمجھا جائے، بورڈ مذکورہ مقصد کے لیے کسی بھی تنظیم نو کی اسکیم کو نافذ کر سکتا ہے۔

اس کے بعد، معزز لاہور ہائی کورٹ، لاہور کے آرڈر نمبر 2024/75382 مورخہ 4 ستمبر 2024 کے تحت منعقدہ 28 دسمبر 2024 کو ہونے والی کمپنی کے EOGM میں، اپنے مقرر کردہ شریک چیئر مینوں کے ذریعے، سمجھوتہ کی اسکیم، انتظامات اور ممبران کی ڈیجیٹل سروس کی منظوری دی گئی۔ کسٹومرز کی کمپنی لمیٹڈ (اور اس کے ممبران)، سیکشن 279 سے 283 اور کمپنیز ایکٹ 2017 کی دیگر تمام قابل عمل دفعات کے لحاظ سے۔ معزز لاہور ہائی کورٹ نے 13 اکتوبر 2025 کے اپنے حکم کے ذریعے اسکیم کو منظور / منظور کیا ہے۔



مالی کارکردگی:

2024	2025	روپے '000 میں
39,348	30,790	آپریٹنگ آمدنی
20,386	18,954	دوسری آمدنی
79,511	14,468	ایسوسی ایٹس کے منافع کا حصہ
(54,485)	(39,822)	ایڈمن اینڈ جنرل اخراجات
(5,871)	(223)	مالیاتی لاگت
78,889	24,167	ٹیکس سے پہلے منافع
(17,621)	(5,981)	ٹیکس لگانا
61,268	18,186	خالص منافع
453,735	456,979	ایکویٹی اور ریویلویشن سرپلس
544,414	489,180	کل اثاثہ
453,735	456,979	خالص اثاثے
90,679.55	32,200.63	کل ذمہ داری
35,678	35,678	بقایا حصص (نمبر)
1.72	0.51	آمدنی فی شیئر EPS

کیش ڈیویڈنڈ کی سفارش

کمپنی کے آپریٹنگ نتائج کے پیش نظر، ڈائریکٹرز نے 30 جون 2025 (2024: 0.5 فی شیئر) کو ختم ہونے والے سال کے لیے کسی بھی منافع کی سفارش نہیں کی ہے۔

بیرونی آڈیٹرز

موجودہ آڈیٹرز، M/s. مکر سنن حیدر بھیمبھی 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 شیئرز ہولڈرز کو بھیج دیا گیا ہے۔

اندرونی مالیاتی کنٹرول

کمپنی نے کمپنی کے داخلی آڈٹ کا اپنا مزید سربراہ مقرر کیا ہے۔ بورڈ نے مناسب طریقے سے اس بات کو یقینی بنایا ہے کہ داخلی مالیاتی کنٹرول کا نظام ڈیزائن کے لحاظ سے درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور آؤٹ سورس اندرونی آڈیٹرز کے ذریعے نگرانی کی گئی ہے۔

آپ کی کمپنی کی انتظامیہ کے ذریعہ تیار کردہ مالیاتی بیانات، اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کو اچھی طرح سے پیش کرتے ہیں۔ اکاؤنٹس 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 روایتی، اگر کوئی ہے، مناسب طور پر ظاہر کیا گیا ہے۔ اندرونی کنٹرول کا نظام، جو آپ کی کمپنی میں نافذ کیا جا رہا ہے، درست ہے اور پورے سال مؤثر طریقے سے برقرار ہے۔

کرپٹ ریٹنگ



VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے حال ہی میں 'A/A-1' سنگل A/A-One پر LSEFSL کی ہستی کی درجہ بندی کی دوبارہ تصدیق کی ہے۔ تفویض کردہ ریٹنگز پر آؤٹ لک ریٹنگ واچ-ڈیولپنگ ہے۔

ESG رپورٹنگ

LSEFSL سال کے دوران CSR اور ماحولیاتی نظم و نسق سے اپنی وابستگی میں ثابت قدم رہا۔ ہمارے کلیدی توجہ کے شعبوں میں تعلیم، صحت کی دیکھ بھال اور ماحولیاتی تحفظ شامل ہیں۔ ایک ذمہ دار کارپوریٹ شہری کے طور پر، LSEFSL ان کمیونٹی پر مثبت اثر ڈالنے کی کوشش کرتا ہے جن کی ہم خدمت کرتے ہیں۔ ہم کارپوریٹ گورننس (CCG) میں شفافیت، جوابدہی، اور اخلاقی کاروباری طرز عمل کو یقینی بنانے کے لیے بہترین طریقوں کو نافذ کرنے کے لیے بھی وقف رہے۔ ان اقدامات کے ذریعے، ہمارا مقصد اپنے اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کرنا اور ایک پائیدار مستقبل میں حصہ ڈالنا ہے۔

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۔

جینڈر پے 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، سناریٹی، ذمہ داریوں اور کارکردگی کی بنیاد پر بغیر کسی صنفی امتیاز کے کیا جاتا ہے۔

1	مطلب جینڈر پے گیپ	100%
2	میڈین صنفی تنخواہ کافرق	100%

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

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

نمبر نمبر	ڈائریکٹر کا نام	زمرہ	میٹنگز کی کل تعداد	میٹنگز کی تعداد میں شرکت کی۔
1.	جناب حبیب الرحمن گیلانی صاحب	چیئرمین / نان ایگزیکٹو ڈائریکٹر	4	4
2.	جناب آفتاب احمد چوہدری	نان ایگزیکٹو ڈائریکٹر	4	4
3.	جناب عامر ضیاء	نان ایگزیکٹو ڈائریکٹر	4	4
4.	جناب سید جواد احمد	نان ایگزیکٹو ڈائریکٹر	4	4



4	4	نان ایگزیکٹو ڈائریکٹر	جناب سید محمد طالب رضوی	5.
3	4	نان ایگزیکٹو ڈائریکٹر	محترمہ آسیہ ریاض	6.
4	4	نان ایگزیکٹو ڈائریکٹر	جناب محمد اقبال	7.
4	4	آزاد ڈائریکٹر	محترمہ ہما عجاز	8.
4	4	آزاد ڈائریکٹر	جناب سہیل احمد اعوان	9.
4	4	آزاد ڈائریکٹر	جناب ثانی محمود خان	10.
4	4	آزاد ڈائریکٹر	جناب امجد علی خٹک	11.
-	-	چیف ایگزیکٹو آفیسر	خالی	12.

ب کمپنی کو ایس ای سی پی کی طرف سے ایک لائسنس دیا گیا تھا کہ وہ این بی ایف سی کے بطور نان ڈپازٹ ٹینگ انویسٹمنٹ فنانس سروسز کو انجام دے سکے۔ یہ کاروبار کریڈٹ رسک، لیکویڈٹی رسک، آپریشنل رسک، مارکیٹ رسک اور ریگولیٹری رسک وغیرہ جیسے تمام خطرات سے دوچار ہے۔ کمپنی کی طرف سے اختیار کی گئی رسک مینجمنٹ پالیسیاں اور طریقہ کار اسے فعال طور پر غیر یقینی صورتحال اور اندرونی اور بیرونی ماحول میں ہونے والی تبدیلیوں کو منفی اثرات کو محدود کرنے اور مواقع سے فائدہ اٹھانے کے قابل بناتے ہیں۔ کمپنی کا منافع ملک کے مجموعی اقتصادی، جغرافیائی سیاسی حالات، حکومت کی پالیسیوں اور متعلقہ کمپنیوں کی کارکردگی کے ساتھ ساتھ کیپٹل مارکیٹس سے بھی متاثر ہوتا ہے۔

ج اس وقت کمپنی کے چیف ایگزیکٹو اور ایگزیکٹو ڈائریکٹر کو تنخواہ اور اس طرح کے دیگر مراعات ادا کی جارہی ہیں جن کی منظوری بورڈ نے آرٹیکلز آف ایسوسی ایشن کے تحت اور کمپنی کے HR مینوئل کے مطابق دی ہے۔ بورڈ اور کمیٹی کے اجلاسوں میں شرکت کی مینٹگ 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 اکتشاف کیا گیا ہے۔

کارپوریٹ گورننس کے ضابطہ کی تعمیل

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے لازمی تقاضوں کی پوری طرح سے تعمیل کی گئی ہے اور اس اثر کی تعمیل کا بیان سالانہ رپورٹ میں منسلک ہے۔

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

1. مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (12) ہیں:-

الف	مرد:	9
ب	عورت:	2
ج	خالی:	1



1- بورڈ کی تشکیل حسب ذیل ہے :-

آزاد ڈائریکٹرز : جناب امجد علی خان خٹک

جناب سہیل احمد اعوان

محترمہ ہما اعجاز

جناب ثانی محمود خان

غیر ایگزیکٹو ڈائریکٹرز

جناب حبیب الرحمان گیلانی

جناب محمد اقبال

محترمہ آسیہ ریاض

جناب آفتاب احمد

جناب عامر ضیاء

سید جواد احمد

سید محمد طالب رضوی

ایگزیکٹو ڈائریکٹر : خالی

خاتون ڈائریکٹر :

محترمہ آسیہ ریاض

محترمہ ہما اعجاز

بورڈ کمیٹیاں

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



آڈٹ کمیٹی:

نمبر نمبر	نام	حیثیت
1.	محترمہ ہما عجاز	چیئر مین
2.	جناب عامر ضیاء	ممبر
3.	جناب محمد اقبال	ممبر

انسانی وسائل اور معاوضہ کمیٹی:

نمبر	نام	حیثیت
-1	جناب سہیل احمد اعوان	چیئر مین
2.	جناب آفتاب احمد	ممبر
3.	سید جواد احمد	ممبر

مستقبل کا آڈٹ لک

انتظامیہ ہماری مستقبل کی کامیابی کو آگے بڑھانے کے لیے سب سے زیادہ فائدہ مند راستوں کو احتیاط سے منتخب کرتے ہوئے امید افزا کاروباری مواقع کی تلاش میں ہے۔

