

**BOP CAPITAL SECURITIES  
(PRIVATE) LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2025**



A.F.FERGUSON&Co.

## INDEPENDENT AUDITOR'S REPORT

To the members of BOP Capital Securities (Private) Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of BOP Capital Securities (Private) Limited (the Company), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2025 and of the profit and 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.

### Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

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A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, 308-Upper Mall, Shahrah-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan  
Tel: +92 (42) 35199343-50/Fax: +92 (42) 35199351



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

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

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

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

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

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

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

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



A.F.FERGUSON&CO.

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.

#### **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 and other 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) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Aleem Zubair**.

**A. F. Ferguson & Co.,  
Chartered Accountants**

**Lahore**

**Date:** April 9, 2026

**UDIN:** AR202510889ZChdQcKSU

**BOP CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2025**

ASSETS	Note	2025 Rupees	2024
<b>Non-current assets</b>			
Property and equipment	4	9,230,293	2,028,897
Intangible assets	5	10,638,037	7,140,225
Right of use assets	6	6,802,413	-
Long term security deposits	7	11,333,627	8,692,027
Long term investments	8	16,653,000	14,191,354
		<u>54,457,370</u>	<u>32,052,503</u>
<b>Current assets</b>			
Trade debts	9	39,340,556	40,253,339
Advances, deposits, prepayments and other receivables	10	164,856,314	102,590,365
Tax due from Government		5,432,619	4,539,972
Cash and bank balances	11	179,932,984	166,387,578
		<u>389,562,473</u>	<u>313,771,254</u>
<b>TOTAL ASSETS</b>		<u><u>444,019,843</u></u>	<u><u>345,823,757</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital 40,000,000 ordinary shares of Rs. 10 each (2024: 40,000,000 ordinary shares of Rs. 10 each)		<u>400,000,000</u>	<u>400,000,000</u>
Issued, subscribed and paid-up share capital	12	201,500,000	201,500,000
Fair value reserve		2,249,640	(2,303,516)
Accumulated profit		<u>60,335,310</u>	<u>32,621,062</u>
<b>Total equity</b>		264,084,950	231,817,546
<b>Non-current liabilities</b>			
Deferred tax liability-net	13	1,354,971	680,583
Lease liabilities	14	<u>3,687,002</u>	<u>-</u>
		5,041,973	680,583
<b>Current liabilities</b>			
Current portion of lease liabilities	14	3,493,490	-
Trade and other payables	15	159,020,481	101,723,965
Provision for taxation		<u>12,378,949</u>	<u>11,601,663</u>
		174,892,920	113,325,628
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>444,019,843</u></u>	<u><u>345,823,757</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	16	-	-

The annexed notes from 1 to 33 form an integral part of these financial statements.

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**BOP CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Note	2025 Rupees	2024
<b>Operating revenue</b>			
Brokerage income	17	95,975,031	61,775,032
<b>Operating expenses</b>			
Administrative and operating expenses	18	(79,743,185)	(53,327,078)
<b>Operating profit</b>		<u>16,231,846</u>	<u>8,447,954</u>
Finance costs	19	(878,888)	(10,901)
		<u>15,352,958</u>	<u>8,437,053</u>
Other income	20	23,941,523	32,533,992
<b>Profit before levy and income tax</b>		<u>39,294,481</u>	<u>40,971,045</u>
Levy	21	(1,664,924)	-
<b>Profit before income tax</b>		<u>37,629,557</u>	<u>40,971,045</u>
Income tax	22	(11,167,184)	(12,448,944)
<b>Profit after taxation</b>		<u>26,462,373</u>	<u>28,522,101</u>
<b>Other comprehensive income</b>			
Items that will be re-classified subsequently to profit or loss		-	-
Items that will not be re-classified subsequently to profit or loss:			
Surplus on re-measurement of investments at fair value through other comprehensive income - net of tax		5,805,031	5,903,504
Other comprehensive income for the year		<u>5,805,031</u>	<u>5,903,504</u>
<b>Total comprehensive income</b>		<u><u>32,267,404</u></u>	<u><u>34,425,605</u></u>
<b>Earnings per share - basic and diluted</b>	23	<u>1.31</u>	<u>2.08</u>

The annexed notes from 1 to 33 form an integral part of these financial statements.

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**BOP CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Issued, subscribed and paid-up share capital	Capital Reserve  Fair Value Reserve	Revenue Reserve  Accumulated profit	Total
	------(Rupees)-----			
Balance as at January 01, 2024	101,500,000	(8,207,020)	4,098,961	97,391,941
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	28,522,101	28,522,101
Other comprehensive income for the year	-	5,903,504	-	5,903,504
	-	5,903,504	28,522,101	34,425,605
<b>Transaction with owners</b>				
Issuance of right shares	100,000,000	-	-	100,000,000
	100,000,000	-	-	100,000,000
<b>Balance as at December 31, 2024</b>	<b>201,500,000</b>	<b>(2,303,516)</b>	<b>32,621,062</b>	<b>231,817,546</b>
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	26,462,373	26,462,373
Other comprehensive income for the year	-	5,805,031	-	5,805,031
	-	5,805,031	26,462,373	32,267,404
Surplus realized on disposal of investments in equity instruments through fair value through other comprehensive income – net of tax	-	(1,251,875)	1,251,875	-
<b>Balance as at December 31, 2025</b>	<b>201,500,000</b>	<b>2,249,640</b>	<b>60,335,310</b>	<b>264,084,950</b>

The annexed notes from 1 to 33 form an integral part of these financial statements.

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**CHIEF FINANCIAL OFFICER**

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

**BOP CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	Note	2025	2024
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before income tax		37,629,557	40,971,045
<b>Adjustments for:</b>			
Depreciation on property and equipment	4	1,410,472	410,609
Amortization of intangible assets	5	89,688	-
Depreciation on right of use assets	6	3,870,660	-
Interest expense on lease liabilities	19	868,638	-
Profit on bank deposit	20	(1,822,490)	(2,865,622)
Markup income on margin financing, margin trading and deposits maintained with Pakistan Stock Exchange Limited (PSX) and National Clearing Company of Pakistan Limited (NCCPL)		(20,434,076)	(28,292,012)
Dividend income	20	(1,000,000)	(1,351,642)
Gain on disposal of Letter of Rights classified at 'fair value through profit or loss' Levy	20	(510,561)	-
		1,654,924	-
<b>Cash generated from operating activities before working capital changes</b>		<b>21,786,512</b>	<b>8,872,376</b>
<b>Effect on cash flow due to working capital changes</b>			
<b>(increase) / Decrease in current assets</b>			
Advances, deposits, prepayments and other receivables		(61,522,377)	(43,799,402)
Trade debts		912,783	(29,046,845)
<b>Increase in current liabilities</b>			
Trade and other payables		57,296,516	58,072,478
<b>Cash flows from operations</b>		<b>18,453,734</b>	<b>(7,901,391)</b>
Income tax paid		(10,829,361)	(5,335,541)
Levy- final & minimum taxes paid		(1,654,924)	-
Markup income received on margin financing, margin trading and deposits maintained with Pakistan Stock Exchange Limited (PSX) and National Clearing Company of Pakistan Limited (NCCPL)		19,690,504	27,733,069
<b>Net cash generated from operating activities</b>		<b>25,649,953</b>	<b>14,496,137</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	4	(8,611,865)	(135,900)
Purchase of intangible asset	5	(3,587,500)	-
Proceeds from disposal of investments		4,075,150	-
Profit on bank deposit received		1,822,490	2,865,622
Dividend income received		1,000,000	1,351,642
Security deposits - net		(2,641,600)	1,050,000
<b>Net cash (used in) / generated from investing activities</b>		<b>(7,943,328)</b>	<b>5,131,364</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Shares issued during the year		-	100,000,000
Lease rentals paid	14	(4,161,219)	-
<b>Net cash (used in) / generated from financing activities</b>		<b>(4,161,219)</b>	<b>100,000,000</b>
<b>Net increase in cash and cash equivalents</b>		<b>13,545,406</b>	<b>118,627,501</b>
Cash and cash equivalents at the beginning of the year		166,387,578	46,760,077
<b>Cash and cash equivalents at the end of the year</b>	11	<b>179,932,984</b>	<b>166,387,578</b>

The annexed notes from 1 to 33 form an integral part of these financial statements.

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**BOP CAPITAL SECURITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**1 GENERAL INFORMATION**

BOP Capital Securities (Private) Limited ("the Company") is incorporated in Pakistan under the repealed Companies Ordinance, 1984 ("the Ordinance") which has now been replaced by the Companies Act 2017 (the Act), as a company limited by shares on November 29, 2016. The Company is a holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The Company is mainly engaged in business of brokerage services, portfolio management and consultancy services. The Company is fully owned subsidiary of The Bank of Punjab. The registered office of the Company is situated at Office No. 319, 3rd Floor, Lahore Stock Exchange Plaza, Lahore.

During the year, the Company has operationalized 2 regional offices in Faisalabad and Gujranwala. The addresses of regional offices are as follows:

Regional Office	Address
Faisalabad	5th Floor, P-833 State life building No. 2, Faisalabad.
Gujranwala	Shop #16, Main Block, Ground Floor, Trust Plaza, Gujranwala.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

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

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

**2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for long term investment in LSE Venture Limited and LSE Capital Limited which are carried at the fair value.

**2.3 Critical accounting estimates and judgements**

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates, judgments and assumptions that affect the reported amount of assets and liabilities, income and expenses. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on the historical experience and other factors involving a higher degree of expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- Useful lives, residual values and depreciation method of property and equipment - (note 3.1 and 4)
- Useful lives, residual values and amortization method of intangibles - (note 3.3 and 5)
- Impairment of financial assets - (note 3.5.1, 2, 7, 8, 9 and 11)
- Estimation of provisions - (note 3.6 and 15)
- Provision for current and deferred taxation - (note 3.13 and 22)

**2.4 Functional and presentation currency**

These financial statements are presented in Pakistan rupees, which is the functional and presentation currency for the Company. The figures have been rounded-off to nearest rupees, unless otherwise stated.

**2.5 Standards, amendments and interpretations to accounting and reporting standards that are effective in the current year**

There are certain standards, amendments and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2025 but are considered not to be relevant or do not have any significant effect on the financial statements.

## 2.6 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective from the dates mentioned against the respective amendment:

Description	Effective date (accounting period beginning on or after)
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	January 1, 2027

The Company is in the process of assessing the impact of these standards, interpretations and amendments on the financial statements of the Company.

There are certain other new standards, amendments and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2026. However, these will not have any significant impact on the Company's financial reporting and therefore have not been detailed in these financial statements.

## 3 Material accounting policy information

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

### 3.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of acquisition and other directly attributable costs of bringing the assets to working condition for its intended use. Depreciation is charged to the profit or loss by applying the reducing balance method at the rates specified in note 4. Depreciation is charged on additions from the day the asset is put to use and on disposals, up to the day the asset has been in use.

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end. The effect of any adjustment to residual values, useful lives and methods is recognized prospectively as a change of accounting estimate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is charged in the profit or loss in the year in which asset is derecognized.

Maintenance and normal repairs are charged to profit or loss as and when incurred. Subsequent cost are included in the assets' carrying amount or recognizes as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will follow to the entity and its cost can be reliably measured. The carrying amount of the asset replaced is de-recognized.

### 3.2 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at the amortized cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand, balance with banks on current and deposit accounts.

### 3.3 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is charged to profit or loss in the year in which the expenditure is incurred.

Intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is charged in the profit or loss.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the company. An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are charged in the profit or loss when the asset is derecognized.

### **3.3.1 Trading Right Entitlement Certificate (TREC)**

TREC is classified as intangible asset (with transferable rights), having a perpetual useful life and it is classified as intangible asset with indefinite useful life. Impairment assessment is made at the end of each reporting period where the valuation allowed by the Pakistan Stock Exchange (PSX) in Base Minimum Capital requirement is considered as appropriate basis for the unique instrument. Further, TREC is accounted for as per the accounting policy note 3.3 stated above.

### **3.3.2 Rights to use room space**

The intangible asset is stated at cost less impairment if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

## **3.4 Right-of-use assets and their related lease liability**

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.

In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

### **3.4.1 Right-of-use assets**

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenure.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which leases are entered into. No depreciation is charged in month in which the leases mature or are terminated.

### **3.4.2 Lease liability against right-of-use assets**

The lease liabilities are initially measured as the present value of the remaining lease payments, 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 less any lease incentive receivable, variable lease payment that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects that the lessee will exercise that option. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. The lease liability is also measured to reflect any remeasurement or change in lease terms. These remeasurement of lease liabilities are recognised as an adjustment to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the statement of profit or loss as financial charges over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease liability is remeasured when the Company reassesses the reasonable certainty to exercise extension or termination option upon occurrence of either a significant event or a significant change in circumstances, or when there is a change in assessment of an option to purchase an underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payments. 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 if the carrying amount of right of use asset has been reduced to zero.

The Company has not elected to apply the practical expedient under IFRS 16 for short-term leases or leases of low-value assets. Accordingly, right-of-use assets and corresponding lease liabilities are recognized for all lease arrangements, and lease payments are accounted for in accordance with the general requirements of IFRS 16.

### **3.5 Financial instruments**

#### **3.5.1 Financial assets**

The Company's financial assets include long term security deposits, long term investments, trade debts, deposits and other receivables and bank balances.

##### **3.5.1.1 Classification and subsequent measurement**

The Company classifies its financial assets in the following measurement categories in accordance with the requirements of IFRS 9:

- at amortized cost;
- at Fair Value through Other Comprehensive Income (FVOCI); and
- at Fair Value through Profit or Loss (FVPL).

The classification requirements for debt and equity instruments are described below:

##### **(i) Debt instruments**

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and puttable instruments like units of open-ended mutual funds.

Classification and subsequent measurement of debt instruments depend on:

- the Company's business model for managing the asset; and
- the Cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments in one of the following three measurement

**a) At amortized cost**

Assets that are held for collection of contractual cash flows where those cash flows represent Solely Payments of Principal and Interest (SPPI), and that are not designated at FVPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured as described in note 3.5.1.2.

**b) Fair Value through Other Comprehensive Income (FVOCI)**

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at Fair Value through Other Comprehensive Income (FVOCI). Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses recognized and measured as described in note 3.5.1.2, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in the statement of profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income (OCI) is reclassified from surplus on remeasurement of financial assets to the statement of profit or loss.

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

Assets that do not meet the criteria for classification at amortized cost or FVOCI are measured at Fair Value through Profit or Loss. A gain or loss on a debt investment that is subsequently measured at Fair Value through Profit or Loss and is not part of a hedging relationship is recognized in the statement of profit or loss in the period in which it arises.

**(ii) Equity instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the statement of financial position at fair value, with gains and losses recognized in the statement of profit or loss, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The fair value of investments is determined based on the rate of securities as quoted on the Pakistan Stock Exchange Limited.

The dividend income for equity securities classified under FVOCI are to be recognized in the statement of profit or loss. However, any surplus / (deficit) arising as a result of subsequent movement in the fair value of equity securities classified as FVOCI is to be recognized in other comprehensive income and is not recycled to the statement of profit or loss on derecognition.

**3.5.1.2 Impairment**

The Company assesses on a forward-looking basis the Expected Credit Losses (ECL) associated with its debt instrument assets carried at amortized cost and FVOCI and trade debts. The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes:

- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts of the Company are collateralized against the custody of shares of the customers and therefore, there is no impact of expected credit loss on these receivables.

**3.5.1.3 Derecognition**

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either:

- (i) the Company transfers substantially all the risks and rewards of ownership; or
- (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has

#### **3.5.1.4 Regular way contracts**

All regular way purchases and sales of financial assets are recognized on the trade date i.e. the date on which the Company commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the stock exchange regulations.

#### **3.5.2 Financial liabilities**

The Company's financial liabilities include trade and other payables. Financial liabilities are initially recognized at fair value plus transaction costs and are subsequently measured at amortized cost except for financial liabilities at fair value through profit and loss.

##### **3.5.2.1 Derecognition**

Financial liabilities are derecognized at the time when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the statement of profit or loss account.

#### **3.6 Provisions, contingent assets and contingent liabilities**

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

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until the inflow of economic benefits is virtually.