شیئر ہولڈنگ کا نمونہ

30 جون 2025 تک شیئر ہولڈرز کے مخصوص طبقے کے شیئر ہولڈنگ کے پیٹرن کا بیان، جس کا انکشاف رپورٹنگ فریم ورک کے تحت ضروری ہے، منسلک شیئر ہولڈرز کی معلومات میں شامل ہے۔

اعترافات

بورڈ آف ڈائریکٹرز ایس ای سی پی، حکومتی حکام، بینکوں، ایسوسی ایٹس، ممبران اور ہم منصبوں کو زیر جائزہ مدت کے دوران ان کے تعاون پر تہہ دل سے خراج تحسین پیش کرنا چاہتا ہے۔ ہم اپنے ایگزیکٹوز، عملے اور کارکنوں کی انتھک کوششوں کو بھی تسلیم کرتے ہیں، جن کی لگن نے ہماری کامیابی کو آگے بڑھایا ہے۔ ایل ایس ای فنانشل سروسز لمیٹڈ کے بورڈ آف ڈائریکٹرز کے لیے اور اس کی جانب سے:

-Sd-

ڈائریکٹ

-Sd-

ڈائریکٹ

تاریخ: یکم نومبر 2025st

لاہور



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

Name of Company: LSE Financial Services Limited

Year ended: June 30, 2025

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

2. The total number of directors are twelve (12) as per the following: -

- | | |
|------------|---|
| a. Male: | 9 |
| b. Female: | 2 |
| c. Vacant | 1 |

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

- | | | |
|------|--------------------------|---|
| iii. | Independent directors: | Mr. Amjad Ali Khan Khattak
Mr. Sohail Ahmed Awan
Ms. Huma Ejaz
Mr. Sani-e-Mahmood Khan |
| iv. | Non-Executive directors: | Mr. Habib Ur Rehman Gilani
Mr. Muhammad Iqbal
Ms. Aasiya Riaz
Mr. Aftab Ahmad
Mr. Amir Zia
Syed Jawad Ahmad
Syed Muhammad Talib Rizvi |
| iii. | Executive director: | Vacant |
| iv. | Female director: | Ms. Aasiya Riaz |
| v. | | Ms. Huma Ejaz |

4. The directors have confirmed that none of them is serving as a director on more than seven (7) listed companies, including this company;

5. 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;

6. 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;

7. 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;



8. 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
9. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
10. Two (2) directors have the prescribed certification under the Directors' Training Program. Moreover, some Directors qualify for exemption of certification requirement by virtue of their qualification and having experience on the Board of listed companies. The Company shall arrange Directors' Training Program for remaining directors in due course.
11. 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;
12. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
13. The Board has formed committees comprising of members given below.-

a) Audit Committee:

Sr. No.	Name	Status
4.	Ms. Huma Ejaz	Chairman
5.	Mr. Amir Zia	Member
6.	Mr. Muhammad Iqbal	Member

b) Human Resources & Remuneration and Compensation Committee:

Sr. No.	Name	Status
4.	Mr. Sohail Ahmad Awan	Chairman
5.	Mr. Aftab Ahmad	Member
6.	Syed Jawad Ahmad	Member

14. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
15. 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.
16. 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;
17. 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;

18. 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;
19. We confirm that during the FY ended June 30th, 2025, the applicable and relevant requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations were complied with.
20. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

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. 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.

Regulation No. 27(2):

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.

Section 155(3) of Companies Act:

The matter of appointment of Chief Executive Officer on the casual vacancy is in process for appointing a suitable person on this position.

Regulation No. 6(3):

The appointment of all directors is contingent upon clearance and approval by the SECP, in line with the prescribed Fit and Proper Criteria detailed in the NBFC Rules and Regulations. We confirm that the requisite approvals from the Commission for all appointed directors are in place, having fully complied with all requirements, including securing consents to act and declarations for independent directors.

-Sd-

Chairman

Lahore.

Date: November 01, 2025

INDEPENDENT AUDITOR'S MODIFIED REVIEW REPORT

To the members of LSE Financial Services 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 Financial Services 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 to 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 instance(s) of non-compliance with the requirement(s) 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. Paragraph No. 19	<p>Regulation No. 19: The directors are required to acquire the director training, which shall be arranged to get their director training program certification (DTC) within a period of one year, as required under the relevant regulations.</p> <p>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.</p> <p>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.</p> <p>Regulation No. 27 (2): The Audit Committee meets quarterly to review quarterly financial statements. Since the fourth quarter completes at the financial year end i.e., as on June 30th, the Committee's final meeting will be to review the prepared and audited annual accounts including review of the fourth quarter.</p> <p>Section 155 (3) of Companies Act: The matter of appointment of Chief Executive Officer on the casual vacancy is in process of appointing a suitable person on this position.</p> <p>Regulation No. 6 (3): The appointment of all directors is contingent upon clearance and approval by the SECP, in line with the prescribed Fit and Proper Criteria detailed in the NBFC Rules and Regulations. We confirm that the requisite approvals from the Commission for all appointed directors are in place, having fully complied with all requirements, including securing consent to act and declarations for independent directors.</p>

Kreston Hyder Bhimji & Co

Lahore: November 1, 2025
UDIN: CR202510141w9S2vHD0m

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LSE FINANCIAL SERVICES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Messrs. LSE Financial Services Limited (the "Company")**, which comprises statement of financial position as at June 30, 2025, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, statement of changes in equity and 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, the other 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 International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following are the Key Audit Matters:

Sr. No.	Key Audit Matters	How the Matter was addressed in audit
1.	Investment in associates	
	(refer note 5 to the annexed financial statements) The carrying amount of investment in associates held by the Company amounted to Rs. 384.775 million which constitutes 78.66% of the total assets as at June 30, 2025.	Our audit procedures to verify the valuation of the investments, among others include the following: <ul style="list-style-type: none"> • Assessed the design and tested the operating effectiveness of key controls in place relating to valuation of investments;

<p>These investments are carried under equity method in accordance with the Company's accounting policy relating to their recognition.</p> <p>We identified assessing carrying value of the investment as a key audit matter because of its significance to the financial statements.</p>	<ul style="list-style-type: none"> • Checked 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; • Checking the existence of shares from the Central Depository Company's report and share certificates; • Evaluated the Company's assessment for any impairment indicators, if any, in accordance with the accounting and reporting standards as applicable in Pakistan and performed an independent assessment of the assumptions and conclusions; and • Considered the Company's disclosures of investments in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.
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Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows (together with the notes thereon have been drawn up in conformity with the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under 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.

Other Matter

The financial statements for the year ended June 30, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on November 04, 2024.

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

Kreston Hyder Bhimji 

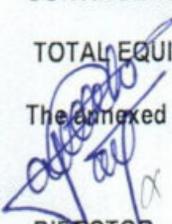
LAHORE: NOVEMBER 01, 2025
UDIN: AR2025101412joixKBdm

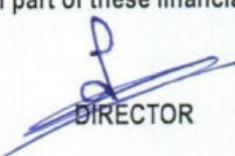
KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

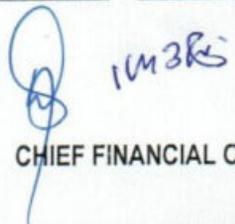
LSE FINANCIAL SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	<u>Note</u>	2025	2024
		<u>Rupees in thousands</u>	
ASSETS			
NON CURRENT ASSETS			
Investment in associates	5	384,775	371,900
Loan to director	6	3,044	9,657
Long term deposits	7	5,009	15,009
		392,828	396,566
CURRENT ASSETS			
Financial assets	8	-	59,589
Receivables, advances and prepayments	9	40,805	22,767
Income tax refunds due from the Government - net	10	45,521	42,049
Bank balances	11	10,027	23,443
		96,353	147,848
TOTAL ASSETS		<u>489,181</u>	<u>544,414</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital			
111,900,000 (2024: 111,900,000) ordinary shares of Rs. 10 each	12	<u>1,119,000</u>	<u>1,119,000</u>
Share Capital			
Issued, subscribed and paid-up share capital	12	356,776	356,776
Capital Reserves			
Share premium	13	31,355	31,355
Fair value reserve		2,897	-
Revenue Reserve			
Unappropriated profit		65,951	65,604
		<u>456,979</u>	<u>453,735</u>
NON CURRENT LIABILITIES			
Long term financing	14	-	1,924
Deferred tax liability	15	7,391	4,858
		7,391	6,782
CURRENT LIABILITIES			
Trade and other payables	16	8,943	66,729
Current portion of long term financing	14	2,020	2,020
Unpaid dividend		27	-
		10,990	68,749
DEPOSITS PAYABLE RELATED TO DISCONTINUED OPERATION:	17	13,821	15,148
CONTINGENCIES AND COMMITMENTS	18		
TOTAL EQUITY AND LIABILITIES		<u>489,181</u>	<u>544,414</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

LSE FINANCIAL SERVICES LIMITED
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		<u>Rupees in thousands</u>	
REVENUE	19	30,790	39,348
OPERATING EXPENSES			
Administrative and general expenses	20	(39,822)	(54,485)
OPERATING LOSS		<u>(9,032)</u>	<u>(15,137)</u>
OTHER INCOME	21	18,954	20,385
SHARE OF POST TAX PROFITS OF ASSOCIATES	5.1	14,468	79,511
FINANCE COST	22	(223)	(5,871)
PROFIT BEFORE INCOME TAX AND LEVY		<u>24,167</u>	<u>78,888</u>
LEVY	23	(3,104)	(3,120)
PROFIT BEFORE INCOME TAX		<u>21,063</u>	<u>75,768</u>
INCOME TAX	24	(2,877)	(14,501)
PROFIT AFTER INCOME TAX FOR THE YEAR		<u><u>18,186</u></u>	<u><u>61,267</u></u>
EARNINGS PER SHARE - BASIC AND DILUTED	25	<u><u>0.51</u></u>	<u><u>1.72</u></u>

The annexed notes from 1 to 36 form an integral part of these financial statements.