Contingent liabilities are disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

#### **3.7 Revenue from contract with customers**

The Company recognizes revenue when the performance obligations are fulfilled. The obligations are fulfilled when the services have been rendered to the customer. Therefore, the Company recognizes revenue at the fair value of the consideration received or receivable on the following basis:

- a) Brokerage revenue arising from sales / purchase of securities on client's behalf is recognized on the date of execution of the transaction by the Company i.e. on trade date basis;
- b) Interest income on margin financing and margin trading is recognized on outstanding balance at the rate of KIBOR plus margin at each day of the margin financing and trading outstands; and
- c) Income from bank balance and exposure deposits is recognised on accrual basis.

### **3.8 Defined contribution plan**

The Company operates a recognized contributory provident fund for all the permanent employees. Equal monthly contributions are made both by the Company and the employees at the rate of 8.33% of the basic salary. The Company has no further payment obligations once the contributions have been paid. The contributions made by the Company are recognized as employee benefit expense when they are due.

### **3.9 Dividend income**

Dividend income is recorded when the right to receive the dividend is established.

### **3.10 Proposed dividend and transfer between reserves**

Dividends declared and transfers between reserves, except appropriations which are required by law, made subsequent to the reporting date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends and transfers are approved.

### **3.11 Earning Per Share (EPS)**

The Company presents basic and diluted Earnings Per Share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

### **3.12 Commitments**

Commitments are disclosed in the financial statements at committed amounts.

### **3.13 Taxation**

#### **3.13.1 Current**

Provision for current taxation is based on taxability of certain income streams of the Company under minimum tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under normal tax regime after taking into account tax credits and rebates available, if any, or on turnover at the specified rate or Alternate Corporate Tax as defined in section 113C of Income Tax Ordinance, 2001, whichever is higher. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the current year.

#### **3.13.2 Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss, except in the case of items credited or charged to equity in which case it is included in equity.

#### **3.13.3 Levies**

Minimum taxes and the final taxes that are not calculated on the 'taxable profit' as defined in IAS 12 but calculated on turnover or other basis and the tax deducted at source other than from dividends from subsidiaries, joint ventures and associates under final tax regime or any minimum taxes which are not adjustable against future income tax liability, are recognized as tax in the profit or loss as they fall under the scope of IFRIC 21 "Levies" and IAS 37 "Provisions, Contingent

4 Property and equipment

	Furniture and fixtures	Computers and related accessories	Office equipment	Total
	Rupees			
<b>Net book value basis</b>				
<b>Year ended December 31, 2025</b>				
Opening net book value	927,033	259,406	842,458	2,028,897
Additions (at cost)	2,709,173	1,714,242	4,188,453	8,611,868
Depreciation for the year	(442,280)	(409,229)	(558,983)	(1,410,472)
Closing net book value	<u>3,193,946</u>	<u>1,564,419</u>	<u>4,471,928</u>	<u>9,230,293</u>
<b>Gross book value basis</b>				
<b>As at December 31, 2025</b>				
Cost	4,466,274	3,281,490	5,838,635	13,586,399
Accumulated depreciation	(1,272,328)	(1,717,071)	(1,366,707)	(4,356,106)
Net book value	<u>3,193,946</u>	<u>1,564,419</u>	<u>4,471,928</u>	<u>9,230,293</u>
Depreciation rate % per annum	<u>15%</u>	<u>30%</u>	<u>15%</u>	
<b>Net book value basis</b>				
<b>Year ended December 31, 2024</b>				
Opening net book value	1,077,825	353,215	872,566	2,303,606
Additions (at cost)	12,000	13,000	110,900	135,900
Depreciation for the year	(162,792)	(106,809)	(141,008)	(410,609)
Closing net book value	<u>927,033</u>	<u>259,406</u>	<u>842,458</u>	<u>2,028,897</u>
<b>Gross book value basis</b>				
<b>As at December 31, 2024</b>				
Cost	1,757,101	1,567,248	1,650,182	4,974,531
Accumulated depreciation	(830,068)	(1,307,842)	(807,724)	(2,945,634)
Net book value	<u>927,033</u>	<u>259,406</u>	<u>842,458</u>	<u>2,028,897</u>
Depreciation rate % per annum	15%	30%	15%	

	Note	2025	2024
		Rupees	
<b>5 Intangible assets</b>			
Lahore Stock Exchange Capital Limited - rights to use room space	5.1	4,640,225	4,640,225
Trading Right Entitlement Certificate (TREC)	5.2	2,500,000	2,500,000
Back Connect Brokerage Solution	5.3	3,497,812	-
		<u>10,638,037</u>	<u>7,140,225</u>

5.1 This represents the cost of the rights to use room space given by the LSE Capital Limited to the Company with the indefinite useful life. These are considered to be indefinite as there is no foreseeable limit on the period during which the Company expects to consume the future economic benefits hence no amortization is charged on the rights to use room space.

	Note	2025	2024
		Rupees	
<b>5.2 Trading Right Entitlement Certificate (TREC)</b>			
Cost	5.2.1	5,000,000	5,000,000
Accumulated impairment	5.2.2	<u>(2,500,000)</u>	<u>(2,500,000)</u>
		<u>2,500,000</u>	<u>2,500,000</u>

5.2.1 This represents the TREC received by the Company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 as amended by the Stock Exchanges (Corporatization, Demutualization and Integration) (Amendment) Act, 2015. These have been carried at cost less accumulated impairment losses.

5.2.2 PSX vide notice no. PSX/N-255 dated February 16, 2021 have notified the notional fees of Trading Entitlement Certificates which amounts to Rs 2.5 million.

	Note	2025	2024
		Rupees	
<b>5.3 Back Connect Brokerage Solution</b>			
Opening balance		-	-
Addition(s)		3,587,500	-
Depreciation charge for the year		<u>(89,688)</u>	<u>-</u>
Closing balance		<u>3,497,812</u>	<u>-</u>
Cost	5.3.1	3,587,500	-
Accumulated amortization		<u>(89,688)</u>	<u>-</u>
		<u>3,497,812</u>	<u>-</u>
<b>Amortization rate % per annum</b>		<u>10%</u>	<u>-</u>

5.3.1 This represents the cost incurred on acquisition of software used in the Company's operations. The software is recorded at cost and is being amortized over its estimated useful life at the rate of 10% per annum using the straight-line method.

	Note	2025	2024
		Rupees	
<b>6 Right of use assets</b>			
Cost		-	-
Opening balance		-	-
Additions		10,473,073	-
Disposals		<u>-</u>	<u>-</u>
Closing balance		<u>10,473,073</u>	<u>-</u>
Accumulated depreciation		-	-
Opening balance		-	-
Charge for the year	6.2	<u>(3,870,660)</u>	<u>-</u>
Closing balance		<u>(3,870,660)</u>	<u>-</u>
<b>At December 31:</b>			
Cost		10,473,073	-
Accumulated depreciation		<u>(3,870,660)</u>	<u>-</u>
Net book value		<u>6,602,413</u>	<u>-</u>

6.1 This represents right-of-use assets for leased office spaces located at the Pakistan Stock Exchange Building and regional branches in Gujranwala and Faisalabad.

6.2 Right-of-use assets are being depreciated over their respective lease terms ranging upto 3 years.

7 Long term security deposits	Note	2025	2024
		Rupees	
<b>Deposits placed with National Clearing Company of Pakistan Limited</b>			
Initial security deposit		200,000	200,000
Basic deposit for trading in regular market		200,000	200,000
Basic deposit for trading in future market		1,000,000	1,000,000
Deposit against Murabaha share financing		100,000	100,000
<b>Deposits placed with Central Depository Company of Pakistan Limited</b>			
Initial security deposit		100,000	100,000
<b>Deposits placed with Pakistan Stock Exchange Limited</b>			
Deposit against Base Minimum Capital	7.1	8,840,527	6,490,527
<b>Other security deposits</b>			
Others	7.2	893,100	601,500
		<u>11,333,627</u>	<u>8,692,027</u>

7.1 This represents the amount deposited with the Pakistan Stock Exchange (PSX) on account of the Base Minimum Capital (BMC) prescribed under regulation 19.2 of PSX Rule Book. Interest is earned on deposits held in excess of the required demand of deposit against BMC at rates determined by PSX.

7.2 This includes the deposit of Rs. 100,000 made to Chief Executive Officer of the Company, Mr. Muhammad Imran Butt against the office rented by the Company in Lahore Stock Exchange (LSE) Building, Lahore.

## 8 Long term investments

### Financial assets at fair value through other comprehensive income

	Note	2025	2024
		Number of shares	
<b>Investment in LSE Ventures Limited (LSEVL)</b>			
Opening number of shares		1,179,935	1,179,935
Add: Issuance of shares pursuant to sub-division of shares under section 85 (1) (c) of the Companies Act, 2017	8.1	1,179,935	-
Less: Shares disposed off during the year		(359,870)	-
		<u>2,000,000</u>	<u>1,179,935</u>
<b>Investment in LSE Proptech Limited (LSEPL)</b>			
Opening number of shares		-	413,751
Less: Impact of amalgamation scheme	8.2	-	(413,751)
		<u>-</u>	<u>-</u>
<b>Investment in LSE Capital Limited (LSECL)</b>			
Opening number of shares		343,413	-
Add: Impact of amalgamation scheme	8.2	-	343,413
Add: Impact of scheme of compromises, arrangement and reconstruction	8.3	11,933	-
Add: Issuance of shares pursuant to sub-division of shares under section 85 (1) (c) of the Companies Act, 2017	8.4	355,346	-
Less: Shares disposed off during the year		(10,692)	-
		<u>700,000</u>	<u>343,413</u>

	Note	2025	2024
		Rupees	
<b>Long term investments</b>			
Opening balance (revalued amount)		14,191,354	7,121,931
Impact of amalgamation scheme	8.2	-	1,510,188
Impact of scheme of compromises, arrangement and reconstruction	8.3	99,044	
Shares disposed off during the year		(3,584,589)	-
Revaluation gain during the year		5,927,191	5,559,235
		<u>16,653,000</u>	<u>14,191,354</u>

8.1 Pursuant to the special resolutions passed at the Extra Ordinary General Meeting of LSE Ventures Limited (LSEVL) held on August 16th, 2025, the Members have approved the sub-division of the face value of shares of the Company from Rs. 10 to Rs. 5. Accordingly, each existing share of Rs. 10 has been subdivided into two (2) ordinary shares of Rs. 5 each, in accordance with the section 85(1)(c) of the Companies Act, 2017. This sub-division does not alter any of the rights or privileges attached to the shares.

8.2 Under the restructuring the amalgamation scheme approved during the year, LSE Proptech Ltd (LSEPL) and Modaraba Al-Mali has been amalgamated into LSE Capital Ltd (LSECL) with ratio 82.99%. Accordingly, under the scheme 413,751 shares of LSEPL owned by the company were converted into 343,413 shares of LSECL.

The amalgamation scheme of LSEPL was approved by the honorable Lahore High Court on April 03, 2024. As a result, LSEPL merged with Modaraba Al-Mali (MODAM) into LSECL with complete transfer of assets and undertakings into LSECL.

8.3 The Honorable Lahore High Court, through its order dated October 13, 2025, approved and sanctioned the Scheme of Compromises, Arrangement and Reconstruction under section 279, read with sections 280 to 283 and section 285(8) and other enabling provisions of the Companies Act, 2017, for the arrangement between LSE Financial Services Limited (LSEFSL) and Digital Custodian Company Limited (DCCL) relating to the transfer of designated assets and liabilities and the reconstruction of share capital and reserves, here-in-after referred as (the 'Scheme').

Under the Scheme, the shares of LSE Capital Limited (LSECL) held by DCCL and LSEFSL are to be distributed to their respective shareholders. As LSECL is also a shareholder of DCCL, the portion of LSECL shares attributable to LSECL has been distributed directly to the shareholders of LSECL in their existing shareholding pattern.

Based on the approved distribution ratio of 34.75 shares per 1,000 shares, the Company, holding 343,413 shares in LSECL, has been allotted with 11,933 shares on November 21, 2025.

8.4 Pursuant to the special resolutions passed at the Annual General Meeting of LSE Capital Limited (LSECL) held on November 27, 2025, the members approved a sub-division of the face value of shares of the Company from Rs. 10 to Rs. 5 in accordance with the section 85(1)(c) of the Companies Act, 2017. Accordingly, each existing share of Rs. 10 has been subdivided into two (2) ordinary shares of Rs. 5 each. This sub-division does not alter any of the rights or privileges attached to the shares.

8.5 2,000,000 shares of LSEVL (2024: 1,179,935 shares of LSEVL and 343,413 shares of LSECL) are pledged in favor of Pakistan Stock Exchange (PSX) on account of Base Minimum Capital (BMC) prescribed under regulation 19.2 of PSX Rule Book.

	Note	2025	2024
		Rupees	
<b>9 Trade debts</b>			
Receivable from customers	9.1	13,221,449	9,981,936
Receivable against margin financing	9.2	20,583,181	3,842,685
Receivable against margin trading		-	12,690,015
Receivable from National Clearing Company of Pakistan Limited	9.3	5,535,926	13,738,703
		<u>39,340,556</u>	<u>40,253,339</u>
		<u>39,340,556</u>	<u>40,253,339</u>

Considered good

9.1.1 Aging Analysis	2025	2024
	Rupees	
Up to 5 days	7,918,482	6,957,742
Above 5 days	5,302,967	3,024,194
	<u>13,221,449</u>	<u>9,981,936</u>

9.2 This balance bear mark-up at the rate of KIBOR+8%. The mark-up rate charged during the year ranges from 18.81% to 21.41% ( 2024: 30.34% to 21.39%)

9.3 This includes Rs.4.75 million ( 2024: Rs.10.35 million) that pertains to 50% of profits withheld on close out of future trades that will be released on the maturity dates of the relevant futures.

9.4 Due from Related parties	Note	2025	2024
		Rupees	
The Bank of Punjab		2,155,082	1,555,454
BOP Capital Securities (Private) Limited - Employees Provident Fund Trust		6,721	6,721
	9.4.1	<u>2,161,803</u>	<u>1,562,175</u>

9.4.1 The aging of trade debts from related parties as at reporting date is as follows:

Past due 1 - 30 days	2,155,082	1,555,454
Past due 31 - 60 days	-	-
Past due 61 - 90 days	-	-
More than 90 days	6,721	6,721
	<u>2,161,803</u>	<u>1,562,175</u>

9.4.2 The maximum aggregate amount due from related parties outstanding during the year with reference to month-end balance aggregated to Rs. 5.48 million (2024: Rs. 3.70 million).

9.5 Customer assets	Note	2025	2024
		Rupees	
Central Depository System	9.5.1	<u>3,199,144,515</u>	<u>951,010,895</u>

9.5.1 The value of customers' assets held in the Central Depository System by the Company and maintained in the Company's sub-accounts as at December 31, 2025 amounts to Rs. 3,199.145 million (2024: Rs. 951.011 million).

10 Advances, deposits, prepayments and other receivables	Note	2025	2024
		Rupees	
Advances against intangible assets		-	2,668,750
Prepayment		261,817	1,056,422
Exposure deposits with National Clearing Company of Pakistan Limited (NCCPL)	10.1	161,665,000	96,155,655
Advance to employees against expenses		48,387	570,000
Accrued markup on deposits maintained with Pakistan Stock Exchange Limited and National Clearing Company of Pakistan Limited		2,883,110	2,139,538
		<u>164,856,314</u>	<u>102,590,365</u>

10.1 This represents deposits maintained with the National Clearing Company of Pakistan Limited (NCCPL) against exposure arising from trading in securities in regular and future market, in accordance with NCCPL regulations. Interest is earned on the realized demand of deposit against exposure at rates determined by NCCPL.

11	Cash and bank balances	Note	2025	2024
			Rupees	
	Cash in hand		-	-
	<b>Balance with Bank</b>			
	Current accounts	11.1	179,836,557	166,288,499
	Saving accounts	11.2	96,427	99,079
			<u>179,932,984</u>	<u>166,387,578</u>

11.1 The bank balance include customers' bank balance held in designated bank accounts amounting to Rs 140.17 million (2024: Rs 91.02 million).