DIRECTOR


DIRECTOR

16/3/25


CHIEF FINANCIAL OFFICER

LSE FINANCIAL SERVICES LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
	Rupees in thousands	
PROFIT AFTER INCOME TAX FOR THE YEAR	18,186	61,267
OTHER COMPREHENSIVE INCOME FOR THE YEAR		
<i>Items that may be reclassified to profit or loss subsequently</i>	-	-
<i>Items that may not be subsequently reclassified to profit or loss</i>		
Share of other comprehensive income of associates	3,407	4,257
Less: Deferred tax impact	(510)	(639)
	2,897	3,618
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	21,083	64,885

The annexed notes from 1 to 36 form an integral part of these financial statements.


 DIRECTOR


 DIRECTOR


 CHIEF FINANCIAL OFFICER

LSE FINANCIAL SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

	Share Capital	Share Premium	Fair value reserve	Unappropri- ated profit	Total Equity
	Rupees in Thousands				
Balance as at June 30, 2023	100,000	-	-	718	100,718
Profit for the year	-	-	-	61,267	61,267
Other comprehensive income	-	-	-	3,618	3,618
Total comprehensive income for the year	-	-	-	64,885	64,885
Transactions with owner:					
Adjustments / transfers as per scheme of merger	256,776	31,355	-	-	288,131
Balance as at June 30, 2024	356,776	31,355	-	65,603	453,734
Profit for the year	-	-	-	18,186	18,186
Other comprehensive income	-	-	2,897		2,897
Total comprehensive income for the year	-	-	2,897	18,186	21,083
Transactions with owner:					
Cash dividends of Rs. 0.50 per share for the year ended June 30, 2024 (Final)	-	-	-	(17,838)	(17,838)
Balance as at June 30, 2025	<u>356,776</u>	<u>31,355</u>	<u>2,897</u>	<u>65,951</u>	<u>456,979</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.


DIRECTOR

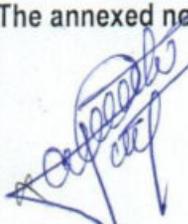

DIRECTOR


CHIEF FINANCIAL OFFICER

LSE FINANCIAL SERVICES LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	
Note	Rupees in thousands		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	26	(47,136)	(12,994)
Finance cost paid		(245)	(256)
Income tax and levies paid		(4,715)	(3,848)
Net cash used in operations		<u>(52,096)</u>	<u>(17,098)</u>
CASH FLOWS INVESTING ACTIVITIES			
Investments matured during the year		59,589	304,059
Changes in advances to related parties - net		(24,306)	4,052
Long term deposits matured	7	10,000	10,000
Loan to director	6.1	-	(35,616)
Markup payment received from director			-
Receipt from director	6.1	17,146	7,709
Dividend received from associated company	5.1	5,000	-
Profit on PLS account received		8,633	19,752
Net cash generated from investing activities		76,062	309,956
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(17,813)	-
Long term financing paid	14	(1,924)	(1,828)
Loan returned to associated companies	16	(17,645)	(319,431)
Net cash used in financing activities		<u>(37,382)</u>	<u>(321,259)</u>
Net decrease in cash and cash equivalents		<u>(13,416)</u>	<u>(28,401)</u>
Cash and cash equivalents at the beginning of the year		23,443	51,844
Cash and cash equivalents at the end of the year	11	<u>10,027</u>	<u>23,443</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

10/30/25

1 CORPORATE AND GENERAL INFORMATION

LSE Financial Services Limited ("the Company") was originally incorporated with the name of Lahore Stock Exchange (Guarantee) Limited under the repealed Companies Act, 1913 (now the Companies Act, 2017) on October 05, 1970 as a Company limited by guarantee. The Company was re-registered as a public unlisted Company limited by shares on August 27, 2012. Consequent to the integration of all stock exchanges of the country on Jan 11, 2016, the Company obtained an NBFC license to start functioning as an investment finance services company under the name LSE Financial Services Limited. The Company underwent a series of restructuring during 2023 and 2024. On Jan 11, 2025, the Company's NBFC license expired and the Company decided to not renew the same. Hence, the Company is no longer operating as an NBFC after the said date.

On May 31, 2024, the shares of the Company started trading on Pakistan Stock Exchange Limited ("PSX") consequent to the transfer of the listing status from Modaraba Al-Mali (Modaraba) under the scheme of arrangement with its management company - LSE Capital Limited.

The Head office / Registered Office of the Company is located at the Exchange Hub, LSE Plaza, 19- Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.

The JCR-VIS Credit Rating Company Limited reaffirmed long term and short term credit ratings of the Company as "A" and "A-1" respectively with stable outlook on July 30, 2025.

2 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 Standards) 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; and
- Provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

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

3 BASIS OF MEASUREMENT

3.1 Accounting Convention

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies notes without taking the effect of inflation. In these financial statements, except for cash flow statement, all the transactions have been accounted for on accrual basis.

3.2 Functional and presentation currency

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

3.3 Critical accounting estimates, judgements and assumptions

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

<u>Description</u>	<u>Note reference</u>
o Investment in associates under equity method	4.1
o Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses)	4.2
o Provision against receivables	4.3
o Financial assets	4.4
o Expected Credit loss of certain financial assets under IFRS 9	4.4
o Impairment loss of non-financial assets	4.5
o Estimation of contingent liabilities and assets	4.16
o Leases	4.22
o Classifications	

Revisions to accounting estimates (if any) are recognized in the period in which the estimate are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.4 New and Amended Standards and Interpretations

New accounting standards, interpretations and amendments to accounting standards that are effective and but not relevant

During the year certain new standards, amendments and interpretations to approved accounting and reporting standards been made which are mandatory for the company's annual accounting period began on July 01, 2024. However, these do not have significant impact on company's financial reporting and therefore not detailed in these financial statements.

New accounting standards and amendments to standards not yet effective

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2025 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following.

M32

IAS-21	Amendments to IAS 21 'The effects of Changes in Foreign Exchange Rates' address situations where a currency may lack exchangeability, often due to government-imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date.	January 01, 2025
IFRS 7 and 9	'Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)' to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'.	January 01, 2026
IFRS 7 and 9	The amendments in Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) are: the own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent; and the hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument: o to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met; and o to measure the hedged item using the same volume assumptions as those used for the hedging instrument.	January 01, 2026
IFRS-10/IAS-28	IFRS 10 - Consolidated Financial Statements and IAS 28 - Investment in Associates and Joint Ventures (Amendment regarding sale or contribution of assets between an investor and its associate or Joint Venture).	Deferred Indefinitely
Annual Improvements to IFRS Accounting Standards Volume 11	It contains amendments to five standards (IFRS 1, 7, 9, 10 and IAS 7) as result of the IASB's annual improvements project.	January 01, 2026
IFRS 17	Insurance Contracts (New standard)	January 01, 2026
IFRS S1	'General Requirements for Disclosure of Sustainability-related Financial Information'.	July 01, 2025
IFRS S2	'Climate-related Disclosures'.	July 01, 2025
New Standards issued by IASB but have not yet been notified/adopted by SECP		
IFRS-18	IFRS 18 Presentation and Disclosure in Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027
IFRS 19	Subsidiaries without Public Accountability - Disclosures has been issued by IASB	January 01, 2027
IFRS 1	First Time Adoption of IFRS 1 (restructured version)	July 01, 2009

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Investments accounted for using the equity method

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

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

4.2 Taxation

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

1/13/20

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Levy

In accordance with the Income Tax Ordinance, 2001, computation of turnover tax and final tax 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.

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

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also 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 the transaction affects neither accounting nor taxable profit / loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilize those temporary differences and unused tax losses and credits.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company recognizes deferred tax liability on surplus on revaluation of property, plant and equipment which is adjusted against the related surplus.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income (such as the revaluation of property, plant and equipment) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognized deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.3 Sundry and other receivables

Measurement

Trade receivables are recognized and carried at original invoice value less an allowance for impairment. Bad debts are written off when identified.

Impairment

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognized in statement of profit or loss. Bad debts are charged in statement of profit or loss on identification.

4.4 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.

4.4.1 Financial assets

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

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a) 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. The 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.

b) Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable that are initially measured at the transaction price.

c) Subsequent measurement

Financial assets measured at amortized cost are subsequently measured using the effective interest rate method (EIR). The amortized cost is reduced by impairment losses, if any. Interest income and impairment are recognized in 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 arising is charged to statement of profit or loss.

d) Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows from assets have expired. The difference between the carrying amount and the consideration received is recognized in statement of profit or loss.

e) Impairment of financial assets

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

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 the 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.

4.4.2 Financial liabilities

a) Initial recognition and measurement

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

b) Subsequent measurement

The Company measures its financial liabilities subsequently at amortized cost using the 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 statement of profit or loss. Difference between the carrying amount and consideration paid is recognized in statement of profit or loss when the liabilities are derecognized.

Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.5 Impairment of non-financial assets

The assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Company recognizes the reversal immediately in statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

4.6 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:

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.

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.

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

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

4.7 Long term deposits

Deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in non-current assets for having maturities greater than 12 months after the reporting date. Initially they are recognized at fair value and subsequently stated at amortized cost.

4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flows statement, cash and cash equivalents comprise cash in hand, savings accounts and current accounts.

4.9 Payables and other liabilities

Liabilities for creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for the goods and/or services received, whether or not billed to the Company.

4.10 Related party transactions

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.

4.11 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue as follow:

Funds management

Income from trusts operations is recognized on the basis of average monthly net asset value of the funds.

Return on MTS investments and fixed income securities

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

Dividend income

Dividend income is recognized in 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.

Other income

Other income, if any, is recognized on accrual basis.

4.12 Return on Bank Deposits

Return on bank deposits is recognized and recorded on an accrual basis, reflecting the income as it is earned rather than when it is received.