11.2 The balance in the saving accounts bear mark-up at the rate of 7.75% to 9.70% (2024: 7.75% to 10.75%).

12	Issued, subscribed and paid up share capital	2025	2024
		Rupees	
	20,150,000 ordinary shares of Rs.10 each paid in cash (2024: 20,150,000 ordinary shares of Rs.10 each paid in cash)	<u>201,500,000</u>	<u>201,500,000</u>
	Opening balance (20,150,000 ordinary shares of Rs.10 each paid in cash)	201,500,000	101,500,000
	10,000,000 ordinary shares of Rs.10 each paid in cash issued during the year	-	100,000,000
	Closing balance (20,150,000 ordinary shares of Rs.10 each paid in cash)	<u>201,500,000</u>	<u>201,500,000</u>

13	Deferred tax liability-net	Note	2025	2024
	Deferred tax liability-net	13.1	<u>1,354,971</u>	<u>680,583</u>

13.1	Taxable temporary differences arising in respect of:	At January 1, 2025	Recognized in profit or loss	Recognized in other comprehensive income	At December 31, 2025
		Rupees			
	- Accelerated depreciation on property and equipment	108,156	465,156	-	573,312
	- Accelerated depreciation on intangible assets	728,746	155,671	-	884,417
	- Right of use assets	-	1,914,700	-	1,914,700
	- Long term investment	(156,319)	-	221,204	64,885
		<u>680,583</u>	<u>2,535,527</u>	<u>221,204</u>	<u>3,437,314</u>
	Deductible temporary differences arising in respect of:				
	- Lease liabilities	-	(2,082,343)	-	(2,082,343)
		-	(2,082,343)	-	(2,082,343)
		<u>680,583</u>	<u>453,184</u>	<u>221,204</u>	<u>1,354,971</u>

14	Lease liabilities	Note	2025	2024
			Rupees	
	Opening balance		-	-
	Additions during the year		9,195,283	-
	Interest expense		868,638	-
	Payment of lease rentals	14.1	(2,883,429)	-
	Closing balance		<u>7,180,492</u>	<u>-</u>
	Current portion of lease liabilities		<u>(3,493,490)</u>	<u>-</u>
			3,687,002	-

- 14.1 Other than the lease rentals paid during the year, advance payments amounting to Rs. 1.27 million have been made against the leases recognized during the year. These payments have not been made part of the lease liabilities on initial recognition as per the requirements of IFRS-16 'Leases'.

2025                      2024

- 14.2 The minimum lease payments under finance leases fall due as follows:

Less than one year	4,049,607	-
Between one and five years	3,876,972	-
	7,926,579	-
Future finance cost	(746,087)	-
Total lease liabilities	7,180,492	-

- 14.3 The lease liabilities have been measured using the incremental borrowing rates ranging from 11.09% to 12.34%, which have been applied as discount rates in accordance with the terms of the underlying lease agreements. As per the contractual arrangements, rentals are payable in advance on a periodic basis.

	Note	2025	2024
Rupees			
<b>15 Trade and other payables</b>			
Trade payables	15.1	135,244,298	90,923,210
Payable to NCCPL	15.2	9,168,068	-
Provident fund payable		220,867	155,905
Performance bonus payable		4,309,230	2,534,705
Other payables	15.4	10,078,018	8,110,145
		159,020,481	101,723,965

- 15.1 The above balance of Rs. 135.24 million (2024: Rs. 90.92 million) has been reported under trade date basis while the balance under settlement date basis amounts to Rs. 138.72 million (2024: Rs. 87.77 million).

- 15.2 This represents clearing balances payable to the National Clearing Company of Pakistan Limited (NCCPL) arising from securities transactions executed through the National Clearing and Settlement System (NCSS). These balances are determined on a net basis and are settled on a T+2 settlement cycle in accordance with the regulations and procedures prescribed by NCCPL.

	2025	2024
Rupees		
<b>15.3</b> The following amounts are payable to related parties:		
First Punjab Modaraba	1,189	1,189
Non Executive Director	31,476	-
Chief Executive Officer	1,809	136,180
Chief Financial Officer	10,422	
Compliance Officer	29,366	78
Head of Risk	-	232
Head of Internal Audit	-	44
	74,262	137,723

- 15.4 This includes penalty imposed by the Securities and Exchange Commission of Pakistan (the SECP) amounting to Rs 275,000. In 2020, the SECP issued a Show Cause Notice No. 2 (256) SMD /ADJ-I /2020 /427 (the Show Cause Notice) dated November 10, 2020 to the Company in violation of Securities and Exchange Commission of Pakistan (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018. An Order No. 2 (256) SMD /ADJ-I /2020 /653 was passed on January 6, 2021 imposing the aforementioned penalty on the Company. The Company on February 6, 2021, being aggrieved by the Order, filed a review application under section 33 of the SECP Act, 1997 to the Learned Executive Director HOD Adjudication Division (AD-1) and appealed to the Commission to reduce / waive off the penalty amount. The

**16 Contingencies and commitments**

There are no known contingencies and commitments at the balance sheet date (2024: Nil).

17 Brokerage income	Note	2025	2024
Rupees			
Gross Brokerage Income		114,255,989	73,541,705
Less: Federal Excise Duty		18,280,958	11,766,673
		<u>95,975,031</u>	<u>61,775,032</u>
<b>17.1 Major revenue streams</b>			
Retail clients		76,635,031	49,082,209
Institutional clients		19,340,000	12,692,823
		<u>95,975,031</u>	<u>61,775,032</u>
<b>Geographical region:</b>			
Pakistan		<u>95,975,031</u>	<u>61,775,032</u>
<b>Timing of provision of service</b>			
Service provided to customer at point in time		<u>95,975,031</u>	<u>61,775,032</u>
<b>18 Administrative and operating expenses</b>			
Salaries, allowances and other benefits	18.1	36,721,721	24,575,642
Sales reward allowance		19,075,277	14,778,000
Rent, rates and taxes		875,615	1,356,507
Repairs and maintenance		2,934,958	905,984
Utilities		2,414,992	1,512,003
Fees & subscription		1,376,112	2,203,313
PSX, clearing house and CDC charges, etc.		5,597,664	4,063,883
Insurance charges		5,271	10,519
Travelling and conveyance		135,053	254,880
Depreciation on property and equipment		1,410,472	410,609
Depreciation on right of use assets		3,870,660	-
Amortization of intangible asset		89,688	-
Communication, printing and stationery		1,325,358	417,885
Legal and professional charges		475,800	495,490
Auditors' remuneration	18.2	997,088	724,625
Marketing expenses		282,000	259,540
Worker welfare fund		801,928	871,881
Entertainment		1,039,615	473,738
Other expenses		333,915	12,599
		<u>79,743,185</u>	<u>53,327,078</u>

18.1 Salaries, allowances and other benefits include Rs. 1.05 million (2024: Rs. 0.75 million) in respect of the provident fund

	Note	2025	2024
		Rupees	
<b>18.2 Auditors' remuneration</b>			
Statutory audit		515,625	468,750
Special certifications and other services		178,338	162,125
Review of compliance with Public sector rules, 2013		200,000	-
Out of pocket expenses		103,125	93,750
		<u>997,088</u>	<u>724,625</u>
<b>19 Finance costs</b>			
Interest expense on lease liabilities		868,638	-
Bank charges		8,962	10,597
Federal excise duty charges		1,288	304
		<u>878,888</u>	<u>10,901</u>
<b>20 Other income</b>			
<b>Income from financial assets</b>			
Profit on bank deposit		1,822,490	2,865,622
Dividend income		1,000,000	1,351,642
Markup income on margin financing		1,060,814	2,712,568
Markup income on margin trading		8,531,092	13,141,950
Markup income on exposure deposit maintained with NCCPL		10,081,684	10,757,895
Markup income on exposure deposit maintained with PSX for BMC		780,486	1,679,599
Gain on disposal of Letter of Rights classified at 'fair value through profit or loss'	20.1	510,581	-
Miscellaneous income		174,398	24,716
		<u>23,941,523</u>	<u>32,533,992</u>
<b>20.1 Gain on disposal of Letter of Rights classified at 'fair value through profit or loss'</b>			
Cost of Letter of Rights		-	-
Fair value of letter of rights at time of disposal		510,581	-
		<u>510,581</u>	<u>-</u>

20.2 During the year, company has sold 222,719 letter of rights issued by LSE Ventures Limited classified as FVPL.

	Note	2025	2024
		Rupees	
<b>21 Levy</b>			
Minimum and final taxes	21.1	<u>1,664,924</u>	<u>-</u>

21.1 This represents minimum and final taxes under relevant sections of Income Tax Ordinance, 2001 (ITO,2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

21.2 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	2025	2024
	Rupees	
Current tax liability for the year as per applicable tax laws	12,378,923	12,358,236
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(10,713,999)	(12,358,236)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37	(1,664,924)	-

	Note	2025	2024
		Rupees	
<b>22 Income tax</b>			
Current tax			
- Current year		10,713,999	11,601,664
- Prior year		-	756,572
		10,713,999	12,358,236
Deferred tax		453,185	90,708
		<u>11,167,184</u>	<u>12,448,944</u>
<b>22.1 Reconciliation of tax charge for the year</b>			
Levies and income tax expense		<u>12,832,108</u>	<u>12,448,944</u>
Profit before levy and income tax		<u>39,294,481</u>	<u>40,971,045</u>
Enacted tax rate (%)		29%	29%
Tax at applicable rate - 29% (2024: 29%)	22.2	11,395,399	11,881,603
Effect of income under final tax & minimum tax regime		1,374,924	(189,231)
Effect of income subject to Separate Block		61,785	-
Effect of prior year tax		-	756,572
		<u>12,832,108</u>	<u>12,448,944</u>

22.2 As per the requirements of the Income Tax Ordinance 2001, the tax expense has been charged at the higher of the tax liability computed under Minimum Tax Regime, Normal Tax Regime and the tax liability computed as the Alternate Corporate Tax at the rate of 17% of the Accounting profit.

		2025	2024
<b>23 Earnings per share - basic and diluted</b>			
<b>24.1 Earnings per share - Basic</b>			
Profit after taxation for the year	Rupees	26,462,373	28,522,101
Weighted average number of ordinary shares outstanding	Number	20,150,000	13,729,235
Earnings per share (Rs. per share)		<u>1.31</u>	<u>2.08</u>

**24.2 Earnings per share - Diluted**

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2025, and December 31, 2024, which would have any effect on the earnings per share if the option to convert is exercised.

**24 Remuneration of Chief Executive, Director and Executives**

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits, to the Chief Executive, Director and Executives of the Company are as follows:

	Note	Executive 2025 Rupees	Other executive 2025 Rupees
Managerial remuneration		6,569,412	2,192,744
Performance bonus		1,710,784	344,934
Provident fund contribution		342,024	214,935
Other benefits	24.1	1,539,585	60,000
		<u>10,161,805</u>	<u>2,812,613</u>
		1	1

	Note	Chief Executive	Other executive 2024
		Rupees	
Managerial remuneration		5,255,520	-
Performance bonus		1,779,214	-
Provident fund contribution		273,612	-
Other benefits	24.1	1,561,123	-
		<u>8,869,469</u>	<u>-</u>
No. of persons		<u>1</u>	<u>-</u>

24.1 Other benefits includes the reimbursement of expenses incurred by the Chief Executive in respect of fuel consumption, mobile bills and car allowance and fuel allowance of Compliance officer.

24.2 No remuneration is paid to any Director other than Chief Executive. Furthermore, other than Chief Executive of the Company, only one personnel of the Company meets the definition of the Executives as mentioned in the Fourth Schedule of the Companies Act 2017.

## 25 Related party transactions

The related parties comprise of parent, associates, directors and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties at mutually agreed terms and conditions. Amounts due from and to related parties are shown under respective notes of these financial statements. Other significant transactions with related parties are as follows:

Relationship with the Company	Aggregate % of shareholding	Nature of transactions	2025	2024
			Rupees	
<b>Parent Company</b>				
The Bank of Punjab	100%	Brokerage Commission charged by the Company	19,340,000	12,422,823
<b>Provident Fund</b>				
BOP Capital Securities (Private) Limited - Employees Provident Fund Trust	-	Contribution made to provident fund	1,054,282	753,540
<b>Key management personnel</b>				
Chief Executive Officer	-	Brokerage Commission charged by the Company	1,517,867	1,253,978
	-	Rent paid by the Company	457,380	419,100
Non Executive Director	-	Brokerage Commission charged by the Company	16,675	-
Compliance Officer	-	Brokerage Commission charged by the Company	22,826	27,440
Chief Financial Officer	-	Brokerage Commission charged by the Company	121,634	-
Internal Audit	-	Brokerage Commission charged by	-	-

26 Financial instruments and related disclosures

26.1 Maturities of financial assets and liabilities

	2025									
	Mark-up bearing maturity					Non-mark-up bearing maturity				
	Upto one year	Over one year and upto five years	Over five years	Sub-total	Upto one year	Over one year and upto five years	Over five years	Sub-total	Total	
Rupees										
<b>Financial assets</b>										
Long term security deposits	-	-	8,840,527	8,840,527	-	-	2,493,100	2,493,100	11,333,627	
Trade debts	20,583,181	-	-	20,583,181	18,757,375	-	-	18,757,375	39,340,556	
Advances, deposits, prepayments and other receivables	161,665,000	-	-	161,665,000	3,191,314	-	-	3,191,314	164,856,314	
Long term investment	-	-	-	-	-	-	16,653,000	16,653,000	16,653,000	
Cash and bank balances	96,427	-	-	96,427	179,836,557	-	-	179,836,557	179,932,984	
	182,344,608	-	8,840,527	191,185,135	201,785,246	-	19,146,100	220,931,346	412,116,481	
<b>Financial liabilities</b>										
<b>On balance sheet</b>										
Trade and other payables	-	-	-	-	159,020,481	-	-	159,020,481	159,020,481	
Lease liabilities	3,493,490	3,687,002	-	7,180,492	-	-	-	-	7,180,492	
	3,493,490	3,687,002	-	7,180,492	159,020,481	-	-	159,020,481	166,200,974	
<b>Off balance sheet</b>										
	-	-	-	-	-	-	-	-	-	
	3,493,490	3,687,002	-	7,180,492	159,020,481	-	-	159,020,481	166,200,974	

NA

2024

Mark-up bearing maturity				Non-mark-up bearing maturity				Total
Upto one year	Over one year and upto five years	Over five years	Sub-total	Upto one year	Over one year and upto five years	Over five years	Sub-total	
Rupees								

Financial assets									
Long term security deposits	-	6,490,527	6,490,527	-	-	2,201,500	2,201,500	8,692,0	
Trade debts	16,532,700	-	16,532,700	23,720,639	-	-	23,720,639	40,253,3	

Advances, deposits, prepayments and other receivables	96,155,655	-	96,155,655	6,434,710	-	-	6,434,710	102,590,3
Long term investment	-	-	-	-	-	14,191,354	14,191,354	14,191,3
Cash and bank balances	99,079	-	99,079	166,288,499	-	-	166,288,499	166,387,5
	112,787,434	6,490,527	119,277,961	196,443,848	16,392,854	212,836,702	332,114,6	

**Financial liabilities**

On balance sheet								
Trade and other payables	-	-	-	101,723,965	-	-	101,723,965	101,723,9

**Off balance sheet**

WV

	-	-	-	101,723,965	-	-	101,723,965	101,723,9
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## 26.2 Financial instruments by category

	2025			Total
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	
Rupees				
<b>Financial assets</b>				
<b>Non-current assets</b>				
Long term security deposits	11,333,627	-	-	11,333,627
Long term investment	-	-	16,653,000	16,653,000
<b>Current assets</b>				
Trade debts	39,340,556	-	-	39,340,556
Deposits and other receivables	164,548,110	-	-	164,548,110
Bank balances	179,932,984	-	-	179,932,984
	<u>395,155,277</u>	<u>-</u>	<u>16,653,000</u>	<u>411,808,277</u>
<b>Financial liabilities</b>				
Trade and other payables	159,020,481	-	-	159,020,481
Lease liabilities	7,180,492	-	-	7,180,492
	<u>166,200,973</u>	<u>-</u>	<u>-</u>	<u>166,200,973</u>