4.13 Operating Segments

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

4.14 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in statement of profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4.15 Interest free loans to employees

The Company provides interest free loans to its employees for various purposes. The loans are initially recognized at fair value which is the present value of future deductions to be made from employees' salaries, discounted at the market interest rate. The difference between fair value of the interest free loan and principal amount at initial recognition is recorded as expense in statement of profit or loss. The loan is subsequently measured at amortized cost with respective finance income to be recorded in profit or loss. In addition, the deferred employee benefit is fully expensed in the statement of profit and loss at the time of initial recognition.

4.16 Contingent liabilities and assets

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

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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 would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

A Contingent asset is disclosed when an inflow of economic benefits is probable. Contingent assets are not recognized in the financial statements since this may result in recognition of income that may never be realized.

4.17 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.18 Dividend distributions

Dividend distribution and appropriations other than statutory appropriations are recorded in the period in which they are approved.

4.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

4.20 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4.21 Borrowings / loans and borrowing costs

Interest bearing borrowings / Loans

Interest bearing borrowings / loans are recorded at the proceeds received. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest rate method. Finance costs are accounted for on accrual basis and are reported under accrued mark up to the extent of the amount remaining unpaid.

Interest free loans payable on discretion of the company

Interest free loans given by directors and sponsors of the company and repayable at the discretion of the Company are initially measured and subsequently recognized in line with Technical Release - 32 (TR 32 - Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan (ICAP), these loans are shown as part of equity.

Overdrafts

Overdrafts, if any, are repayable in full on demand and are measured at amortized cost.

Interest / borrowing costs

Interest expense / borrowing costs are accounted for on the basis of the effective interest method and are included in finance costs which are charged to income in the period in which these are incurred, except borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Borrowings are reported under accrued finance costs to the extent of the amount remaining unpaid and are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

4.22 Leases

The Company is the lessee.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

At initial recognition, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

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The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss account if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use assets are depreciated on a straight-line method over the shorter of lease term or estimated useful life of the assets. If ownership of the asset transfers to the Company at the end of lease term or the cost reflects the exercise of purchase option, depreciation is calculated over the estimated useful life of the asset. These methods most closely reflect the expected pattern of consumption of future economic benefits.

The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Judgments and estimates

The Company applies judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

10/23/20

5 INVESTMENT IN ASSOCIATES

Note	2025	2024
	Rupees in thousands	
	171,469	161,010
	213,306	210,890
5.1	<u>384,775</u>	<u>371,900</u>

Under Equity Method

LSE Capital Limited (LSECL)
Digital Custodian Company Limited (DCCL)

5.1 LSE Capital Limited

LSE Capital Limited ("LSECL") (formerly Bank Islami Modaraba Investments Limited) was incorporated in Pakistan on January 22, 1986, as an unlisted public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Subsequently, it was registered as a Modaraba Company with the Registrar of Modaraba Companies and Modarabas, under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The registered office of the Company is situated at LSE Plaza, Khayaban-e-Aiwan-Iqbal Road Lahore. According to the ongoing scheme of arrangement involving the company and DCCL, these shares shall be distributed amongst the shareholders of the company upon the sanction of the scheme by the Honorable High Court (which has been done post the balance sheet date of October 13, 2025).

Digital Custodian Company Limited

Digital Custodian Company Limited ("DCCL") was incorporated on February 12, 1992 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as a private limited company. The status of the Company was converted from private limited company to unlisted public limited company on June 19, 2009. The registered office of the company is located at the Exchange Hub, LSE Plaza, Aiwan-e-Iqbal Road, Lahore. These shares were acquired by the Company under the Scheme of Arrangement sanctioned by the Honorable Lahore High Court on April 03, 2024. These shares are transferable to LSE Capital against the settlement of the acquisition of the listing status from Modaraba-Al-Mali.

Reconciliation of changes in carrying value of investments in associates

	2025		
	LSECL	DCCL	Total
Rupees in thousands			
Balance as at June 30, 2024	161,010	210,890	371,900
Share of profit after income tax for the year	13,044	1,424	14,468
Share of other comprehensive income	2,415	992	3,407
Dividend received	(5,000)	-	(5,000)
Balance as at June 30, 2025	<u>171,469</u>	<u>213,306</u>	<u>384,775</u>
No. of shares held	<u>10,000,000</u>	<u>18,817,917</u>	
Shareholding in %age	<u>5.52%</u>	<u>36.00%</u>	
	2024		
	LSECL	DCCL	Total
-----Rupees in thousands-----			
Balance reclassified from investment in subsidiaries / financial asset	100,000	188,131	288,131
Gain / (loss) on initial recognition of investment	52,629	(1,578)	51,051
	152,629	186,553	339,182
Share of total income	4,124	24,337	28,460
Share of total comprehensive income	4,185	-	4,185
Share in changes in equity of associate	72	-	72
Balance as at June 30, 2024	<u>161,010</u>	<u>210,890</u>	<u>371,900</u>
No. of shares held	<u>10,000,000</u>	<u>18,817,917</u>	
Shareholding in %age	<u>5.52%</u>	<u>36.00%</u>	

16/3/25

- 5.2 For the purposes of applying the equity method of accounting, the financial statements of LSE Capital Limited for the year ended June 30, 2025 have been used. As at June 30, 2025, the fair value of LSE Capital Limited was Rs. 6 per share (2024: Rs. 3.12 per share) based on the quoted market price available on the Pakistan Stock Exchange, which is a level 1 input in terms of IFRS 13.

The associate is accounted for using equity method in these financial statements. The Company has significant influence on LSE Capital Limited due to its representation on the Board of Directors of investee and consequently the investment has been treated as investment in associates in accordance with the requirements of IAS 28 'Investment in Associates'.

- 5.3 The following table summarizes the financial information of LSE Capital Limited ("LSECL") and Digital Custodian Company Limited ("DCCL") as included in their respective un-audited and audited financial statements. The table also reconciles the summarized financial information to the carrying amount of the Company's interest in associates.

	LSECL	DCCL
	Rupees in thousands	
Revenue	145,428	127,342
Profit after income tax	236,308	3,956
Other comprehensive income	43,751	2,757
Total comprehensive income	280,059	6,713
Current assets	619,900	39,132
Non-current assets	2,906,399	631,662
Current liabilities	(198,658)	(47,982)
Non-current liabilities	(163,198)	(15,974)
Net assets of the associate	3,164,443	606,838
Other adjustments	(58,112)	(14,318)
Net assets of the associate after intercompany elimination	3,106,331	592,520
Proportion of the company ownership interest	5.52%	36.00%
	171,469	213,306

1/11/2025

6 LOAN TO DIRECTOR at amortized cost	Note	2025	2024
		Rupees in thousands	
Carrying amount	6.1	10,588	23,812
Less: current portion of loan	9	(7,544)	(14,155)
		<u>3,044</u>	<u>9,657</u>

6.1 Movement in loan to director

Opening balance		23,812	-
Disbursements		-	35,616
Less: Discounting of loan to director		-	(5,624)
		<u>23,812</u>	<u>29,992</u>
Unwinding of discount	21	3,922	1,528
Receipts		(17,146)	(7,709)
Closing balance		<u>10,588</u>	<u>23,812</u>

6.2 This represents the loan provided to Mr. Aftab Ahmad - director as per the Company's policy repayable in 2 years and carries markup at the rate of 12% per annum. The effective interest is 21.97% per annum.

The Company has also provided an interest free advance to this Director for purchase of vehicle under the consultancy services agreement duly approved by the Board of Directors for a term of five years.

The maximum amount due at the end of any month during the end of any month was Rs. 22.76 million (2024: Rs. 31.75 million).

7 LONG TERM DEPOSITS

Utilities		1,224	1,224
Deposit against Margin Trading System of NCCPL		3,785	13,785
		<u>5,009</u>	<u>15,009</u>

8 FINANCIAL ASSETS

At amortised cost

Investment in Margin Trading System of NCCPL	8.1	-	59,589
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8.1 Investment in Margin Trading System of NCCPL is an undisclosed market of finances and financiers with a participation ratio of 85 to 15 carrying markup at KIBOR with spread of maximum upto 8% (2024: 8%).

9 RECEIVABLES, ADVANCES AND PREPAYMENTS

Unsecured - Considered good

Fund management fee receivable		2,959	2,739
Due from related parties	9.1	30,302	2,831
Accrued profit		-	2,357
Dividend receivable		-	686
Current portion of loan to director	6	7,544	14,155
		<u>40,805</u>	<u>22,767</u>

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Gross Amount Due		Maximum Outstanding at any time during the year
2025	2024	2025
Rupees in thousands		

9.1 Due from related parties

LSE Capital Limited	9.1.1	26,572	185	33,406
LSE Ventures Limited	9.1.1	206	-	7,218
Digital Custodian Company Limited	9.1.1	3,523	2,645	6,232
		<u>30,302</u>	<u>2,830</u>	<u>46,856</u>

9.1.1 This represents amounts due from related parties in the normal course of business and recoverable on demand. These balances are unsecured, considered good and carry a markup @ 6-month KIBOR+1% as approved in the last Annual General Meeting of the Company.

10 INCOME TAX REFUNDS DUE FROM GOVERNMENT- NET

10.1 45,521 42,049

10.1 Movement in income tax

Wealth tax paid:			
- under protest		-	10,063
- with returns		-	461
		-	10,524
Less: Provision for wealth tax		-	(3,728)
		-	6,796
Opening income tax refunds		35,253	37,523
Wealth tax refund transferred		10,524	-
Income tax deducted at source during the year		4,715	3,848
Recovery from associated company		(1,011)	-
Prior year adjustment		(52)	(2,998)
Less: Provision of income tax for the year		(3,908)	(3,120)
		10,268	(2,270)
Closing income tax refunds		45,521	35,253
		<u>45,521</u>	<u>42,049</u>

11 BANK BALANCES

Cash at bank in savings accounts 11.1 10,027 23,443

11.1 Cash at banks in saving accounts carry mark-up ranging from 9.50% to 19.00% per annum (2024: 19.50% to 20.50%).

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

11.3 It includes deposit of Rs. 2.02 million under lien by Bank Al-Habib Limited against a loan facility of SBP financing scheme for renewable energy (Note 14).

10/3/24

12 SHARE CAPITAL

12.1 Authorized share capital

	2025	2024		2025	2024
	Number of shares		Note	Rupees in thousands	
	111,900,000	111,900,000	Ordinary shares of Rs. 10 each	1,119,000	1,119,000

12.2 Issued, subscribed and paid-up share capital

	35,677,578	35,677,578	Ordinary shares of Rs. 10 each issued otherwise than in cash	356,776	356,776
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12.3 Reconciliation of changes in number of shares is as follows:

	2025	2024		2025	2024
	Number of shares			Number of shares	
Opening balance	35,677,578	10,000,000			
Under the Scheme dated April 03, 2024:					
Shares issued during the year	-	25,677,578	12.6		
Closing balance	35,677,578	35,677,578			

12.3.1 The Company was demerged as per restructuring scheme approved by Honorable Lahore High Court through its Order dated April 26, 2023 under which previously issued share capital of Rs. 1,795.98 million was cancelled and 10 million equivalent shares had been issued in favour of LSE Ventures Limited amounting to Rs. 100 million.

	2025	2024	2025	2024
	Percentage		Number of Shares	
12.4 Shares held by related parties are as follows:				
LSE Ventures Limited	28.03%	28.03%	10,000,000	10,000,000
Directors	23.59%	23.59%	8,416,764	8,416,764
Digital Custodian Company Limited	2.36%	2.36%	841,742	841,742
			19,258,506	19,258,506

12.5 There are no agreements with shareholders for any specific voting rights, board selection, rights of first refusal and block voting etc.

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

13 SHARE PREMIUM

Share premium

2025	2024
Rupees in thousands	
31,355	31,355

13.1 Under the Scheme 15,677,578 shares were issued otherwise than in cash at a premium of Rs. 2 per share.

13.2 This reserve can be utilized by the Company only for the purposes specified in section 81 of Companies Act, 2017.

14 LONG TERM FINANCING

Bank Al Habib Limited
Less: Current portion

2,020	3,944
(2,020)	(2,020)
-	1,924

14.1 The long term financing facility has been obtained from Bank Al Habib Limited for the purchase and installation of 100 KW On-Grid Solar System under the State Bank of Pakistan financing scheme for Renewable Energy Category-II. It carries mark-up at SBP rate of 2% with spread of 2% per annum, payable quarterly. The bank has marked lien over PLS accounts for Rs. 2.020 million (2024: Rs. 3.944 million). The tenor of the facility is 5 years from the date of disbursement.

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	<u>Note</u>	<u>2025</u>	<u>2024</u>
		<u>Rupees in thousands</u>	
15 DEFERRED TAX LIABILITY	15.1	7,391	4,858
15.1 Breakup of deferred tax liability			
Taxable temporary differences			
Investment in associates		14,497	12,565
Deductible temporary differences			
Business losses		(7,106)	(7,283)
Minimum tax u/s 113 of the Income Tax Ordinance, 2001		-	(424)
		7,391	4,858

15.2 Deferred tax assets / liabilities on temporary differences are measured at effective rate of 29% & 15% (2024: 29% & 15%).

15.3 Reconciliation of deferred tax (assets) / liabilities - Net

Opening balance	4,858	(7,824)
Deferred tax effect charged to profit or loss	2,023	11,503
Deferred tax effect charged to other comprehensive income	510	639
Closing balance	7,391	4,858

Statement of Financial Position		Statement of Profit or Loss	
2025	2024	2025	2024

Rupees in thousands

15.4 Analysis of deferred tax

Investment in associates	14,497	12,565	1,422	11,927
Business losses	(7,106)	(7,283)	176	-
Minimum tax u/s 113 of the Income Tax Ordinance, 2001	-	(424)	424	(424)
	7,391	4,858	2,022	11,503

16 TRADE AND OTHER PAYABLES

	<u>Note</u>	<u>2025</u>	<u>2024</u>
		<u>Rupees in thousands</u>	
Trade creditors		1,298	405
Accrued liabilities		2,173	1,793
Defaulted members' membership sale proceeds	16.1	-	44,131
Loan for Margin Trading System	16.2	-	17,645
Punjab Workers' Welfare Fund payable		2,345	2,345
Withholding tax payable		3,064	-
Sales tax payable		51	377
Accrued mark-up		12	33
		8,943	66,729

16.1 The Company has transferred defaulted members' membership proceeds amounting to Rs. 44.131 million pursuant to resolution dated October 30, 2024 passed by the members of Funds Committee constituted by SECP to Default Management Committee (DMC) to an account having title "LSE Financial Services Limited - DMC". The Company has no control over and rights of utilization of this amount. This amount will be used by DMC for settlement of claims against these members.

16.2 This represents loan received from LSE Ventures Limited and LSE Capital Limited for investment in Margin Trading System (MTS) of NCCPL. Investment on Margin Trading System of NCCPL is an undisclosed market of finances and financiers with a participation ratio of 85 to 15 carrying markup of KIBOR with spread of maximum upto 8%. The Company has invested in MTS on behalf of LSE Venture Limited and LSE Capital Limited. Markup earned is paid net of 1% to 2% service charges and MTS charges.

17 DEPOSITS PAYABLE RELATED TO DISCONTINUED OPERATIONS

These deposits have not been kept in a separate bank accounts and have been utilized by the company in the ordinary course of its business. These amounts relate to the discontinued operations of the Company.

10/24/24

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

- 18.1.1** On April 12, 2010, the Company had filed a suit for the recovery of US Dollar 105,000 and Rs. 3,314,015 against InfoTech (Private) Limited in the Court of Senior Civil Judge Lahore, which was referred by the Court for Arbitration. Currently the matter is pending before the Arbitration Tribunal for hearing of miscellaneous applications and recording evidence of the Company. However, the Company expects a favorable outcome of the case.
- 18.1.2** The Income Tax Appellate Tribunal, vide its order dated June 03, 2003 and November 01, 2005 for the Assessment years 1992-93 to 2000-01 accepted the contention that the Company qualifies for exemption under section 5(1)(i)/clause 22 of the Second Schedule to the Wealth Tax Act, 1963. The Department has filed a written petition before the Lahore High Court, Lahore against the aforesaid order of the Income Tax Appellate Tribunal. The Honorable Lahore High Court decided the case in favor of the Company. However, the tax department has filed the CPLA before the Honorable Supreme Court of Pakistan.
- 18.1.3** The Company has not recognized provision for Punjab Workers' Welfare Fund (PWWF) amounting to Rs. 2.061 million (2024: Rs. 1.578 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.

18.2 Commitments

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

19 REVENUE

Revenue from Margin Trading System of NCCPL
Fund and operational management fee
Less: PRA sales tax

Note	2025	2024
	Rupees in thousands	
	2,250	13,527
19.1	33,106	29,952
	(4,566)	(4,131)
	28,540	25,821
	30,790	39,348

- 19.1** This represents fund and operational management fee charged to MCF, IPF and TCF trusts. Fund management and operational fee is calculated at 2% (2024: 2%) on closing net assets of the fund as per audited accounts of the respective fund as at June 30, 2025.

20 ADMINISTRATIVE AND GENERAL EXPENSES

Salaries and benefits
Shared services
Information technology related expenses
Insurance
Travelling and conveyance
Printing and stationery
Utilities
Repairs and maintenance
Security expenses
Communication and public relations
Legal and professional charges
Margin Trading System charges
Fees and subscription
Rent, rates and taxes
Auditors' remuneration
Board meetings fee
Others
Depreciation

20.1	5,563	27,764
20.2	5,352	-
	47	126
	31	48
	2,410	2,819
	299	35
	-	3,446
	230	227
	-	62
	1,264	39
	17,924	9,778
	1,164	4,270
	911	1,919
	70	100
20.3	1,767	966
	1,900	2,800
	890	36
	-	50
	39,822	54,485

- 20.1** Salaries and benefits include Rs. 0.278 million (2024: Rs. 1.267 million) in respect of contribution to provident fund.

- 20.2** This represents cost of services (i.e. equity management, payroll processing, accounting and treasury services, HR management, income tax and sales tax management, etc.) payable to LSE Capital Limited- related party pursuant to agreement dated November 22, 2024 entered into between the group companies.

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	2025	2024
Note	Rupees in thousands	
20.3 Auditors' remuneration		
Audit services		
Kreston Hyder Bhimji and Co.		
Annual audit fee	500	-
Half yearly review fee	250	-
Fee for review report on statement of compliance	75	-
Certifications for regulatory purposes	650	-
Government levies	74	-
Out of pocket expenses	83	-
	<u>1,631</u>	<u>-</u>
Crowe Hussain Chaudhury and Co- predecessor auditor		
Annual audit fee	-	367
Other assurance services	136	525
Code of corporate governance	-	74
	<u>1,767</u>	<u>966</u>
21 OTHER INCOME		
Income from financial assets		
<i>At amortized cost / under effective interest method</i>		
Profit on saving accounts	6,276	13,989
Markup income on loan to director	3,922	1,528
Markup on advances to related parties	3,166	185
Markup income on exposure in MTS	949	1,155
Dividend income	105	291
	<u>14,418</u>	<u>17,148</u>
Income from non-financial assets		
Reversal of provision against wealth tax	3,728	-
Old liabilities no more payable written back	493	2,796
Miscellaneous income	315	391
Gain on disposal of operating fixed assets	-	50
	<u>18,954</u>	<u>20,385</u>
21.1 This amount comprises of actual mark up received Rs. 1.728 million (2024: Rs. 1.486 million) and the remaining amount relates to unwinding of discounting of Director's loan.		
22 FINANCE COST	23.1	
Mark-up on long term financing	131	200
Discounting of loan to director	-	5,624
Bank charges	92	47
	<u>223</u>	<u>5,871</u>
23 LEVY		
Current		
<i>Minimum tax</i>	3,036	3,120
<i>Final tax</i>	16	-
Prior year	52	-
	<u>3,104</u>	<u>3,120</u>

23.1 This represents final taxes and minimum taxes paid under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21 and IAS 37.

Am 30/12

24 INCOME TAX

24.1 Taxation

Current
Prior year

Deferred tax

Note	2025	2024
	Rupees in thousands	
24.4	856	-
	-	2,998
	856	2,998
15.4	2,021	11,503
	2,877	14,501

24.2 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.

24.3 Numerical reconciliation between average effective tax rate and the applicable tax rate is not practicable due to application of normal income tax rate and minimum tax rate on services under section 153 (1) (b) of the Income Tax Ordinance, 2001.

24.4 Reconciliation of levy and income tax under IAS-12

Current tax liability as per applicable tax laws
Portion of current tax liability representing
- Income tax as per IAS -12
- Levy as per IFRIC 21 / IAS 37

	3,960	3,120
	(856)	-
	(3,104)	(3,120)
	-	-

25 EARNING PER SHARE- BASIC AND DILUTED

Net profit for the year attributable to ordinary shareholders Rs. in 000s
Weighted average number of ordinary shares Number of shares in 000s
Earnings per share - Basic Rupees

	2025	2024
	18,186	61,267
	35,678	35,678
	0.51	1.72

25.1 There is no dilutive effect on the basic earnings per share of the Company as the Company has no such commitments that would result in dilution of earnings of the Company.

26 Cash (Used in) / Generated from Operations

Profit before income tax and levy
Adjustment for:

Depreciation
Share of profit of associates
Gain on disposal of operating fixed assets
Dividend receivable written off
Reversal of provision against wealth tax
Old liabilities no more payable written back
Profit on saving accounts
Markup on advances to related parties
Discounting of loan to director
Interest income on loan to director
Finance cost

	24,167	78,888
	-	50
	(14,468)	(79,511)
	-	(50)
	686	-
	(3,728)	-
21	(493)	(2,796)
21	(6,276)	(13,989)
21	(3,166)	(185)
	-	5,624
	(3,922)	(1,528)
22	223	247

Operating loss before working capital changes

(Increase) / decrease in current assets:

- Receivables, advances and prepayments

Increase / (decrease) in current liabilities:

- Payables and other liabilities

- Deposits payable related to discontinued operations

	(31,144)	(92,139)
9	794	810
16	(40,120)	1,528
	(834)	(2,081)
	(40,160)	257
	(47,136)	(12,994)

Cash used in operations

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27 FINANCIAL RISK MANAGEMENT

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

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

27.1 Market risk

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

Currency risk

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

Interest rate risk

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

The interest rate profile of the Company's interest-bearing financial instruments as at the reporting date is as follows:

	2025	2024
	Rupees in thousands	
Floating rate instruments		
Financial assets		
Margin Trading System (MTS)	-	59,589
Bank balances	10,027	23,443
Fixed rate instruments		
Financial liabilities		
Long term financing	2,020	3,944

Cash flow sensitivity analysis for variable rate instruments

As at reporting date, if interest rates get 1% higher / lower with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 0.1 million (2024: Rs. 0.83 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 not exposed to equity price risk in respect of its investments.

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27.2 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 receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

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

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

		2025	2024
	Note	Rupees in thousands	
Long term deposits	7	5,009	15,009
Financial assets	8	-	59,589
Receivables	6 & 9	43,849	22,767
Bank balances	11	10,027	23,443
		<u>58,885</u>	<u>120,808</u>

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

The management 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 its receivables etc.

10/3/20

The Company evaluates the concentration of risk with respect to 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 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		
Allied Bank Limited	A1+	AAA	PACRA	8	7
Bank Alfalah Limited	A1+	AAA	PACRA	93	1,598
Bank Al-Habib Limited	A1+	AAA	PACRA	4,167	5,852
Habib Bank Limited	A1+	AAA	VIS	51	11,758
MCB Bank Limited	A1+	AAA	PACRA	5,565	4,098
National Bank of Pakistan	A1+	AAA	PACRA	73	66
Summit Bank Limited	N/A	N/A	VIS	71	63
				<u>10,027</u>	<u>23,443</u>

27.3 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 appropriate 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 as 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
Rupees in thousands						
Contractual maturities of financial liabilities as at June 30, 2025:						
Long term financing	2,020	2,020	2,020	-	-	-
Trade and other payables	3,483	3,483	3,483	-	-	-
Deposits payable related to discontinued operations	13,821	13,821	13,821	-	-	-
	<u>19,324</u>	<u>19,324</u>	<u>19,324</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contractual maturities of financial liabilities as at June 30, 2024:						
Long term financing	3,944	3,944	2,020	1,924	-	-
Trade and other payables	64,007	64,007	64,007	-	-	-
Deposits payable related to discontinued operations	15,148	15,148	15,148	-	-	-
	<u>83,100</u>	<u>83,100</u>	<u>81,176</u>	<u>1,924</u>	<u>-</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.

27.4 Financial instruments by categories

	Fair value through profit or loss	At amortized cost	At fair value through other comprehensive income	Total
Rupees in thousands				
Financial assets as at June 30, 2025				
Receivables	-	43,849	-	43,849
Long term deposits	-	5,009	-	5,009
Bank balances	-	10,027	-	10,027
	<u>-</u>	<u>58,885</u>	<u>-</u>	<u>58,885</u>
Financial assets as at June 30, 2024				
Receivables	-	22,767	-	22,767
Long term deposits	-	15,009	-	15,009
Financial assets	-	59,589	-	59,589
Bank balances	-	23,443	-	23,443
	<u>-</u>	<u>120,808</u>	<u>-</u>	<u>120,808</u>

1/3/24

Financial liabilities at amortized cost

Long term financing
Trade and other payables
Deposits payable related to discontinued operations

	2025	2024
	Rupees in thousands	
	2,020	3,944
	3,483	64,007
	13,821	15,148
	<u>19,324</u>	<u>83,099</u>

27.5 Fair value of financial instruments

Fair value is the price 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.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

The Company has not disclosed the fair values of the financial assets and financial liabilities as disclosed in note 27.4 because their carrying amounts are reasonable approximation of fair values, except fair value of certain equity instruments.

28 CAPITAL RISK MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investors' creditors' and market confidence and to sustain the future development of its business. The Company's objectives when managing capital are:

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

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, if possible, and regulate its dividend payout thus maintaining smooth capital management.

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

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

1/3/20

29 TRANSACTIONS WITH RELATED PARTIES

Related parties companies associated companies / undertakings, companies where directors also hold directorship, directors, retirement benefits fund, key management personnel, etc. The related parties of the Company are as follows:

Names of Related Parties	Relationship	Basis of relationship / (percentage shareholding or common directorship)	
Associated companies			
Digital Custodian Company Limited	Associate	Shareholding	36.00%
LSE Capital Limited	Associate	Common director	5.52%
Pakistan Credit Rating Agency Limited	Associate	Shareholding	32.40%
Central Depository Company of Pakistan Limited	Associate	Common director	10.00%
Pakistan Mercantile Exchange Limited	Associate	Common director	7.25%
LSE Ventures Limited	Associate	Shareholding	28.03%
Digital Custodian Company Limited	Associate	Common director	2.36%
Zahid Latif Khan Securities (Private) Limited	Associate	Shareholding	20.39%
Directors:			
Aftab Ahmad	Director		21.00%
Amjad Ali Khan Khattak	Director		-
Habib Ur Rehman Ghani	Director		-
Huma Ejaz	Director		-
Syed Muhammad Talib Rizvi	Director		-
Sohail Ahmad Awan	Director		-
Sani E Mehmood Khan	Director		-
Muhammad Iqbal	Director		-
Syed Jawwad Ahmad	Director		-
Aasiya Riaz	Director		-
Amir Zia	Director		-

Balances with related parties are disclosed in respective notes to these financial statements, whereas significant transactions with these related parties not elsewhere disclosed in the financial statements are disclosed as under:

Names of Related Parties	Relationship	Transaction during the year	2025	2024
			Rupees in thousands	
Transaction with associated companies				
LSE Ventures Limited	Associate	Funds received for investment in MTS	-	159,000
		Funds paid of MTS investment	-	475,526
		Investment in MTS - return paid	-	67,417
		Payment of expenses on behalf of company	7,002	-
		Expenses paid on behalf of company-reimbursed	17,924	10,570
		Markup on advances to associate	206	-
LSE Capital Limited	Associate	Fund received for investment in MTS	170,000	37,645
		MTS Investment reversed during the year	183,821	-
		Return on investment in MTS - paid	4,783	4,339
		Reimbursement of expenses - receivable	-	11,069
		Expenses paid on behalf of the company	3,886	5,290
		Reimbursement of expenses	4,421	-
		Deposits paid for recovery of receivables	-	1,551
		Equity management fee paid-inclusive of PRA sales tax	6,208	-
		Billing & rents received by the company	-	33,335
		Advance given during the year	29,689	20,000
		Markup on advances to associate	2,456	185
		Dividend received during the year	5,000	-
Digital custodian company Limited	Associate	Expenses paid on behalf of company	2,468	-
		Salaries paid on behalf of DCCL	5,121	-
		Markup on advances to associate	503	-
		Payment against e- share registrar services	86	-
Others				
LSE - Employees' Provident Fund Trust	Employee benefit fund	Contribution for the year	278	1,203
Aftab Ahmad	Director	Consultancy charges	13,824	-
		Repayment of loan	17,146	7,709
		Reimbursable expenses	1,594	-
		Markup received on loan	1,728	-

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30 SEGMENT REPORTING

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

30.2 The sales percentage by geographic region is as follows:

	2025 %	2024 %
Pakistan	<u>100.00</u>	<u>100.00</u>

30.3 Revenue from fund management fee amounting to Rs. 28.540 million (2024: Rs. 25.821 million) net off PRA sales tax account for 92.69% (2024: 65.62%) of total revenue for the year.

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

31 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these financial statements 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
	Rupees in Thousands							
Managerial remuneration	399	3,455	-	3,600	2,423	3,646	2,822	10,701
Company's contribution to the provident fund trust	29	345	-	509	215	123	244	977
Housing and utilities	220	1,900	-	1,980	1,333	2,005	1,553	5,885
Board meeting fee	-	-	1,900	2,800	-	-	1,900	2,800
Others	252	380	-	8,044	960	-	1,212	8,424
	<u>900</u>	<u>6,080</u>	<u>1,900</u>	<u>16,933</u>	<u>4,931</u>	<u>5,774</u>	<u>7,731</u>	<u>28,787</u>
Number of persons	-	1	-	1	1	3	1	5

31.1 Chief Executive's salary represents one and a half months (2024: twelve months) managerial remuneration.

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

32 NO OF EMPLOYEES

	<u>2025</u>	<u>2024</u>
Total number of employees at the year end	<u>1</u>	<u>3</u>
Average number of employees during the year	<u>2</u>	<u>4</u>

33 SHARIAH COMPLIANT DISCLOSURES

The Company's assets, liabilities, revenue, income, etc. does not fall under Shariah compliant business and its banking arrangements are under the conventional mode. Hence, Shariah compliant disclosures are not applicable.

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34 PROVIDENT FUND TRUST- RELATED PARTY

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.

35 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.

36 GENERAL

Comparative figures are re-arranged / reclassified, wherever necessary, to facilitate better comparison. However, no material re-arrangement or reclassifications has been made in these financial statements.



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER



Notice Of Annual General Meeting

November 6, 2025

NOTICE is hereby given that the Annual General Meeting (“AGM”) of LSE Financial Services Limited (the “Company”) will be held on **Thursday, November 27th, 2025, at 10:30 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 Extra Ordinary General Meeting held on December 28, 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.



3. To appoint External Auditors of the Company for the year ending June 30th, 2026, and to fix their remuneration.
4. To elect seven (7) Directors of the Company, including five (5) Non-Executive/Shareholder Directors and two (2) Independent Directors of the Company, as fixed by the Governing Board of Directors of the Company, in accordance with Section 159(1) of the Companies Act, 2017 (“the Act”), to be elected for a period of three (3) years, commencing from November 27, 2025. The Chief Executive Officer shall be appointed by the Board from amongst the elected Shareholder Directors of the Company, for a term of three years under contract.

The names of the retiring directors are as follows and they are eligible to offer themselves for election/re-election:

- 1) Mr. Habib Ur Rehman Gilani
- 2) Mr. Aftab Ahmad
- 3) Ms. Aasiya Riaz
- 4) Mr. Amir Zia
- 5) Syed Jawad Ahmad
- 6) Syed Muhammad Talib Rizvi
- 7) Mehr Muhammad Iqbal
- 8) Mr. Sohail Ahmed Awan
- 9) Mr. Amjad Ali Khan Khattak
- 10) Ms. Huma Ejaz
- 11) Mr. Sanie Khan



SPECIAL BUSINESS:

5. 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:

5.1 Changes in the Memorandum & Articles of Association of the Company:

5.1.1 Change in the Registered Office of the Company:

5.1.1.1 "RESOLVED THAT pursuant to the Section 21 of the Companies Act, 2017, the approval be and is hereby accorded for changing the Registered Office of the Company from Lahore to Islamabad."

5.1.1.2 "FURTHER RESOLVED THAT subsequent to the passage of the above special resolutions, if it is deemed that the change in the location of the registered office of the Company or any other special resolution would not be feasible, then the CEO of the Company, would have the authority to make any suitable decision with regards to the same."

5.1.2 Offering of Optional Payout Structure to the Shareholders

5.1.2.1 "RESOLVED THAT the approval be and is hereby accorded for the addition of the following new clauses (Articles) as Articles 124A, 124B, 124C and 124D in the Articles of Association of the Company and the renumbering of all of the next clauses (Articles) accordingly:

"124A 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.

124B 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.

124C 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.

124D 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."

5.2 Transactions with associated companies/related parties (under Section 199 of the Companies Act, 2017):

5.2.1 "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.”

5.2.2 “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.”

5.2.3 “FURTHER RESOLVED THAT all transactions with associated companies / related parties shall be placed before the shareholders for ratification in the subsequent general body meetings.”

5.2.4 “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.”

5.3 Re-characterization/re-construction of Assets and Liabilities of Companies as a consequence of the approved Scheme of Arrangement of LSEFSL with DCCL.

5.3.1 “RESOLVED THAT as a consequence of the approved Scheme of Arrangement, all assets related to the discontinued operations, be and are hereby approved to be accounted for/re-characterized/re-constructed in the balance sheet of the Company.”

5.3.2 “RESOLVED FURTHER THAT as a consequence of the approved Scheme of Arrangement, the re-characterization/re-allocation of all liabilities of DCCL from LSE Capital to LSEFSL, be and is hereby approved.”

5.4 Authorizing the Company Secretary to Implement all Special Resolutions passed in today’s AGM:

5.4.1 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:

-Sd-

Muhammad Sajjad Hyder
Company Secretary
(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. SC/NBFC-1-133/LSE/2022-315 dated November 5, 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 20th, 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. Declaration of Interest:

The present Directors are interested in the Ordinary Business to the extent that they are eligible for re-election as the directors of the Company.

5. Election of Directors:

- 1) In terms of section 159(1) of the Companies Act – 2017 (Act), the Board, through a Resolution by Circular passed on October 16, 2025, has fixed the number of Directors at Seven (7) and has approved the following composition of the Board for the next term of three years:
 - Five (5) Shareholder/Non-Executive Directors including at least one female director
 - Two (2) Independent Directors
 - The Chief Executive Officer, shall be appointed by the Board from amongst the elected Shareholder Directors of the Company, for a term of three years under a contract
- 2) A natural person consenting to the election must be a member of the Company at the time of filing of his/her consent except a person representing a member, which is not a natural person.
- 3) Notices of Intention: In accordance with Section 159(3) of the Act, any member who seeks to contest an election to the office of director, whether he is a retiring director or otherwise, is required to file with the Company, not later than fourteen (14) days before the date of the meeting at which elections are to be held, a notice of his/her intention to offer him/herself for election as a director. Therefore, any member of the Company interested in contesting the election of director must file the following documents with the Company Secretary of LSE Financial Services Limited, at its Registered Office at; LSE Plaza, 19-Kashmir Egerton Road, Lahore, on or before November 13, 2025:
 - a) Notice of his / her intention to offer him / herself for the election to the Office of Director in terms of section 159(3) of the Act.
 - b) Consent to act as a director on Appendix to Form-9 of the Companies Regulations 2024, as required under Section 167 of the Act.
 - c) Details of the directorship offices held.
 - d) A detailed profile along with the office address, for placement on the Company's website, in terms of SRO 1196(I)/2019 dated October 3, 2019, issued by Securities and Exchange Commission of Pakistan (SECP).
 - e) A declaration confirming compliance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (Code) and the eligibility criteria, for a director under section 153 of the Act, any other provision of the Act and applicable laws and regulations.



- f) Declaration that he/she is aware of his/her duties and powers under the relevant laws, Memorandum & Articles of Association of the Company and listing regulations of the Pakistan Stock Exchange.
 - g) An affidavit under oath that he/she has no overdue payment to any financial institution or towards this Company.
 - h) For independent directors, any person who is eligible under Section 153 and also meets the criteria under Section 166(2) of the Act, and the Companies (Manner and Selection of Independent Directors) Regulations 2018 (Independent Directors Regulations), may submit a nomination to be elected as an independent director. The following additional documents are required to be submitted by the candidates intending to contest the election as an independent director:
 - i. Declaration of independence under Regulation 6(3) of the Code.
 - ii. Undertaking on non-judicial stamp paper that he/she meets the requirements of Regulation 4(1) of the Independent Directors Regulations.
6. The Independent directors will also be elected in accordance with Section 159, subject to meeting the criteria laid down under Section 166 of the Act, and the Independent Directors Regulations.

However, in accordance with the requirement of the exercise of responsibility for due diligence before selecting a person for the appointment of independent directors under the law as required by Section 166(1) of the Companies Act, 2017, the Board, in their meeting held on November 1, 2025, has selected, the following persons, from the PICG data bank containing names, addresses and qualifications of these persons who are eligible and willing to act as independent directors. The justification for choosing each of the following appointees for appointment as independent director is that each has high repute and duly possesses sufficient experience of being independent directors in the listed companies:

i. Mr. Sohail Ahmad Awan

Mr. Sohail is a seasoned banker with distinguished experience in financing small and medium enterprises (SMEs). He holds a Master of Business Administration (MBA) degree and a Bachelor of Science (B.Sc.) degree in Double Mathematics and Physics. Following is the detail of his experience while working on different key positions:

- Country Head, Small & Medium Enterprises at Silk Bank from July, 2020 to January, 2023.
- General Manager Central, Small & Medium Enterprise at Silk Bank from August 2014 to July, 2020. General Manager North, Small & Medium Enterprises at Silk Bank from June 2008 to August, 2014. Regional Head-North, Small & Medium Enterprises at Standard Chartered Bank (Pakistan) Limited, Islamabad (Previously Union Bank Limited) from September, 2006 to May, 2008.
- Business Manager-Program Products, Small & Medium Enterprises at Union Bank Limited, Islamabad (now Standard Chartered Bank Limited) from December, 2004 to September 2006.
- Regional Head-North, Small & Medium Enterprises at Union Bank Limited, Islamabad (now Standard Chartered Bank Limited) from June 2004 to December 2004.
- Special Assignment- Development of Product Program Manuals for SME Products at Union Bank Limited, Islamabad (now Standard Chartered Bank Limited) from September 2003 to June 2004.
- Team Leader- Small & Medium Enterprises, Islamabad at Union Bank Limited. Islamabad (now Standard Chartered Bank Limited) from March 2002 to September 2003.
- Relationship Manager-Corporate Finance & Marketing at Al Faysal Investment Bank Limited, Islamabad (AFIBL merged into Faysal Bank in 2001) from June 1998.



ii. Mr. Sanie Khan

Mr. Sanie Khan is a seasoned professional and with over a 30 years of hands-on management experience in financial technologies and operations while bringing a deep knowledge and passion to the capital and financial market industry. He is currently the Director at Borderless Technology Solutions, a company dedicated to providing cutting-edge technology and financial solutions across global markets.

Mr. Khan has a proven track record of delivering transformative initiatives, negotiating risk management reforms, and collaborating with senior stakeholders. He has served on committees of the Ministry of Finance and the Securities and Exchange Commission, written influential articles in top Pakistani newspapers, and introduced back-office standards and a unified sign-on system for various financial products. He is also expert in the real estate sector, reverse mergers/acquisitions and digital signature authentication.

He holds an MBA in Information Systems, a Master's degree in Economics, and has multiple certifications from the Institute of Financial Markets of Pakistan and the US Securities and Exchange Commission. Recently, He was included in the Pakistan Institute of Corporate Governance's database of Certified Directors, further solidifying his role as a leader in corporate governance. He is also a member of the Advisory Board of the Securities Exchange Management Suite, a portfolio management concern. Mr. Khan's mission is to leverage his expertise and network to create value for his clients and partners, and to advance the development and growth of the financial industry in Pakistan.

7. Final List of Candidates & Election:

In compliance with Section 159(4) of the Act, the final list of the contesting candidates will be published in the newspapers on November 20, 2025, which is not later than seven (7) days before the date of the above meeting. If the number of candidates is equal to the number of directorships to be filled, then no election shall take place. In case the number of contesting candidates in either of the categories (Shareholder/Non-Executive, Independent and Female Categories) is more than the number of directorships to be filled, then the election only for that category shall be held.

8. Appointment of Scrutinizer:

In accordance with Regulation 11 of the Companies (Postal Ballot) Regulation, 2018 (Regulations), the Board of the Company has appointed M/s. Ilyas Saeed and Co., Chartered Accountants, a QCR rated audit firm, to act as the scrutinizer of the Company for the election of directors in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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) by 05:00 pm on Monday, November 24, 2025.

14. 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, 11 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.

Agenda Item # 5. Approval of Special Resolutions

5.1 The proposed changes in the Memorandum/Articles of Association of the Company are being made to implement the followings:

5.1.1 As per the provisions of Section 21 of the Companies Act, 2017, the matter to approve the shifting of the registered office of the Company from Lahore (Punjab Province) to Islamabad (the capital city), by passing of special resolutions by the General Body.

5.1.2 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.

5.2 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 Capital Limited	LSE Ventures Limited	LSE SPAC-1 Limited
(ii)	Basis of relationship	Associated Company LSEFSL has 5.5% shareholding in LSECL. LSECL has 26.82% shareholding in LSEVL Common directorship	Associated Company with 28% shareholding of LSEFSL. LSEVL has 12.48% shareholding in LSECL. Common directorship	Wholly owned company of LSECL. Common directorship
(iii)	Earnings per share for the last three years	Year 2025: Rs. 1.32 Year 2024: Rs. 2.26 Year 2023: Rs. 3.98	Year 2025: Rs. 1.16 Year 2024: Rs. 1.04 Year 2023: Rs. 1.24	Formed in 2025 Year 2025: Rs. (1.43)
(iv)	Break-up value per share, based on latest audited financial statements	Rs. 17.48 as on June 30, 2025.	Rs. 14.79 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 LSECL for the year ended June 30, 2025 available at: http://www.lse.com.pk	Audited Financial Statements of LSEVL for the year ended June 30, 2025 available at: http://www.lse.com.pk	Audited Financial Statements of LSE-SPAC for the year ended June 30, 2025 available at: http://www.lse.com.pk
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations,	Not applicable	Not applicable	Not applicable

(B) General Disclosures:

(i)	Maximum aggregate amount of	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.
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	investment to be made			
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment.	To meet the working capital requirement of the Company.	To meet the working capital requirement of the Company.	To meet the working capital requirement of the Company.
(iii)	Source of funds to be utilized for investment and where the investment is intended to be made using borrowed funds; (I) Justification for investment through borrowing; (II) Details of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) Cost benefit analysis;	Through internal sources.	Through internal sources.	Through internal sources.
(iv)	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	Following Directors only have indirect interest in	Following Directors only have indirect interest in	Following Directors only have indirect interest in



	interest of directors, sponsors, majority shareholders and their relatives, if any, in the associates' company or associated undertaking or the transaction under consideration:	the associated companies due to common directorship/shareholding but have no direct interest in the transactions: Mr. Aftab Ahmad Ms. Aasiya Riaz	the associated companies due to common directorship/shareholding but have no direct interest in the transactions Mr. Aftab Ahmad Ms. Aasiya Riaz	the associated companies due to common directorship/shareholding but have no direct interest in the transactions Mr. Aftab Ahmad Ms. Aasiya Riaz Mr. Amir Zia
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information / justification for any impairment or write offs.	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.		
(vii)	Any other important details necessary for the members to understand the transaction	Not Applicable		

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

(i)	Maximum price at which securities will be acquired	Market price or face value. The transaction shall be disclosed to the market as and when executed
(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

5.3 Re-characterization/re-construction of assets and liabilities of the Companies as a consequence of the approved Scheme of Arrangement of LSEFSL and DCCL which has been sanctioned by the Honorable Lahore High Court, Lahore on October 13th, 2025. The Scheme contained the provisions that the liabilities of the companies involved in this scheme may be re-characterized/re-constructed after the approval of the Scheme. The shareholders of respective companies had already passed the sanctioned Scheme.

5.4 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	
2251	1 -	100	41,781
317	101 -	500	72,413
82	501 -	1000	61,872
59	1001 -	5000	140,128
14	5001 -	10000	108,725
2	10001 -	15000	25,318
1	20001 -	25000	24,204
1	30001 -	35000	30,658
1	35001 -	40000	38,607
1	40001 -	45000	44,750
2	45001 -	50000	93,021
1	50001 -	55000	55,000
1	55001 -	60000	59,924
2	65001 -	70000	130,277
1	80001 -	85000	81,110
1	95001 -	100000	100,000
1	105001 -	110000	106,863
2	115001 -	120000	234,082
1	145001 -	150000	145,004
1	165001 -	170000	165,631
1	190001 -	195000	193,500
1	205001 -	210000	206,592
1	485001 -	490000	490,000
1	705001 -	710000	706,360
1	840001 -	845000	841,742
1	995001 -	1000000	1,000,000
1	1625001 -	1630000	1,625,750
1	4155001 -	4160000	4,155,790
1	7275001 -	7280000	7,276,234
1	7420001 -	7425000	7,422,244
1	9995001 -	10000000	9,999,998
2753			35,677,578



Category of Shareholding as at June 30, 2025

S.No.	Categories of Shareholders	Shares Held	Percentage
1	Directors, Chief Executive Officer their Spouse(s) and Minor Children, if any.	11,953,422	33.50
2	Associated Companies, Undertakings and Related Parties	18,117,984	50.78
3	Executives	-	-
4	NIT and ICP	136	0.00
5	Banks Development Financial Institutions, Non Banking Financial Institutions	794	0.00
6	Insurance Companies	1,060	0.00
7	Modarabas and Mutual Funds	17	0.00
	Joint Stock Companies	185,236	0.52
8	Others	4,292	0.01
9	General Public		
	a) Local	5,414,599	15.18
	b) Foreign	38	0.00
		35,677,578	100.00

Shareholders holding 10% Shares or more

1	LSE Venture Limited	9,999,998	28.03
2	Mr. Aftab Ahmad	7,467,765	20.93
3	Zahid Latif Khan Securities (Pvt) Ltd.	7,276,234	20.39
4	Ms. Aslam Khaliq	4,155,790	11.65



Form of Proxy

I/We, _____, the undersigned member, being a member of LSE Financial Services 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.

<p>The Member: Signature: _____</p> <div style="border: 1px solid black; width: 150px; height: 50px; margin: 10px auto; text-align: center; padding: 5px;"> Signature over Revenue Stamp of Rs. 50/- </div> <p style="text-align: center;">_____ Seal/Stamp of the Company</p> <p>Name and Designation of the Appointer: _____</p> <p>CNIC No.: _____ Father's name: _____ Address: _____ Date: _____ CDC Participant ID No.: _____ CDC Account/Sub-Account No.: _____ No. of Shares held: _____</p>	<p>The Proxy: Signature: _____ Name: _____ CNIC No.: _____ Father's name: _____ Address: _____ _____ Date: _____</p>
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Witness 1: _____	Witness 2: _____
Signature: _____	Signature: _____
Name: _____	Name: _____
CNIC No.: _____	CNIC No.: _____
Address: _____	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 فنانسینشل سروسز 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 سٹیٹیمپ	CNIC
کمپنی کی ممبر/سٹیٹیمپ	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. پراسیکور، مؤثر ہونے کے لیے، مینٹنگ 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 سینٹیفیکل مالکان اور پراکسی ہولڈرز کو اپنی شناخت ثابت کرنے کے لیے اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC)/پاسپورٹ کو اصل میں لانا چاہیے اور پراکسی کی صورت میں، CDC سینٹیفیکل 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 Financial Services Limited.
Lahore.

Sub: Authorization to attend the AGM of LSEFSL on behalf of Body Corporate (Member) of the LSEFSL

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 Financial Services 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

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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 Financial Services Limited scheduled for November 27, 2025 or at any date adjourned/rescheduled thereof.

Certified True Copy.

Authorized Signatory

Seal of the Company



LSE FINANCE