## Financial instruments by category

	2024			Total
	At amortised cost	At fair value through profit or loss	At fair value through other comprehensive income	
Rupees				
<b>Financial assets</b>				
<b>Non-current assets</b>				
Long term security deposits	8,692,027	-	-	8,692,027
Long term investment	-	-	14,191,354	14,191,354
<b>Current assets</b>				
Trade debts	40,253,339	-	-	40,253,339
Deposits and other receivables	98,295,193	-	-	98,295,193
Bank balances	166,387,578	-	-	166,387,578
	<u>313,628,137</u>	<u>-</u>	<u>14,191,354</u>	<u>327,819,491</u>
<b>Financial liabilities</b>				
Trade and other payables	101,723,965	-	-	101,723,965
	<u>101,723,965</u>	<u>-</u>	<u>-</u>	<u>101,723,965</u>

## 26.3 Financial Risk Management

The company's operations expose it to a variety of risk factors. This includes risk factors such as market risk, liquidity risk, credit risk and operational risk. These risks need to be mitigated and managed in order for the company to be able to provide a return to its shareholders. Risk management is carried out by the company's risk manager. The exposure to risk has been minimized. We have analysed the various forms of risk that the company faces and the possible impacts that

## 26.4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument. The management manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines. Market risk comprises of three types of risk: currency risk, interest rate risk and price risk.

### 26.4.1 Currency risk

Currency risk is the risk that the future fair value of cash flows of a financial instrument will fluctuate due to exchange rate differentials. Since the Company does not deal in foreign currencies, no currency risks exist at the moment.

### 26.4.2 Interest / mark-up rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company is not exposed to any short term borrowing arrangements having variable rate pricing. However, the company does have a few financial assets and liabilities, on which the exposure has been estimated below:

	2025	2024
	Rupees	
<b>Financial assets</b>		
Deposit against Base Minimum Capital	8,840,527	6,490,527
Receivable against margin financing	20,583,181	3,842,685
Receivable against margin trading	-	12,690,015
Deposits maintained with National Clearing Company of Pakistan Limited		
- against exposure arising out of the trading in securities	161,665,000	96,155,655
Cash and bank balances - savings accounts	96,427	99,079
	<u>191,185,135</u>	<u>119,277,961</u>
<b>Financial liabilities</b>		
Trade and other payables	-	-
Lease liabilities	7,180,492	-
	<u>7,180,492</u>	<u>-</u>
	<u>184,004,643</u>	<u>119,277,961</u>

The management of the Company estimates that a 1% decrease in the market interest rate, with all factors remaining constant, would decrease the Company's profit before tax by Rs. 1,840,046 (2024: Rs. 1,192,780) and a 1% increase would result in an increase in the Company's profit before tax by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

	Increase/ decrease in basis points	Effect of profit/(loss) before tax	Effect on equity
		Rupees	
2025	+1%	1,840,046	1,305,433
	-1%	(1,840,046)	(1,306,433)
2024	+1%	1,192,780	846,874
	-1%	(1,192,780)	(846,874)

### 26.4.3 Price risk

Price risk is 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 the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is exposed to price risks because of investments held by the Company in shares of LSE Capital Limited and LSE Venture Limited (carried at Level 1). In case of 1% increase / decrease in the market price of the shares held, the other comprehensive income before tax of the Company would be higher / lower by Rs. 166,530 (2024: Rs. 141,914).

### 26.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash & cash equivalents and marketable securities and the ability to close out market positions due to dynamic nature of the business. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cashflow	Less than one year	Between one to five years	More than five years
	Rupees				
<b>2025</b>					
Trade and other payables	159,020,481	159,020,481	159,020,481	-	-
Lease liabilities	7,180,492	7,926,579	4,049,607	3,876,972	-
	<u>166,200,973</u>	<u>166,947,060</u>	<u>163,070,088</u>	<u>3,876,972</u>	<u>-</u>
<b>2024</b>					
Trade and other payables	<u>101,723,965</u>	<u>101,723,965</u>	<u>101,723,965</u>	-	-

### 26.6 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company believes that it is not exposed to major concentration of credit risk as more than 90% of trade debts balance pertains to the individuals. To manage exposure to credit risk, the Company applies credit limits and deal with credit worthy parties. It makes full provision against those balances considered doubtful and at the reporting period end there is no provision recognized in the financial statements. The Company is not materially exposed to credit risk.

The management estimates the recoverability of trade debts on the basis of financial position and past history of customers based on the objective evidence that it shall not receive the amount due from the particular customer. The Company considers that default has occurred when there is any objective evidence that the financial asset is impaired or a trade debt is more than 360 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate. The table below shows the bank balances held with some major counterparties at the balance sheet date:

	Short term	Rating Long term	Agency	2025	2024
	Rupees				
<b>Banks</b>					
Bank Alfalah Limited	A1+	AAA	PACRA	110,333,715	28,456,066
Bank Al Habib Limited	A1+	AAA	PACRA	64,517,786	130,435,711
MCB Bank Limited	A1+	AAA	PACRA	5,072,233	7,495,801
Bank of Punjab	A1+	AA+	PACRA	9,250	-
				<u>179,932,984</u>	<u>166,387,578</u>

The maximum exposure to credit risk is equal to the carrying amount of financial assets. The maximum exposure to credit risk at reporting date is as follows:

	2025	2024
	Rupees	
Trade debts	39,340,558	40,253,339
Deposits	170,505,527	102,646,182
Bank balances	179,932,984	166,387,578
	389,779,067	309,287,099

## 26.7 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

## 26.8 Fair values 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 without any intention or requirement to curtail materially the scale of its operations or to undertake a

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The 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 (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

### 26.8.1 Valuation inputs and relationships to fair value

As at December 31, 2025 and December 31, 2024, the Company held the following financial instruments measured at fair values:

	Level 1	Level 2	Level 3
	Rupees		
<b>2025</b>			
<b>Financial assets</b>			
- at fair value through other comprehensive income	16,653,000	-	-
	<u>16,653,000</u>	<u>-</u>	<u>-</u>
<b>2024</b>			
<b>Financial assets</b>			
- at fair value through other comprehensive income	14,191,354	-	-
	<u>14,191,354</u>	<u>-</u>	<u>-</u>

## 27 Disclosure under as per the requirements of the Securities Brokers (Licensing and Operation) Regulations, 2016)

### 27.1 Net Capital Balance

Description	Valuation	Note	2025	2024
			Rupees	
<b>Current Assets</b>				
Cash in hand or in bank	As per Book Value	27.1.2	179,932,984	166,387,578
Deposits against exposure		10.1	161,665,000	96,155,655

Description	Valuation	Note	2025	2024
			Rupees	
Trade receivables	Book Value less those overdue for more than 14 days	27.1.3	21,705,827	36,087,984
Investment in listed securities in the name of broker	Securities on the exposure list marked to market less 15% discount		-	-
Securities purchased for customers	Securities purchased for the customer and held by the broker where the payment has not been received within 14		832,841	2,255,361
Listed TFCs/Corporate Bonds of not less than BBB grade assigned by a credit rating company in Pakistan	Marked to market less 10% discount		-	-
FIBs	Marked to market less 5% discount		-	-
Treasury Bill	At market value		-	-
Any other current asset specified by the Commission	As per the valuation basis determined by the Commission		-	-
			<u>364,136,652</u>	<u>300,886,578</u>
<b>Current liabilities</b>				
Trade payables	Book value less those overdue for more than 30 days	27.1.4	91,671,002	70,759,479
Other liabilities	As classified under the generally accepted accounting	27.1.5	79,728,428	42,566,149
			<u>171,399,430</u>	<u>113,325,628</u>
<b>Net Capital Balance</b>			<u>192,737,222</u>	<u>187,560,950</u>

#### 27.1.1 Basis of accounting

This statement of Net Capital balance has been prepared in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP), read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules of Pakistan (SECP).

	Note	2025	2024
		Rupees	
<b>27.1.2 Cash in hand or in bank</b>			
Cash in hand		-	-
Bank balance			
- pertaining to house account		39,638,854	75,365,923
- pertaining to client account		140,294,130	91,021,655
		<u>179,932,984</u>	<u>166,387,578</u>
<b>27.1.3 Trade receivables</b>			
Receivable against margin financing		20,583,181	3,842,685
Receivable against margin trading		-	12,690,015
Other trade receivables		<u>18,757,375</u>	<u>23,720,638</u>
		39,340,556	40,253,338
Less: over due for more than 14 days		<u>(17,634,729)</u>	<u>(4,165,354)</u>
		<u>21,705,827</u>	<u>36,087,984</u>
<b>27.1.4 Trade payables</b>			
Trade payables	15	144,412,366	90,923,210
Less: more than 30 days payable		(52,741,364)	(20,163,731)
		<u>91,671,002</u>	<u>70,759,479</u>
<b>27.1.5 Other liabilities</b>			
Trade payables for more than 30 days		52,741,364	20,163,731
Provident fund payable		220,867	155,905
Performance bonus payable		4,309,230	2,534,705
Other payables		10,078,018	8,110,145
Provision for income tax		12,378,949	11,601,683
		<u>79,728,428</u>	<u>42,566,149</u>

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27.2 Liquid Capital Statement

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments Rupees	Net Adjusted Value
1	<b>Assets</b>			
1.1	Property & Equipment	9,230,293	9,230,293	-
1.2	Intangible Assets	10,638,037	10,638,037	-
1.3	Investment in Govt. securities (Difference between book value and sale value on the date on the basis of PKRV published by NIFT)	-	-	-
1.4	Investment in debt. securities			-
	If listed than			
	i. 5% of the balance sheet value in the case of tenure up to 1 year	-	-	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years	-	-	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
	If unlisted than			
	i. 10% of the balance sheet value in the case of tenure up to 1 year	-	-	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years	-	-	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	-	-
1.5	Investment in equity securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital)	16,653,000	15,108,975	1,544,025
	ii. If unlisted, 100% of carrying value	-	-	-
1.6	Investment in subsidiaries	-	-	-
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each security as computed by the Securities Exchange for respective securities whichever is higher	-	-	-
	ii. If unlisted, 100% of net value	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. (100% of net value, however any excess amount of cash deposit with securities exchange to comply with requirement of base minimum capital may be taken in calculation of LC)	10,440,527	10,440,527	-
1.9	Margin deposits with exchange and clearing house.	161,665,000	-	161,665,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB	-	-	-
1.11	Other deposits and prepayments	1,201,304	1,201,304	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil)	2,883,110	-	2,883,110
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	-	-
1.13	Dividends receivables	-	-	-
1.14	Amount receivable against Repo financing. (Amount paid as purchaser under the REPO agreement. Securities	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments Rupees	Net Adjusted Value
1.15	Advances and Receivables other than trade receivables			
	1. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	-	-	-
	2. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	5,432,619	-	5,432,619
	3. In all other cases 100% of net value	-	-	-
1.16	Receivables from clearing house or securities exchange(s)			-
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains	5,535,926	-	5,535,926
1.17	Receivables from customers			-
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. (Lower of net balance sheet value or value determined through adjustments)	20,583,181	18,252,905	18,252,905
	ii. In case receivables are against margin trading, 5% of the net balance sheet value (Net amount after deducting haircut)	-	-	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, (Net amount after deducting haircut)	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value (Balance sheet value)	7,918,482	-	7,918,482
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts (Lower of net balance sheet value or value determined through adjustments)	3,141,164	10,064,760	3,141,164
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. (Lower of net balance sheet value or value determined through adjustments)	2,161,803	2,161,803	-
1.18	Cash and bank balances			
	i. Bank balance-Proprietary accounts	39,638,854	-	39,638,854
	ii. Bank balance-Customer accounts	140,294,130	-	140,294,130
	iii. Cash in hand	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments Rupees	Net Adjusted Value
1.19	Subscription money against investment in IPO/Offer (i) No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker. (ii) In case of investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities. (iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on right shares. (Balances sheet value or net value after deducting hair cuts.	-	-	-
<b>1.20</b>	<b>Total Assets</b>	<b>437,417,430</b>	<b>77,098,604</b>	<b>386,306,215</b>
2.1	Trade payables			
	i. Payable to exchanges and clearing house	9,168,068	-	9,168,068
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	135,244,298	-	135,244,298
2.2	Current Liabilities			
	i. Statutory and regulatory dues	-	-	-
	ii. Accruals and other payables	14,608,115	-	14,608,115
	iii. Short-term borrowings	-	-	-
	iv. current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for Taxation	12,378,949	-	12,378,949
	ix. other liabilities as per accounting principles and included in the financial statements	3,493,490	-	3,493,490
2.3	Non-current Liabilities			
	i. Long-term financing (100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases)	3,687,002	-	3,687,002
	ii. Staff retirement benefits (Nil)	-	-	-
	iii. other liabilities as per accounting principles and included in the financial statements (Nil)	1,354,971	-	1,354,971
2.4	Subordinated Loans			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	-	-	-
2.5	i. 100% haircut may be allowed in respect of advance against shares if: (a) The existing authorized share capital allows the proposed enhanced share capital (b) Board of Directors of the company has approved the increase in capital (c) Relevant Regulatory approvals have been obtained (d) There is no unreasonable delay in issue of shares against advance increase in paid up capital have been completed (e) Auditor is satisfied that such advance is against the increase of capital.	-	-	-
		179,934,893	-	179,934,893

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
<b>3</b>	<b>Ranking Liabilities Relating to :</b>		<b>Rupees</b>	
3.1	Concentration in margin financing			
	The amount calculated on client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees. "Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs. 5 million". Note: only amount exceeding by 10 % of each financee from aggregate amount shall be included in the ranking liabilities.	-	-	13,374,798
3.2	Concentration in securities lending and borrowing			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed. Note: only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities.	-	-	-
3.3	Net underwriting Commitments			
	(a) in the case of right issues: if the market value of securities is less than or equal to the subscription price; the aggregate of (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitment exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting commitment	-	-	-
	(b) in any other case: 12.5% of the net underwriting commitments	-	-	-
3.4	Negative equity of subsidiary			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions			
	5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount payable under REPO			
		-	-	-
3.7	Repo adjustment			
	In the case of financier/ purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/ seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser	-	-	-
3.8	Concentrated proprietary positions			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3.9	Opening Positions in futures and options			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	-	-
3.10	Short sell positions			
	i. In case of customer positions, The market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts	-	-	-
3.11	<b>Total Ranking Liabilities</b>	-	-	13,374,798

Total Liquid Capital

192,996,524

#### 27.2.1 Basis of preparation

This Statement of Liquid Capital has been prepared in accordance with the requirements of the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities & Exchange Commission of Pakistan (SECP) and guidelines / clarifications issued by the Securities & Exchange Commission of Pakistan (SECP).

#### 28 Capital risk management

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital. Currently, the Company has zero borrowing at balance sheet thus minimizing the gearing ratio.

	Note	2025	2024
29 Capital adequacy level			
		Rupees	
Total assets	29.1	444,019,843	345,823,757
Less: Total liabilities		179,934,893	114,006,211
Less: Revaluation reserves (created upon revaluation of fixed assets)		-	-
		179,934,893	114,006,211
Capital adequacy level		<u>264,084,950</u>	<u>231,817,546</u>

29.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by the

30 **Provident fund and related disclosures**

	2025	2024
	Rupees	
Size of the fund	4,883,479	3,856,184
Percentage of investments made	51%	65%
Fair value of investments	2,500,000	2,500,000
Cost of investments made	2,500,000	2,500,000

The investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and rules formulated for this purpose.

31 **No. of employees**

	2025	2024
	Number	
Number of employees	33	21
Average number of employees	27	20

32 **Date of authorization**

These financial statements have been authorized for issue by the Board of Directors of the Company on

08 APR 2026

33 **General**

33.1 Figures have been rounded off to the nearest rupees.

33.2 Corresponding figures have been rearranged and reclassified, wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant rearrangements and reclassifications have been made, except for the following:

- Performance bonus payable previously classified under 'Other payable', is now presented as a separate line item under note 15, 'Performance bonus payable' for better presentation and comparability purposes

Rupees

2,534,705

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR