
TAURUS

SECURITIES LIMITED

ANNUAL REPORT

2025

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TAURUS SECURITIES LIMITED

COMPANY INFORMATION

Board of Directors

Muhammed Ismail Usuf	Chairman/Director
Syed Zain Hussain	Chief Executive
Abdul Rahim	Nominee Director-NBP
Mushtaq Ali Khan	Independent Director
Saeed Iqbal	Independent Director
Soofi Saifullah Akber	Nominee Director-SAPICO
Murium Hadi	Independent Director
Irfan Saleem Awan	Nominee Director-BOK

Chief Financial Officer &

Company Secretary

Syed Waqar ul Hassan

Statutory Auditor

BDO Ibrahim & Co
Chartered Accountants

Tax Advisor

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisor

Sarosh Jamil

Bankers

Bank Alfalah Ltd
Bank Of Khyber
Habib Bank Limited
Habib Metropolitan Bank
MCB Bank Limited
National Bank Of Pakistan
United Bank Limited
Bank Al Habib Ltd
Bank Of Punjab

Corporate Office

Suite 604, 6th Floor, Progressive Plaza, Beaumont Road
Karachi 75530, Pakistan

Branch Office

Karachi: 618, 6th Floor, Stock Exchange Building, Stock Exchange Road, Karachi
Peshawar: 2nd Floor, State Life Building, 24 The Mall, Cantt. , Peshawar.

Website

www.taurus-sec.com

Credit rating

A/A-2

Directors Report to the Shareholders
For the year ended December 31, 2025

The Directors of your Company are pleased to present the Annual Report with the Audited Financial Statements of the Company for the year ended December 31, 2025 along with the Auditor's Report thereon.

Economic Review:

Pakistan's economy made notable progress during 2025 marked by several key milestones that contributed to a more stable financial environment and a substantial decline in its sovereign default risk. To recall, Pakistan's GDP growth for FY25 clocked-in at ~3% as per the revised estimates, while headline inflation fell to 4.6%YoY from ~24%YoY a year earlier. Additionally, Pakistan's external sector continued to strengthen, depicting stability with the country recording its first year of current account surplus in fourteen years; the Rupee appreciating ~1% against the dollar and the SBP's FX reserves arriving at over USD 14.5Bn as of Jun'25 close.

Moreover, during the year Pakistan also successfully completed the 1st and the 2nd reviews of the 37-month IMF External Fund Facility (EFF) and the 1st review of the Resilience and Sustainability Fund (RSF), unlocking disbursements from the IMF as per the respective tranches. While, Pakistan's 3rd EFF review is currently underway. The year also saw Pakistan striking a trade deal with the US in the aftermath of the reciprocal tariffs, reducing the final tariff for Pakistan to 19%, along with the commitment to develop oil and other mineral reserves in Pakistan.

Further, citing easing inflationary pressures including falling core inflation and well-anchored forward inflation expectations, the SBP cut its benchmark policy rate by 250bps during the year to 10.5%. In addition, the SBP also revised its GDP growth projections for FY26 to 3.75% to 4.75% on the back of improved activity in the Agriculture and Industrial sectors. Also, the SBP revised upwards its forecast for foreign exchange reserves to cross the USD 18Bn mark by Jun'26, and to over USD 20.2Bn by Dec'26 (taking the country's import cover to the benchmark of 3 months); on account of surge in the planned inflows and the SBP's outright USD purchases from the open market – helping build FX buffers.

In addition, global credit rating agencies also upgraded Pakistan's sovereign ratings and outlook. This included: i) Moody's: Rating upgraded from 'Caa2' to 'Caa1', outlook upgraded from 'Positive' to 'Stable'; ii) S&P Global Ratings: Rating upgraded from 'CCC+' to 'B-', with a 'Stable' outlook; and iii) Fitch Global Ratings: Rating upgraded to 'B-/Stable' from 'CCC+'. These upgrades reflect improved external liquidity and stability, growing confidence in the ongoing fiscal reforms, lower inflation and easing debt burden, respectively. To note, Pakistan is also planning to issue Panda Bonds in 2026.

Meanwhile, 1QFY26 GDP growth clocked-in at 3.71%, with headline inflation averaging 5.1% during 1H FY26. Similarly, 1H FY26 current account balance posted a deficit of ~USD 1.2Bn, amid 37%YoY surge in the trade deficit, offset by 11%YoY growth in workers' remittances. The SBP projects the current account to post a deficit of ~0-1% of the GDP during FY26. Accordingly, SBP's FX reserves as of Dec'25 stood at ~USD 16.1Bn, with Rupee holding firm against the dollar ~PKR 280/USD level. To note, the SBP's outright USD purchases from the open market stood at USD 7.9Bn during FY25 and were recorded at ~USD 2.5Bn during 4MFY26, respectively.

On the fiscal front, challenges prevailed with high mark-up payments and growing dependence of the Federal Government on the domestic banking sector to finance the budget deficit. Nevertheless, Pakistan's fiscal deficit arrived at 5.4% of the GDP in FY25 along with a Primary Surplus of 2.4%. Similarly, continuing with the reform agenda under the IMF prescriptions, the Federal Government also unveiled the Budget for FY26, having an outlay of PKR 17.6Trn, envisaging additional revenue generation of ~PKR 2.5Trn, offering token reliefs, reducing subsidies and tightening the net around non-filers specially.

Nevertheless, 1QFY26 posted a fiscal surplus of 1.6% of GDP along with a Primary Surplus of 2.7% of GDP mainly due to the inflow of hefty profit from the SBP. The position beyond has remained challenging. For context, 8MFY26 tax collection by the FBR reflects a short-fall of PKR 429Bn. Conversely, Pakistan also repaid ~PKR 3.7Trn in debt before time along with meeting all its external debt obligations on time. Privatization of PIA was also concluded for PKR 135Bn just before the year-end.

Finally, geopolitical tensions reached new highs with the Indian aggression on Pakistan in May'25, resulting in a befitting response by Pakistan's Armed forces and a US-brokered ceasefire. Tensions also intensified between the US & Israel and Iran resulting in attacks on each other with the conflict brewing to a full war in Feb-Mar'26. In addition, Pakistan's armed forces also confronted the Taliban regime in Afghanistan against its support to terrorists conducting activities in Pakistan. The latter led to the indefinite closure of the Pak-Afghan border. Overall, the geopolitical and the internal security situation remain fluid.

PSX Review:

The KSE-100 index posted a return of 51% during 2025, ranking PSX as one of the best performing equity markets globally, experiencing a remarkable increase of 58,927 points for the year, closing the year at an index level of 174,054 points. To recall, the index performance was driven by strong bullish sentiment amid improving external position including a stable Rupee, falling inflation, reduction in interest rates, attractive valuations and inflow of liquidity from other asset classes.

Average all share daily volume traded was 795.7Mn shares during CY25 compared to 567.9Mn shares last year, up 40%YoY. Similarly, average all share daily value traded clocked-in at ~PKR 36.6Bn as against ~PKR 22.4Bn registered in the corresponding period last year, up 64%YoY. Wherein, Banks, Cement, Insurance, Fertilizer and Textile were the five best performing sectors of the year.

Foreign portfolio investments depicted an outflow of ~USD 368.7Mn during the year compared to an outflow of ~USD 117Mn last year. Among locals, Companies along with Individuals were the biggest buyers with a net buying of USD 1.6Bn and USD 264.3Mn, respectively. While, Mutual Funds, Banks and Insurance Companies were the biggest sellers, offloading USD 717.1Mn, USD 589.2Mn and USD 139.8Mn worth of shares.

We expect market activity to be driven liquidity driven, going forward with overall sentiment being dominated by geo-political outcomes mainly.

Future Outlook:

Economic activity is beginning to gain momentum supported by external stability, and the SBP's data driven monetary policy as well as fiscal incentives like electricity relief package for industries, cut in EFS rates etc. However, an extremely volatile geo-political climate especially in the Middle-East poses a key downside risk; due to Pakistan's dependence on the region i.e. GCC in particular, economically, politically and strategically. Meanwhile, domestic security situation also remains fragile in the context of tensions with Afghanistan and surge in attacks by separatists in Balochistan – highly negative for FDI in the country.

Another challenge for the incumbent Government will be to meet the revenue collection short-fall and also comply with the IMF structural benchmarks as per the committed deadlines, including the Governance related initiatives. This will be critical in order to ensure continued disbursements by the IMF, and assure other external support – the bedrock for Pakistan's external stability.

The Directors are pleased to confirm that:

- The Financial Statements prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity;
- Proper Books of Accounts of the Company have been maintained;
- Appropriate Accounting Policies have been consistently applied in preparation of Financial Statements and the Accounting Estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of the Financial Statements and there has been no departure from them.
- The system of Internal/Financial Control is adequate, sound and has been effectively implemented and monitored.
- The principal risks and associated uncertainties have been managed by the Company. The market volumes are beyond the control of the Company and the business model of the Company is based on a daily average market traded value.
- The Board has complied with the relevant principles of Corporate Governance.
- The appointment of Chairman and other members of the Board and the terms of their appointment along with the remuneration policy adopted are in the best interest of the Public Sector Company as well as in line with the best practices.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- The Company closed its financial year with an operating profit of 87.95 million and is focused to improve its market share through increase in retail clientele in both segments online and corporate accounts. Moreover, the Company is also focused on consolidation during the next year.
- The Management is acutely monitoring its resources to maximize returns for shareholders.
- The company has obtained commodities license (gold only) from Pakistan Mercantile Exchange Limited.

The Statement of Compliance with the PSC rules has been prepared by the Company and the Auditors have issued a review report thereon.

During the year, Five Meetings of the Board of Directors were held. Attendance by each Director was as follows and leaves of absence are granted to the Directors, (if any).

S. No.	Name of Director	Date of Appointment/Re-appointment	No. of Meetings Attended
1	Mr. Muhammad Ismail Usuf	December 23, 2024	04
2	Mr. Abdul Rahim	December 23, 2024	05
3	Mr. Saeed Iqbal	December 23, 2024	05
4	Mr. Mushtaq Ali Khan	December 23, 2024	05
5	Murium Hadi	December 23, 2024	05
6	Mr. Irfan Saleem Awan	December 23, 2024	02
7	Mr. Soofi Saifullah Akber	December 23, 2024	04
9	Zain Hussain	December 23, 2024	05

The Board of Directors has constituted the following Committees in compliance of the applicable rules;

- Audit Committee
- Risk Management Committee
- Human Resource Committee
- Investigating Committee

The Pattern of Shareholdings of the Company is hereunder;

S. No	Name of Member	No. of Shares Held	% of Shareholding
1	National Bank of Pakistan	7,875,002	58.32
2	The Bank of Khyber	4,050,374	30.00
3	The Bank of Khyber-Employees Gratuity Fund	449,627	3.33
4	Saudi Pak Industrial & Agricultural Investment Company Ltd.	1,125,001	8.33
5	Individuals	2,302	0.02
Total		13,502,306	100.00

Remuneration of the Chief Executive/Directors and Executives is properly disclosed in the relevant note of the Annexed Financial Statements and no remuneration is being paid to the Directors including the Chairman.

The Company operates an approved Provident Fund scheme for all Eligible Employees. The value of Investment as per latest Audited Financial Statements of the fund for the year ended June 30, 2025 was as follows;

---- (Rupees) ----

Provident Fund 19,267,144/-

Financial Highlights of the Company

			Amount	%
Brokerage Income	284,302,888	176,147,026	108,155,862	61
Mark-up income	48,969,009	66,268,098	(17,299,089)	(26)
Capital Gain on Shares (Arbitrage)	2,307,736	276,439	2,031,297	735
Capital Gain on Mutual Funds	481,834	6,137,282	(5,655,448)	(92)
Dividend Income	-	3,121,855	(3,121,855)	(100)
	336,061,467	251,950,700	84,110,767	33
Operating and Administrative Expenses	(248,107,681)	(180,357,264)	(67,750,417)	38
Operating Profit	87,953,786	71,593,436	16,360,350	
Other Income	42,000	50,000	(8,000)	(16)
Financial Charges	(12,060,710)	(8,784,134)	3,276,576	37
Profit / (loss) before Taxation	75,935,076	62,859,302	13,075,774	(21)
Taxation	(25,709,057)	(30,748,032)	(5,038,975)	(16)
Profit / (loss) after Taxation	50,226,019	32,111,270	18,114,749	(56)

Credit Rating

JCR-VIS has reaffirmed the Company's Long Term Rating to A (single A) and Short Term Rating to A-2 (A two).

Key Financial and Operating Data of Six Years

(Rupees in thousands)

	December 2025	December 2024	December 2023	December 2022	December 2021	December 2020
Paid-up Capital	135,023	135,023	135,023	135,023	135,023	135,023
Accumulated Profit/ (Loss)	265,432	225,333	178,076	165,569	178,775	174,256
Liability	1,231,327	1,138,845	686,270	1,001,411	1,015,638	434,147
Total Equity & Liability	1,631,782	1,499,201	999,369	1,302,003	1,329,436	743,426
Fixed Assets	71,024	27,101	33,481	42,785	43,528	18,494
Other Assets	1,560,758	1,472,101	965,888	1,259,218	1,285,908	724,932
Total Assets	1,631,782	1,499,202	999,369	1,302,003	1,329,436	743,426
Total Income	336,103	252,001	171,624	125,019	156,114	143,445
Operating Expenses	248,107	180,358	136,595	119,657	137,319	125,549
Financial Charges	12,061	8,784	4,964	6,902	5,140	3,695
Taxation	25,709	30,748	14,644	6,754	2,638	4,044
Net Profit / (Loss)	50,226	32,111	15,421	(8,294)	11,017	10,157

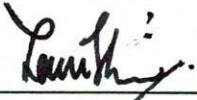
Statutory Auditors

The present auditors, M/s. BDO Ebrahim & Co. Chartered Accountants retire and being eligible, offer themselves for reappointment at upcoming Annual General Meeting. The Audit Committee and Board of Directors have recommended the appointment of M/s. BDO Ebrahim & Co. Chartered Accountants as auditors of the Company for the ensuing year.

Acknowledgement

We wish to place on record our gratitude to the valued Clients, Regulatory Authorities, Banks and Financial Institutions for their continued support and confidence.

We would also like to record our appreciation to the dedication shown by the Management and the Staff for enabling the Company to achieve these results amidst effective controls over its operations and risks.



Zain Hussain
Chief Executive Officer



Muhammad Ismail Usuf
Chairman of the Board

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of Taurus Securities Limited (the Company) for the year ended December 31, 2025.

The responsibility for compliance with the Rules is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Rules.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Rules requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the 'Statement of Compliance' does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Rules as applicable to the Company for the year ended December 31, 2025.

KARACHI**DATED: APRIL 08, 2026****UDIN: CR2025100675TPZUEYzx****CHARTERED ACCOUNTANTS****Engagement Partner: Zulfikar Ali Causer****BDO Ebrahim & Co. Chartered Accountants**

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

TAURUS

SECURITIES LIMITED

A Subsidiary of National Bank of Pakistan

Statement by Chief Executive Officer
(As required under Clause 9(a)(iii) of Annexure D read with Regulation
16(1)(f) of the Securities Brokers (Licensing and Operations) Regulations,
2016)

I, Zain Hussain, Chief Executive Officer of Taurus Securities Limited, hereby confirm that there have been no transactions entered into by Taurus Securities Limited during the year ended December 31st, 2025, which are fraudulent, illegal, or in violation of any securities market laws.


Zain Hussain

Chief Executive Officer

March 30th, 2026.

TREC Holder / Broker : Pakistan Stock Exchange Limited. UAN: 111-828787 URL: www.taurus-sec.com

Corporate Office

Room # 604, 6th Floor, Progressive Plaza, Beaumont Road, Civil Lines, Karachi. Fax: (92-21) 35686279, E-mail: taurus@taurus.com.pk

Branch Offices

Karachi : Room # 618, 6th Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi. Ph: (92-21) 32430202, Fax: (92-21) 32439262

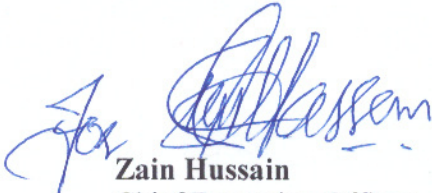
TAURUS

SECURITIES LIMITED

A Subsidiary of National Bank of Pakistan

Statement by Chief Executive Officer
(As required under Clause 9(a)(iii) of Annexure C read with Regulation
16(1)(f) of the Futures Brokers (Licensing and Operations) Regulations,
2018)

I, Zain Hussain, Chief Executive Officer of Taurus Securities Limited, hereby confirm that there have been no transactions entered into by Taurus Securities Limited during the year ended December 31st, 2025, which are fraudulent, illegal, or in violation of any futures market laws.



Zain Hussain
Chief Executive Officer

April 30, 2026.

TREC Holder / Broker : Pakistan Stock Exchange Limited. UAN: 111-828787 URL: www.taurus-sec.com

Corporate Office

Room # 604, 6th Floor, Progressive Plaza, Beaumont Road, Civil Lines, Karachi. Fax: (92-21) 35686279, E-mail: taurus@taurus.com.pk

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Peshawar : 2nd Floor, State Life Bldg., 34-The Mall, Peshawar Cantt., Peshawar. Ph: (92-91) 5273895, Fax: (92-91) 5270063

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAURUS SECURITIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **TAURUS SECURITIES LIMITED** (the Company), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory notes, 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, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2025 and of the profit and other comprehensive income, the changes in equity, 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.

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

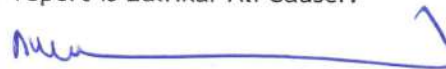
- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together 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;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the financial statements were prepared, and
- f) the Company was in compliance with the relevant requirements of Future Brokers (Licensing and Operations Regulations), 2018 as at the date on which statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditors' report is Zulfikar Ali Causer.

KARACHI

DATED: 08 APR 2026

UDIN: AR202510067Ld7BEY0r5



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS



**FINANCIAL STATEMENTS
OF
TAURUS SECURITIES LIMITED
FOR THE YEAR ENDED
DECEMBER 31, 2025**

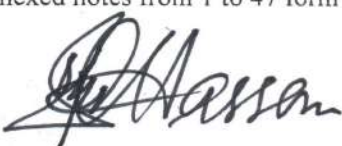
BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

TAURUS SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	18,897,075	8,036,859
Right of use assets	7	51,137,790	17,510,091
Intangible assets	8	989,501	1,553,552
Long term deposits and advances	9	3,707,196	3,716,671
Taxation - net	10	60,103,587	56,985,903
		<u>134,835,149</u>	<u>87,803,076</u>
CURRENT ASSETS			
Trade debts	12	264,937,317	132,648,479
Advances, deposits and prepayments	13	492,648,801	437,566,459
Other receivables	14	17,239,979	5,479,426
Cash and bank balances	16	722,121,253	835,704,166
		<u>1,496,947,350</u>	<u>1,411,398,530</u>
TOTAL ASSETS		<u><u>1,631,782,499</u></u>	<u><u>1,499,201,606</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
40,000,000 (2024: 40,000,000)			
ordinary shares of Rs 10/- each	17.1	<u>400,000,000</u>	<u>400,000,000</u>
Issued, subscribed and paid-up share capital	17.2	135,023,060	135,023,060
REVENUE RESERVES			
Unappropriated profits	18	265,432,432	225,333,142
TOTAL EQUITY		<u>400,455,492</u>	<u>360,356,202</u>
NON-CURRENT LIABILITIES			
Lease liabilities	19	27,631,057	2,697,900
Deferred taxation	11	1,789,701	139,260
		<u>29,420,758</u>	<u>2,837,160</u>
CURRENT LIABILITIES			
Trade and other payables	20	968,688,013	893,229,654
Dividend payable		12,793	12,566
Lease liabilities	19	13,205,443	7,766,024
Short term running finance	21	220,000,000	235,000,000
		<u>1,201,906,249</u>	<u>1,136,008,244</u>
TOTAL LIABILITIES		<u>1,231,327,007</u>	<u>1,138,845,404</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,631,782,499</u></u>	<u><u>1,499,201,606</u></u>
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes from 1 to 47 form an integral part of these financial statements.


CHIEF FINANCIAL OFFICER

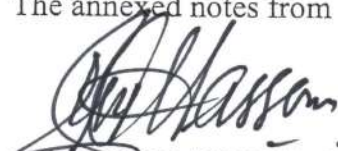

CHIEF EXECUTIVE OFFICER


DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rupees	2024 Rupees
Operating revenue	23	284,302,888	176,147,026
Other operating revenue	24	51,758,579	75,803,674
Total operating income		336,061,467	251,950,700
Administrative expenses	25	(248,107,679)	(180,357,264)
Operating profit		87,953,788	71,593,436
Other income	26	42,000	50,000
Finance cost	27	(12,060,710)	(8,784,134)
Profit before income tax, final tax and minimum tax differential		75,935,078	62,859,302
Minimum and final tax	28	-	(4,779,103)
Profit before income tax		75,935,078	58,080,199
Taxation	29	(25,709,058)	(25,968,929)
Profit for the year		<u>50,226,020</u>	<u>32,111,270</u>
Earnings per share - basic and diluted	30	<u>3.72</u>	<u>2.38</u>

The annexed notes from 1 to 47 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

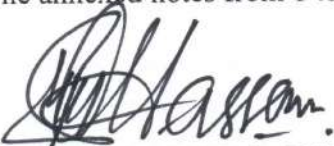


DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rupees	2024 Rupees
Profit for the year		50,226,020	32,111,270
Other comprehensive income for the year - net of tax			
Items that will never be reclassified to the statement of profit or loss			
Fair value gain on investment in equity instruments designated at FVOCI		-	15,146,068
Total comprehensive income for the year		<u>50,226,020</u>	<u>47,257,338</u>

The annexed notes from 1 to 47 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

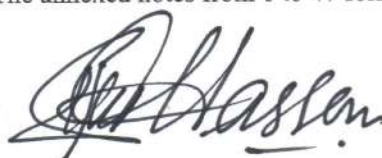


DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax, final tax and minimum tax differential		75,935,078	62,859,302
Adjustments for :			
Dividend income		-	(3,121,855)
Depreciation on property and equipment	6	5,500,928	3,770,184
Depreciation on right-of-use assets	7	10,923,861	12,772,553
Amortization on intangible assets	8	814,051	838,382
Gain on disposal of property and equipment	26	(42,000)	(50,000)
Finance cost	27	12,060,710	8,784,134
Mark-up income on bank deposits and cash margin	24	(48,969,009)	(66,268,098)
Capital gain on sale of securities	24	(2,307,736)	(276,439)
Capital gain on sale of units of mutual funds	24	(481,834)	(6,137,282)
		(22,501,029)	(49,688,421)
Net cash generated from operating activities before working capital changes		53,434,049	13,170,881
Increase in current assets			
Trade debts		(132,288,838)	76,807,511
Advances, deposits and prepayments		(1,423,753)	(15,691,472)
Other receivables		192,688	176,200
Deposit paid to National Clearing Company of Pakistan Limited - net		(53,658,588)	(124,315,275)
		(187,178,491)	(63,023,036)
		(133,744,442)	(49,852,155)
Increase in current liabilities			
Trade and other payables		76,126,150	330,872,370
Cash generated from operations			
Income tax paid	10	(27,176,302)	(18,393,795)
Levies Paid	28	-	(4,779,103)
Gratuity paid		-	(8,618,581)
Financial charges paid		(10,041,405)	(6,103,981)
Net cash (used in) / generated from operating activities		(94,835,999)	243,124,755
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment - capital gain and realized gain		2,789,570	36,771,129
Mark-up income on balances received		37,015,768	63,398,262
Capital expenditures	6 & 8	(14,865,271)	(5,141,813)
Dividend income		-	3,121,855
Proceeds from disposal of property and equipment	6.1	3,146,774	1,288,054
Long term deposits paid		9,475	-
Net cash generated from investing activities		28,096,316	99,437,487
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(10,126,730)	-
Lease rentals paid		(21,716,500)	(14,594,482)
Net cash used in financing activities		(31,843,230)	(14,594,482)
Net (decrease)/increase in cash and cash equivalents		(98,582,913)	327,967,760
Cash and cash equivalents at beginning of the year		600,704,166	272,736,405
Cash and cash equivalents at end of the year	42	502,121,253	600,704,166

The annexed notes from 1 to 47 form an integral part of these financial statements.


CHIEF FINANCIAL OFFICER

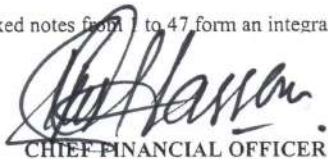

CHIEF EXECUTIVE OFFICER

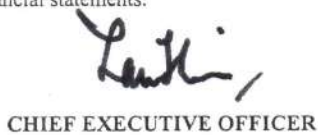

DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

-----Revenue reserves-----			
Share capital	Unrealized gain on re- measurement of investment at fair value through OCI	Unappropriated Profit	Total
(Rupees)			
135,023,060	11,179,721	166,896,083	313,098,864
-	-	32,111,270	32,111,270
-	15,146,068	-	15,146,068
-	26,325,789	32,111,270	47,257,338
	(26,325,789)	26,325,789	-
135,023,060	-	225,333,142	360,356,202
-	-	50,226,020	50,226,020
-	-	-	-
-	-	50,226,020	50,226,020
-	-	(10,126,730)	(10,126,730)
135,023,060	-	265,432,432	400,455,492

The annexed notes from 1 to 47 form an integral part of these financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

Taurus Securities Limited (the Company) is a public unquoted company, incorporated in Pakistan on June 27, 1993 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Company is situated at 6th Floor, Progressive Plaza, Beaumont Road, Civil Lines, Karachi. It is a subsidiary of National Bank of Pakistan (the Holding Company), which holds 58.32% (2024: 58.32%) of the shareholding of the Company. The Company's principal activities are stock brokerage, investment counseling and fund placements. The Company holds a Trading Rights Entitlement Certificate (TREC) from Pakistan Stock Exchange Limited (PSEL) and it is trading and self clearing.

The Company has branches at the following locations:

- Karachi: Room # 618, 6th Floor, Stock Exchange Building, Stock Exchange Road, Karachi.
- Peshawar: 2nd Floor, State Life Building, 34 - The Mall, Peshawar Cantt., Peshawar.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Act.
- Securities Brokers (Licensing and Operations) Regulations, 2016
- Central Depository Company of Pakistan Limited Regulations;

Where the Securities Brokers (Licensing and Operations) Regulations, 2016, Central Depository Company of Pakistan Limited Regulations and provisions of and directives issued under the Act differ from the IFRS, the provisions of and directives issued under the Act have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain assets and liabilities as specified in the relevant notes.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees ("Rs" or "Rupees"), which is the functional currency of the Company. All amounts have been rounded to the nearest rupee, unless otherwise indicated.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in current year

The following standards, amendments and interpretations are effective for the year ended December 31, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

Standards / Amendments / Interpretation	Effective from accounting period beginning on or after:
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.

3.2 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after:
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments.	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027
IFRS 18 'Presentation and Disclosures in Financial Statements'	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgments made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in future periods are described in the following notes:

- Property and equipment (note 5.1 & 6)
- Trade debts, advances and other receivables (note 12, 13 & 14)
- Provision (note 5.12)
- Taxation (note 5.4)
- Fair value (note 34)
- Contingencies (note 5.14)
- Leases (note 5.2)

5 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, except taxation refer note 28.

5.1 Property and equipment

Owned assets

These are stated at cost less accumulated depreciation and impairment losses, if any. Normal repairs and maintenance are charged to statement of profit or loss, as and when incurred.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains or losses on disposal of property and equipment, if any, are taken to profit or loss.

Depreciation is charged to statement of profit or loss account by applying the straight line method reflecting the pattern in which the economic benefits of the assets are consumed by the Company at the rates specified in note 6. Depreciation on additions is charged for the full month in which an asset is available for use and on deletions up to the month immediately preceding the month of deletion.

The Company reviews the useful lives and residual values of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

5.1.1 Capital work-in-progress

Capital work-in-progress are stated at cost less impairment, if any. These are transferred to specific assets as and when assets are available for use.

5.2 Leases

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company mainly leases properties for its operations. The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method from the commencement date to the earlier of end of the useful life of right-of-use asset or end of the lease term. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has elected not to recognize right-of-use assets and lease liabilities for short term and low value assets. The lease payments associated with these leases are recognized as an expenses on a straight line basis over the lease term. The right-of-use assets are presented in the same line items as it presents underlying assets of the same nature that it owns.

5.3 Intangible assets

Intangible assets are stated at cost less accumulated amortization and any impairment losses. Amortization is charged over the estimated useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 8 to the financial statements. The estimate of useful life and amortization method are reviewed at the end of each financial year with the effect of any changes in estimate being accounted for prospectively.

The amortization is charged from the month in which asset is available for use while no amortization is charged for the month in which that asset is disposed off.

5.4 Taxation

5.4.1 Income tax

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

5.4.2 Current tax

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

5.4.3 Deferred

Deferred tax is recognized using the statement of financial position 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 tax base. This is recognized on the basis of expected manner of the realization and the settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. Deferred tax assets are recognized to the extent that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5.5 Levy

The levies are accounted for in accordance with the requirement of IFRIC - 21. Minimum tax, final tax and super tax which are not based on taxable profits are recognized as a levy in the statement of profit and loss and other comprehensive income. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance, 2001 over the amount designated as a income tax is recognized as current income tax expense in the statement of profit and loss.

5.6 Financial Instruments - Initial recognition and subsequent measurement

Initial Recognition

Investments in securities are initially recognized at cost, being the fair value of the consideration given, including the transaction costs associated with the investment, except in case of investments at fair value through profit or loss, in which case these transaction costs are charged to the statement of profit or loss. These are classified and measured as follows:

5.6.1 Classification of financial assets

The Company classifies its financial instruments in the following categories:

- at amortized cost.
- at fair value through other comprehensive income ("FVTOCI"), or
- at fair value through profit or loss ("FVTPL"),

The Company determines the classification of financial assets at initial recognition. The classification of instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

5.6.2 Financial assets measured at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

5.6.3 Financial assets at FVOCI

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

5.6.4 Financial assets at FVTPL

All other financial assets not classified as per above classification are classified as FVTPL.

5.6.5 Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss (“FVTPL”); or
- at amortized cost.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

5.6.6 Subsequent measurement

5.6.7 Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in the statement other comprehensive income / (loss).

5.6.8 Financial assets and liabilities at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses. Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the statement profit and loss account.

5.6.9 Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss in the period in which they arise.

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

5.6.10 Impairment of financial asset

The Company recognizes loss allowance for Expected Credit Loss (ECL) through general approach on financial assets measured at amortized cost and FVTOCI at an amount equal to 12 months ECL or lifetime ECLs based on significant increase in credit risk except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case 12 months' ECL is recorded. The following were either determined to have low or there was no increase in credit risk since initial recognition as at the reporting date:

- bank balances;
- employee receivables;
- other receivables; and

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

Life time ECLs are the ECLs that results from all possible default events over the expected life of a financial instrument. 12 months ECLs are portion of ECL that result from default events that are possible within 12 months after the reporting date. ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

5.6.11 Derecognition

5.6.12 Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

5.6.13 Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognized in the statement of profit or loss.

5.6.14 Off-setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.7 Cash and cash equivalents

Cash in hand and at banks is carried at cost. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and bank, running finance obtained to meet short term cash requirements and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

5.8 Revenue recognition

Brokerage income, advisory fees and commission are recognized as and when such services are provided. Capital gains and losses on sale of investments which are included in the statement of profit or loss account in the period in which they arise.

Dividend income is recognized when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.

Unrealized gains / (losses) arising on mark to market of investments classified as 'Financial assets at fair value through profit or loss' are included in the statement of profit or loss in the period in which they arise.

Mark-up income on bank balances is recognized on a time proportion basis that takes into account the effective yield.

5.9 Fiduciary assets

Assets held in trust or in a fiduciary capacity are not treated as assets of the Company and accordingly are not included in these financial statements.

5.10 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. However the effect of amortization is negligible.

Trade payables are recognized on the basis of 'trade date', i.e. the Company recognize trade payables for brokerage as and when such services are provided and/or as and when a surplus arise in client's account. The information maintained by the Company through its back office system is based on settlement-date convention of accounting. This information is, however, adjusted at each reporting date to arrive at the balance based on trade-date convention of accounting which is the Company's accounting policy.

5.11 Provident fund

Monthly contributions by the Company are expensed and recognized as payable in the statement of financial position.

5.12 Provision

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

5.13 Earnings per share

Earnings per share is calculated by dividing the profit/loss after tax for the year by the weighted average number of shares outstanding during the year.

5.14 Contingencies & Commitments

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, 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 the Company has a present legal or constructive 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.

5.15 Dividend to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability in the Company's financial statements in the year in which the dividends are approved by the Board of Directors or the Company's shareholders as the case may be.

5.16 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at normal commercial rates on the same terms and conditions as third party transactions using valuation models, as admissible, except in extremely rare circumstances where, subject to approval of the Board of Directors, it is in the interest of the Company.

6 PROPERTY AND EQUIPMENT

Description	Note	Vehicles	Office Premises	Furniture and Fixtures	Office Equipment	Computer Equipment	Total
----- Rupees -----							
Net carrying value basis							
year ended December 31, 2025							
Opening net book value		3,409,998	396,884	1,586,124	1,387,937	1,255,916	8,036,859
Additions (at cost)		11,792,105	-	325,195	551,883	1,864,746	14,533,929
Transfer from right of use assets		4,931,989	-	-	-	-	4,931,989
Disposal at net book value		(3,104,774)	-	-	-	-	(3,104,774)
Depreciation charge for the year		(3,672,433)	(79,546)	(349,639)	(565,934)	(833,376)	(5,500,928)
Closing net book value		13,356,885	317,338	1,561,680	1,373,886	2,287,286	18,897,075
Gross carrying value basis							
year ended December 31, 2025							
Cost		26,945,925	1,591,000	8,154,323	10,439,067	17,559,013	64,689,328
Accumulated depreciation		(13,589,040)	(1,273,662)	(6,592,643)	(9,065,181)	(15,271,727)	(45,792,253)
Closing net book value		13,356,885	317,338	1,561,680	1,373,886	2,287,286	18,897,075
Net carrying value basis							
year ended December 31, 2024							
Opening net book value		4,587,034	476,649	1,644,518	1,027,370	609,456	8,345,027
Additions (at cost)		772,462	-	257,482	820,914	1,240,955	3,091,813
Transfer from right of use assets		1,608,257	-	-	-	-	1,608,257
Disposal at net book value		(1,238,054)	-	-	-	-	(1,238,054)
Depreciation charge for the year	25	(2,319,701)	(79,765)	(315,876)	(460,347)	(594,495)	(3,770,184)
Closing net book value		3,409,998	396,884	1,586,124	1,387,937	1,255,916	8,036,859
Gross carrying value basis							
year ended December 31, 2024							
Cost		13,326,605	1,591,000	7,829,128	9,887,184	15,694,267	48,328,184
Accumulated depreciation		(9,916,607)	(1,194,116)	(6,243,004)	(8,499,247)	(14,438,351)	(40,291,325)
Net book value		3,409,998	396,884	1,586,124	1,387,937	1,255,916	8,036,859
Depreciation rate							
(% per annum)							
		20%	5%	10%	20%	33%	

6.1 Following items of property and equipment were disposed off during the year:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Particulars of buyers	Mode of disposal
----- Rupees -----							
Office Equipment							
Split Unit Mitsubishi 1.1 Ton	26,500	26,500	-	10,000	10,000	Danish Refrigeration	Negotiated
Split Mitsubishi 1.5 Ton	36,500	36,500	-	10,000	10,000	Danish Refrigeration	Negotiated
Mitsubishi Split Ac 1.5 Ton	65,000	65,000	-	20,000	20,000	Danish Refrigeration	Negotiated
Refrigerator Super General	33,300	33,300	-	2,000	2,000	Naeem Electronics	Negotiated
Computer Equipment							
Furniture and Fixtures							
Vehicles							
Toyota Revo SA-1000	7,923,575	6,343,202	1,580,373	1,580,373	-	Zain Hussain	Company's Policy
Suzuki Cultus Ags BTS-502	2,158,925	1,779,191	379,734	379,734	-	M.Bilal Hussain	Company's Policy
Kia Sportage BJ-8206 White	5,545,200	4,442,237	1,102,963	1,102,963	-	Syed Waqar	Company's Policy
Honda CD-70 KNU-5245	72,956	71,757	1,199	1,199	-	Haider	Company's Policy
Honda 100CC KNU-5853	100,155	98,509	1,646	1,646	-	Junaid	Company's Policy
Honda CD-70 KNZ-0319	82,400	78,246	4,154	4,154	-	Waseem	Company's Policy
Honda CG-125 KOG-3918	129,900	117,230	12,670	12,670	-	Jawwad	Company's Policy
Unique Ud-70 KOP-3695	56,944	47,708	9,236	9,236	-	Atif	Company's Policy
United 100CC KOT-2094	68,500	55,701	12,799	12,799	-	Bilal	Company's Policy
Honda CC-70 KIB-9451.	64,680	64,680	-	-	-	Habib	Company's Policy
Unique-70 KJE-1337	37,607	37,607	-	-	-	Aziz	Company's Policy
Honda CD-70 KLO2128	64,000	64,000	-	-	-	Akbar	Company's Policy
	16,466,142	13,361,368	3,104,774	3,146,774	42,000		

7 RIGHT OF USE ASSETS

Description	Premises	Vehicles	Total
	-----Rupees-----		
At Jan 01,			
Cost	34,036,976	27,681,705	61,718,681
Accumulated depreciation	(25,510,871)	(18,697,719)	(44,208,590)
Carrying amount	8,526,105	8,983,986	17,510,091
Addition during the year	11,929,337	37,554,212	49,483,549
Transfer to owned assets	-	(4,931,989)	(4,931,989)
Charge for the year	(5,722,211)	(5,201,650)	(10,923,861)
	14,733,231	36,404,559	51,137,790
At Dec 31,			
Cost	45,966,313	60,303,928	106,270,241
Accumulated depreciation	(31,233,082)	(23,899,369)	(55,132,451)
Carrying amount	14,733,231	36,404,559	51,137,790

- 7.1 The Company has entered into lease agreements for its head office with a lease term from July 1, 2024, to June 30, 2027 for office number 605 and from January 1, 2026 to December 31, 2028 for office number 604 in Progressive Plaza, Karachi. Additionally, the Company has a branch office lease from July 1, 2025, to June 30, 2028 in Peshawar and the Company has a shop 27 from 1 July, 2025 to June 30, 2027. The rental payments are determined based on a discount factor applied at the rate of three-month KIBOR + 2.5% per annum.

	2025 Rupees	2024 Rupees
8. INTANGIBLE ASSETS		
Computer software		
Net carrying value basis		
Opening net book value	1,553,552	341,934
Additions	250,000	2,050,000
Amortization charge for the year	(814,051)	(838,382)
Closing net book value	<u>989,501</u>	<u>1,553,552</u>
Gross carrying value basis		
Cost	11,570,473	11,320,473
Accumulated amortization	(10,580,972)	(9,766,921)
Net book value	<u>989,501</u>	<u>1,553,552</u>
Amortization rate per annum	<u>33%</u>	<u>33%</u>

8.1 The cost of fully amortized intangible asset that is still in the Company's use is as follows:

Website	<u>1,041,000</u>	<u>1,041,000</u>
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9. LONG TERM DEPOSITS AND ADVANCES

Security deposits against rental property		342,498	342,498
National Clearing Company of Pakistan Limited (NCCPL)	9.1	1,400,000	1,400,000
PMEX Membership		1,500,000	1,500,000
Advances to employees	9.2	401,250	420,725
Other deposits		63,448	53,448
		<u>3,707,196</u>	<u>3,716,671</u>

9.1 This represent deposit with NCCPL for trading in ready and future market.

9.2 Advances to employees

Non-current portion		401,250	420,725
Current portion	13.4	<u>1,802,481</u>	<u>1,330,894</u>
	9.2.1	<u>2,203,731</u>	<u>1,751,619</u>

9.2.1 This represents interest free loans to executives and employees whose recovery is made in 24 equal monthly installments. The facility is secured against retirement benefits of the respective executives and employees.

9.3 The long term deposit is not discounted as there impact is not material.

			2025 Rupees	2024 Rupees
10.	TAXATION - NET			
	Opening balance		56,985,903	61,765,005
	Provision for taxation			
	Recognized in the statement of profit or loss	28	(24,058,617)	(27,952,000)
	Advance tax paid during the year		27,176,301	23,172,898
	Closing balance		60,103,587	56,985,903

11. DEFERRED TAXATION

	2025			
	Opening balance	Charge / (reversal) in statement of	Charge / (reversal) in OCI	Closing balance
Deferred tax assets/(liabilities)				
Right of use assets	(5,077,926)	(9,752,033)	-	(14,829,959)
Accelerated tax depreciation	(518,120)	(705,401)	-	(1,223,521)
Accelerated tax amortization	(2,787)	(1,054)	-	(3,841)
Provision for expected credit loss on trade debts	2,425,035	-	-	2,425,035
Lease liabilities	3,034,538	8,808,047	-	11,842,585
	<u>(139,260)</u>	<u>(1,650,441)</u>	<u>-</u>	<u>(1,789,701)</u>
	2024			
Deferred tax assets/(liabilities)				
Right of use assets	(7,190,337)	2,112,411		(5,077,926)
Accelerated tax depreciation	63,193	(581,313)		(518,120)
Accelerated tax amortization	(2,089)	(698)		(2,787)
Provision for expected credit loss on trade debts	2,425,035	-		2,425,035
Lease liabilities	4,913,784	(1,879,246)		3,034,538
Remeasurement of defined benefit asset - OCI	2,447,186	-	(2,447,186)	-
	<u>2,656,772</u>	<u>(348,846)</u>	<u>(2,447,186)</u>	<u>(139,260)</u>

		Note	2025 Rupees	2024 Rupees
12.	TRADE DEBTS			
	Secured, considered good			
	Due from clients against trading of securities		235,785,943	65,113,229
	Due from associated companies / persons	12.1	5,427,807	12,784,598
	against trading of securities		241,213,750	77,897,827
	Unsecured, considered good		28,807,550	24,894,985
	Unsecured, considered doubtful		3,278,207	3,278,207
			32,085,757	28,173,192
			273,299,507	106,071,019
	Secured, considered good			
	Due from National Clearing Company of		-	34,939,650
	Pakistan Limited against trading			
	Trade debts - gross		273,299,507	141,010,669
	Allowance for expected credit loss	12.6	(8,362,190)	(8,362,190)
	Trade debts - net		264,937,317	132,648,479
12.1	Due from associated companies /			
	persons against trading of securities			
	CDC Trustee-NBP balanced fund		-	27,590
	CDC Trustee-NBP Islamic Energy Fund		201,009	412,848
	Saudi Pak Industrial & Agriculture Co.		843,283	-
	CDC Trustee-NAFA Pension Fund Equity		21,578	65,994
	CDC Trustee-NAFA Islamic Pension fund Equity		12,212	88,389
	CDC Trustee-NBP Income Opportunity Fund		345,227	254,452
	CDC Trustee-NBP Financial Security Fund		180,513	39,662
	CDC Trustee-NBP Stock Fund		556,498	1,702,825
	CDC Trustee-NBP Islamic Stock Fund		129,894	260,789
	CDC Trustee-National INV (unit) trust		59,000	186,996
	Bank of Khyber Portfolio		-	6,869
	National Bank of Pakistan		3,078,593	9,738,184
			5,427,807	12,784,598
12.2	This represents receivable from institutional delivery system (IDS) clients and non-IDS clients operating under Delivery versus payment (DVP) mode. Receivable from IDS Clients includes commission only, while receivable from non-IDS clients comprise of commission and trading receivable.			

- 12.3** Gross receivable under settlement date basis is Rs. 273,299,507 (2024: Rs. 106,071,019), whereas gross receivable under trade date basis is Rs. 40,685,897 (2024: Rs. 141,010,669). The Company updates ledger balance of the client once it receives the amount from NCCPL. The Company however provides in ordinary course of business trading limits based on the value of ledger balance adjusted for collaterals sold and securities held by its clients.

The Company holds securities having value of Rs. 860,382,274 (2024: Rs. 446,150,194) in its sub-accounts for its clients within the Central Depository System of the Central Depository Company of Pakistan Limited.

- 12.4** The age analysis of the trade debts required under the Securities Brokers (Licensing and Operations) Regulations, 2016 is as under:

		2025 Rupees	2024 Rupees
Due from NCCPL against unsettled trades		-	34,939,650
Due from clients against trades of last 5 days		238,324,412	65,996,486
		238,324,412	100,936,136
Due from clients, outstanding for more than 5 days:			
Against trading	12.4.1	34,975,094	40,074,534
Trade debts - gross	12.4.2	<u>273,299,507</u>	<u>141,010,669</u>

- 12.4.1** This comprises of secured receivables of Rs. 7,180,764 (2024 Rs. 12,717,649) and unsecured receivables of Rs. 27,794,330 (2024: Rs. 27,356,885).

- 12.4.2** Gross amount of receivables overdue by more than 14 days amounts to Rs. 31,662,195 (2024: Rs. 34,897,313). The Company holds securities having value of Rs. 7,073,048 (2024: Rs. 12,784,192) against these receivables.

- 12.5** The aging of related party balances at the reporting date is as follows:

Past due from 1-30 days	2,440,064	2,862,732
Past due from 31-90 days	2,970,919	9,912,913
Past due from 91-180 days	16,824	8,954
Past due from 181 days onward	-	-
	<u>5,427,807</u>	<u>12,784,599</u>

- 12.5.1** The maximum aggregate balance from related party during the year is Rs. 5,427,807.

		2025	2024
	Note	Rupees	Rupees
12.6	Movement in allowance for expected credit loss		
Adjusted allowance as at January 01, 2025		8,362,190	8,362,190
Allowance as at December 31, 2025	12.6.1	<u>8,362,190</u>	<u>8,362,190</u>
12.6.1	The Company assessed on a forward looking basis, the expected credit losses (ECLs) associated with trade debts and measured loss allowance for trade debts at an amount equal to life time ECLs.		
13.	ADVANCES, DEPOSITS AND PREPAYMENTS		
Deposit - National Clearing Company of Pakistan Limited (NCCPL)	13.1	455,301,327	401,642,738
Deposit - Pakistan Stock Exchange Limited	13.2	33,494,926	32,494,926
Prepayments	13.3	2,050,067	2,097,901
Current portion of advances to employees	13.4	<u>1,802,481</u>	<u>1,330,894</u>
		<u>492,648,801</u>	<u>437,566,459</u>
13.1	These represents deposits maintained with NCCPL in respect of future, ready and margin trading transactions.		
13.2	These represents deposit maintained by the Company against Base Minimum Capital, as a broker, with the PSX for its eligibility to trade through the Exchange Trading Systems to be calculated / prescribed as per Schedule I to Chapter 19 of the PSX Rule Book.		
13.3	This includes prepaid insurance and prepaid against software maintenance amounting to Rs. 1,280,787 (2024: 922,321) and Rs. 413,994 (2024: 477,201) respectively.		
13.4	These represents interest free loans to executives and employees. The facility is secured against retirement benefits of the respective executives and employees.		

	2025 Rupees	2024 Rupees
14. OTHER RECEIVABLES		
Accrued interest income on savings accounts	17,203,191	5,249,950
Receivable under provident fund	-	147,890
Others	36,788	81,586
	<u>17,239,979</u>	<u>5,479,426</u>

15 INVESTMENTS

Nature of Fund	Units	Opening Value	Units	Purchase Value	Units	Redemption Value	Units	Closing Value	Gain / (loss)
NBP Money Market Fund	-	-	9,105,584	99,904,158	9,105,584	100,299,592	-	-	395,434
Lucky Islamic Money Market Fund	-	-	600,000	59,978,400	600,000	60,064,800	-	-	86,400
	-	-	<u>9,705,584</u>	<u>159,882,558</u>	<u>9,705,584</u>	<u>160,364,392</u>	-	-	<u>481,834</u>
Security	Shares	Opening Market Value	Shares	Purchase Market Value	Shares	Sales Market Value	Shares	Closing Market Value	Gain / (loss)
PHARMACEUTICALS									
Abbott Lab.	-	-	250	260,750	250	260,000	-	-	(750)
AGP Limited	-	-	2,200	424,358	2,200	415,823	-	-	(8,535)
Citi Pharma Limited	-	-	538,000	53,370,616	538,000	53,970,745	-	-	600,129
Haleon Pakistan Limited	-	-	90	71,820	90	71,428	-	-	(392)
The Searle Company Limited	-	-	130,500	12,488,755	130,500	12,620,395	-	-	131,640
AUTOMOBILE ASSEMBLER									
Al-Ghazi Tractors Limited	-	-	700	397,565	700	392,021	-	-	(5,544)
Dewan Farooque Motors Limited	-	-	66,500	3,317,223	66,500	3,344,940	-	-	27,717
Ghandhara Automobiles Limited	-	-	133,500	57,911,758	133,500	58,430,585	-	-	518,827
Ghandhara Industries Limited	-	-	500	337,750	500	341,750	-	-	4,000
Sazgar Engineering Works Limited	-	-	900	975,396	900	977,880	-	-	2,484
TECHNOLOGY & COMMUNICATION									
Air Link Communication Limited	-	-	8,000	1,460,134	8,000	1,475,025	-	-	14,891
TRG Pakistan Limited	-	-	615,500	37,771,814	615,500	38,162,715	-	-	390,901
Avanceon Limited	-	-	2,000	105,997	2,000	107,200	-	-	1,203
OIL & GAS MARKETING COMPANIES									
Attock Petroleum Limited	-	-	950	440,800	950	441,085	-	-	285
Sui Northern Gas Pipelines Limited	-	-	9,500	834,146	9,500	841,360	-	-	7,215
Sui Southern Gas Company Limited	-	-	47,500	1,580,533	47,500	1,599,545	-	-	19,012
Pakistan State Oil Company Limited	-	-	43,500	15,334,300	43,500	15,435,175	-	-	100,875
COMMERCIAL BANKS									
BankIslami Pakistan Limited	-	-	32,400	745,200	32,400	741,209	-	-	(3,991)
Meezan Bank Limited	-	-	8,000	1,944,000	8,000	1,948,890	-	-	4,890
CEMENT									
D. G. Khan Cement Company Limited	-	-	76,500	7,905,121	76,500	7,966,915	-	-	61,794
Pioneer Cement Limited	-	-	2,200	448,800	2,200	445,940	-	-	(2,860)
Maple Leaf Cement Factory Limited	-	-	5,000	258,492	5,000	261,050	-	-	2,558
FERTILIZER									
Engro Fertilizers Limited	-	-	8,424	1,891,020	8,424	1,881,266	-	-	(9,754)
Fatima Fertilizer Company Limited	-	-	3,360	278,880	3,360	278,890	-	-	10
POWER GENERATION & DISTRIBUTION									
The Hub Power Company Limited	-	-	46,400	5,945,786	46,400	5,990,542	-	-	44,756
OIL & GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	-	-	2,500	1,441,195	2,500	1,451,250	-	-	10,055
Oil and Gas Development Company Limited	-	-	35,600	7,125,085	35,600	7,174,945	-	-	49,860
Pakistan Petroleum Limited	-	-	200,000	33,673,245	200,000	33,943,700	-	-	270,455
REFINERY									
National Refinery Limited	-	-	4,000	986,678	4,000	997,580	-	-	10,902
CABLE & ELECTRICAL GOODS									
Pak Elektron Limited	-	-	181,500	7,184,128	181,500	7,249,080	-	-	64,952
TRANSPORT									
Pakistan International Bulk Terminal Limited	-	-	1,000	9,146	1,000	9,296	-	-	151
	-	-	<u>2,206,974</u>	<u>256,920,490</u>	<u>2,206,974</u>	<u>259,228,225</u>	-	-	<u>2,307,736</u>

16. CASH AND BANK BALANCES		2025 Rupees	2024 Rupees
Cash at bank			
Saving accounts	16.1 & 16.2 & 16.3	702,950,884	766,321,246
Current accounts	16.3	19,139,669	69,371,070
		722,090,553	835,692,316
Cash in hand		30,700	11,850
		722,121,253	835,704,166

- 16.1 Saving accounts carry profit rate 8% to 9% per annum (2024: 17% to 20% per annum).
- 16.2 Saving accounts include Rs. 668,327,927 (2024: 712,563,109) pertaining to the clients of the Company for which the Company has maintained separate accounts with various schedule banks.

- 16.3 Balances held with associated undertakings in current and savings accounts amount to Rs. 3,157,440 (2024: Rs. 2,978,565) and Rs. 27,439,490 (2024: Rs. 96,883,249) respectively.

17. SHARE CAPITAL

17.1 Authorized share capital

2025 ----- (Number of shares) -----	2024	Note	2025 Rupees	2024 Rupees
<u>40,000,000</u>	<u>40,000,000</u>	Ordinary shares of Rs. 10 each	<u>400,000,000</u>	<u>400,000,000</u>

17.2 Issued, subscribed and paid-up share capital

<u>13,502,306</u>	<u>13,502,306</u>	Ordinary shares of Rs. 10 each fully paid in cash	<u>135,023,060</u>	<u>135,023,060</u>
			<u>Number of shares</u>	<u>Percentage of holding (%)</u>

17.3 Pattern of shareholding of the Company is as follows:

National Bank of Pakistan (Holding Company)	17.3.1	7,875,002	58.32
The Bank of Khyber (Associated Company)		4,050,374	30.00
Saudi Pak Industrial and Agricultural Investment Company Limited		1,125,001	8.33
The Bank of Khyber - Employees Gratuity Fund		449,627	3.33
Other shareholders		2,302	0.02
		<u>13,502,306</u>	<u>100</u>

- 17.3.1 National Bank of Pakistan (Holding Company) was incorporated in Pakistan under the National Bank Ordinance, 1949 and is listed on Pakistan Stock Exchange (PSX). Its registered and head office is situated at I.I Chundrigar Road, Karachi. The Holding Company is engaged in providing commercial banking and related services in Pakistan and overseas.

18. RESERVES	2025 Rupees	2024 Rupees
Revenue reserves		
Unappropriated profits	265,432,432	225,333,142

	2025 Rupees	2024 Rupees
19. LEASE LIABILITIES		
Within one year	17,467,328	8,662,425
From the second to fifth year	33,046,791	2,906,563
After five years	-	-
	50,514,119	11,568,988
Less: Interest expense for future periods	(9,677,619)	(1,105,064)
	<u>40,836,500</u>	<u>10,463,924</u>
Current	13,205,443	7,766,024
Non-Current	27,631,057	2,697,900
	<u>40,836,500</u>	<u>10,463,924</u>

19.1 Movement:

Opening balance	10,463,924	16,944,082
Additions during the year	49,402,207	7,096,636
Finance cost during the year	2,686,869	1,017,688
Repayment during the year	(21,716,500)	(14,594,482)
Closing balance	<u>40,836,500</u>	<u>10,463,924</u>

20 TRADE AND OTHER PAYABLES

Trade creditors		
Due to clients against trading of securities	656,874,497	755,251,591
Due to associated companies / persons against trading of securities	6,569,780	9,032,333
Due to clients against unsettled trades	152,672,762	92,154,298
Due to unidentified clients	20.1 15,513,852	6,103,964
	20.2 831,630,891	862,542,186
Accrued and other liabilities	23,155,629	21,295,002
Due to National Clearing Company of Pakistan Limited against trading	76,017,359	-
Salaries, benefits and allowances payable	35,504,466	6,345,234
Accrued markup	2,379,668	3,047,232
	<u>968,688,013</u>	<u>893,229,654</u>

- 20.1** This amount includes profit received in customers bank account which is actually payable to customers. The Company reclassifies this amount subsequently in corresponding customer accounts.

- 20.2** These balances have been reported under trade date basis while the balance under settlement date basis amounting to Rs. 663,444,277 (2024: Rs. 764,283,924). Trade creditors outstanding for more than 30 days amounts to Rs. 244,655,519 (2024: Rs. 151,870,755). The Company updates ledger balance of the client once it receives the amount from NCCPL. The Company, however, provides in ordinary course of business trading limits based on the value of ledger balance adjusted for collaterals sold and securities held by its clients.

	Note	2025 Rupees	2024 Rupees
21. SHORT TERM RUNNING FINANCE			
Short term running finance	21.1	<u>220,000,000</u>	<u>235,000,000</u>

- 21.1** The Company has a running finance facility upto Rs. 240 million (2024: Rs. 240 million) obtained from National Bank of Pakistan (Holding company) which is secured against first pari passu charge by way of hypothecation over all present and future receivables, books debts, claims and rights of the Company. The mark-up on the facility is payable quarterly and mark-up structure of the facility is on floating rate which is 3 months KIBOR plus 2.5% (based on timely payment rebate ranges from 0.5% to 0.1%) per annum [2024: 3 months KIBOR plus 2.5% (based on timely payment rebate ranges from 0.5% to 0.1%) per annum].

22. CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

Tax Department issued notice alleging non-payment of Federal Excise Duty [FED] on Company's services under Federal Excise Act, 2005 for tax years 2010 to 2013. In response thereto, an extension request was filed. The Department however issued an order raising demand of Rs. 18.603 million. The said demand represents duplicate levy of FED on services on which sales tax has already been paid under the Sindh Sales Tax on Services Act, 2011. An appeal / stay application has already been filed before Commissioner Inland Revenue - Appeals [CIR(A)], which has been decided on March 22, 2016, where the CIRA has upheld the order of the DCIR presuming that if the Sindh Revenue Board has started charging sales tax on the same services, the provision for charging FED is to be treated as redundant or superfluous; these are two separate and distinct taxes be imposed by two different legislative bodies. Appeal against same has been decided in favour of the Company by the ATIR vide its order bearing No. FEA No.29/KB of 2016, dated November 16, 2020. Further, the Company has challenged the order on constitutional grounds before the Sindh High Court (SHC) along with Stockbrokers' Association wherein the SHC has struck down levy of FED on constitutional grounds. Being aggrieved, the tax Department has challenged on July 31, 2015 the said order before Supreme court hearing of which is not fixed till to date.

- 22.2** The (SECP) imposed a penalty of Rs 400,000 for contravening the provisions of Anti Money Laundering Regulations vide its order dated December 23, 2020. The management of the Company has filed an appeal on January 22, 2021 against the said order in the Appellate Tribunal of SECP. The hearing of which is pending.
- 22.3** In an order issued under section 170(4) of the Ordinance, the DCIR disallowed tax deductions totaling Rs. 2,508,206 for the tax year 2015. Furthermore, the DCIR disallowed certain expenses due to incorrect expense allocation. This resulted in a reduction in the refund claimed in the tax return of 2015 from Rs. 6,090,692 to Rs. 579,558. In this case, an appeal has been filed on September 23, 2020 with CIR(A) and decision is pending in this regard.
- 22.4** During the financial year 2022 the Assistant / Deputy Commissioner Inland Revenue ("DCIR") has issued an order under section 221 dated June 15, 2022. The order reduced the company's tax refundable for the subject tax year from Rs. 11,327,125 to Rs. 7,115,728 by disallowing taxes claimed in the tax return of 2018 amounting Rs. 4,211,397. The Company has filed an appeal on July 4, 2022 with CIRA against the Order. While deciding the Company's appeal against the above Order, the CIRA has remanded back the order to the DCIR for re-examination. The matter is currently being adjudicated.
- 22.5** Department initiated proceedings of monitoring of Withholding tax vide document No. 139543-1 dated January 5, 2016 and further vide notice bearing barcode no. 100000096260427 dated April 22, 2021. In response to the aforesaid notices, all the requested information / details have been submitted vide our letters AT 2206 dated January 11, 2016, AT 3796 dated April 27, 2016, AT 4827 dated April 29, 2021, AT 5545 dated June 22, 2021 and AT 5626 dated June 28, 2021. The notice u/s 161 of Income Tax Ordinance, 2001 was also received in response of which the company has filed legal arguments vide our letter AT 3465 dated April 4, 2016. However, no order has been issued till date.
- 22.6** The Inland Revenue Officer (OIR) raised tax demand of Rs. 36,260 vide order D.C. 151/21 dated May 8, 2015. The Company filed appeal before Commissioner Appeals (CIRA) on June 6, 2015. The CIRA has extinguished demand by remanding back the matter vide order No. 100/2015 dated May 30, 2019.
- 22.7** Appellate Order (AO) bearing reference no. 9/2021 dated December 13, 2021 passed by the Commissioner Inland Revenue Appeals (CIRA). The matter has been contested before CIRA on grounds of having been given no opportunity of being heard in terms of section 170(4) of the Income Tax Ordinance, 2001. Details of taxes deducted / paid at source by the Company were submitted and CIRA has accepted the submissions and annulled the order of the DCIR short-allowing tax refund.

		2025 Rupees	2024 Rupees
23.	REVENUE FROM CONTRACT WITH CUSTOMERS		
	Brokerage and commission		
	Corporate clients	172,066,527	101,639,721
	Individuals clients	112,236,361	74,507,305
	23.1	<u>284,302,888</u>	<u>176,147,026</u>
23.1	Brokerage and Commission is exclusive of Sindh sales tax on services amounting to Rs. 42,645,433 (2024: Rs. 26,410,972).		
23.2	Equity Brokerage (Turnover)		
	Local Corporate Clients Trades	111,689,551,089	51,209,275,021
	Individuals Client Trades	80,244,141,771	25,754,003,697
	Proprietary Trades	802,783,111	4,080,744,485
		<u>192,736,475,971</u>	<u>81,044,023,203</u>
24.	OTHER OPERATING REVENUE		
	Capital gain on sale of securities	2,307,736	276,439
	Capital gain on redemption of units of mutual funds	481,834	6,137,282
	Dividend income	-	3,121,855
	Income from financial assets		
	Mark-up income on bank PLS deposits 24.1	39,684,228	43,682,250
	Profit on cash margin with National Clearing Company of Pakistan Limited	9,284,781	22,585,848
		<u>51,758,579</u>	<u>75,803,674</u>
24.1	This includes income amounting to Rs. 1,815 (2024: Rs. 129,384) received from related party.		

	Note	2025 Rupees	2024 Rupees
25. ADMINISTRATIVE EXPENSES			
Salaries, benefits and allowances		152,798,787	103,733,335
Pakistan Stock Exchange Limited service charges		23,116,837	13,118,574
Depreciation on property and equipment	6	5,500,928	3,770,184
Depreciation on right-of-use assets	7	10,923,861	12,772,553
Staff retirement benefits - provident fund	25.1	6,755,124	5,327,443
Repairs and maintenance		6,606,675	7,790,503
Vehicle running expenses		8,754,573	7,272,753
Communication charges		4,797,045	3,748,136
Insurance		3,756,141	2,595,373
Legal and professional		2,407,228	2,742,246
CDC charges		4,260,714	2,222,801
Electricity and utilities		3,022,662	3,363,525
Entertainment		3,462,701	2,641,875
Office supplies		1,311,055	1,245,737
Ijarah charges		-	-
Printing and stationery		1,822,514	1,072,159
Postage / courier		770,977	499,737
Subscriptions		1,021,000	894,810
Auditors' remuneration	25.2	1,207,500	1,376,249
Umrah facility to employees		900,000	900,000
SECP transactions fees		1,246,985	750,236
Amortization on intangible assets	8	814,051	838,382
Professional tax		303,915	352,428
Computer expenses		413,288	195,050
Seminar and training		426,120	210,000
Travelling and conveyance		516,966	445,965
Advertising and business promotion		798,855	136,050
Rent		374,147	324,260
Library and periodicals		17,030	16,900
		<u>248,107,679</u>	<u>180,357,264</u>

25.1 This includes contribution to staff provident fund amounting to Rs. 4,999,565 (2024: Rs. 3,952,761) and contribution to E.O.B.I. and S.E.S.S.I amounting to Rs. 1,732,644 (2024: Rs. 1,336,182).

	Note	2025 Rupees	2024 Rupees
25.2 Auditors' remuneration			
Statutory Audit			
Annual audit fee		576,840	480,700
Other certifications		302,220	251,850
Out-of-pocket expenses		100,135	126,755
Sindh sales tax		78,336	68,744
System audit fee / IBTS Audit		147,500	448,200
Others		2,469	-
		<u>1,207,500</u>	<u>1,376,249</u>
26. OTHER INCOME			
Income from assets other than financial assets			
Gain on disposal of property and equipment		42,000	50,000
		<u>42,000</u>	<u>50,000</u>
27. FINANCE COST			
Mark-up on short term running finance		8,846,862	7,228,354
Finance charges on finance lease obligation		2,686,869	1,017,688
Bank charges		526,979	538,092
		<u>12,060,710</u>	<u>8,784,134</u>
28 LEVY			
Levy		-	4,779,103
28.1			
This represents portion of minimum tax paid under section 233 and final tax paid under section 150 & 37A of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.			
29 TAXATION			
For the year			
Current		35,004,892	23,172,897
Deferred	11	1,650,441	2,796,032
Prior year reversal		(10,946,275)	-
		<u>25,709,058</u>	<u>25,968,929</u>

	Note	2025 Rupees	2024 Rupees
29.1	Relationship between income tax expense and accounting profit		
	Profit before income tax, final tax and minimum tax differential	75,935,078	62,859,302
	Tax at applicable tax rate of 29%	22,021,173	18,229,198
	Tax on turnover for minimum tax under section 233	5,042,040	6,668,441
	Tax effect of lower tax rate on capital gain / dividend	(511,291)	(897,921)
	Tax effect on admissible/inadmissible adjustment	-	
	Tax effect of prior years taxation		7,287,002
	Others	(842,864)	(5,317,791)
		25,709,058	25,968,929
29.2	Reconciliation of current tax charge as per tax laws for the year with current tax recognized in the profit and loss account is as follows:		
	Current tax liability for the year as per applicable tax laws	25,709,058	25,968,929
	Less : Portion of current tax liability as per tax laws, representing income tax under IAS 12	(25,709,058)	(21,189,826)
	Less : Portion of current tax liability as per tax laws, representing levy in terms of requirements of IFRIC 21/ IAS 37	-	(4,779,103)
	Difference	-	-
29.3	Status of tax assessments		
	The income tax assessments upto assessment year / tax year 2025 corresponding to the accounting year December 31, 2024 have been finalized.		
30.	EARNINGS PER SHARE - BASIC		
	Profit for the year	50,226,020	32,111,270
		(Number of shares)	
	Weighted average number of ordinary shares outstanding during the year	13,502,306	13,502,306
	Earnings per share - Basic	3.72	2.38

31. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Chairman & Directors		Executives		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	(Rupees)							
Managerial remuneration	10,800,000	10,230,000	-	-	36,143,000	19,297,080	46,943,000	29,527,080
Bonus	6,000,000	4,500,000			13,912,345	10,356,532	19,912,345	14,856,532
Other benefits			3,000,000	3,520,000	3,340,000	120,000	12,340,000	3,640,000
Provident Fund	654,545	620,000	-	-	2,190,485	1,169,520	2,845,030	1,789,520
Commission	-	-	-	-	15,138,470	2,125,462	15,138,470	2,125,462
	<u>17,454,545</u>	<u>15,350,000</u>	<u>3,000,000</u>	<u>3,520,000</u>	<u>70,724,300</u>	<u>33,068,594</u>	<u>97,178,845</u>	<u>51,938,594</u>
Number of persons	<u>1</u>	<u>1</u>	<u>7</u>	<u>7</u>	<u>10</u>	<u>4</u>	<u>18</u>	<u>12</u>

32 TRANSACTIONS WITH RELATED PARTIES

The Company is a Government related entity as defined in IAS 24 ‘Related Party Disclosures’ and is indirectly controlled by the Government of Pakistan, consequently, all entities owned or controlled, whether directly or indirectly, by the Government of Pakistan are related parties of the Company.

The disclosures required under Para 18 of IAS 24 are impracticable for all entities owned or controlled by the Government of Pakistan. Nonetheless, under IAS 24, the Company, being a government entity, is required to disclose the nature and amount of each individually significant transaction and for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent.

The related parties and associated undertakings comprise parent company, its subsidiaries and associated companies, directors and their related concerns and key management personnel. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Transactions with the key management personnel are made under the terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes and actuarial advice.

Details of transactions and balances with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	Note	2025 Rupees	2024 Rupees
32.1 Holding Company			
National Bank of Pakistan (NBP)			
Transactions during the year			
Brokerage earned		<u>16,712,935</u>	<u>21,708,735</u>
Running finance - net		<u>(15,000,000)</u>	<u>135,000,000</u>
Financial charges on running finance	27	<u>8,846,862</u>	<u>7,228,354</u>

	Note	2025 Rupees	2024 Rupees
Balances			
Trade debts		3,078,593	9,738,184
Short term running finance		220,000,000	235,000,000
Bank balances		11,578,008	20,112,585
Accrued mark-up	20	2,379,668	3,047,232

32.2 Associated Companies

The Bank of Khyber, First Credit Investment Bank Limited and First National Bank Modaraba, NBP Funds

Transactions during the year

NBP Pakistan Employees Pension Fund	-	167,775
First Credit and Investment Bank Limited	37,070	77,635
Bank of Khyber Portfolio Account	-	8,618
NAFA Islamic Pension fund	201,160	217,913
NAFA Pension Fund Equity	258,479	129,185
National Investment Trust	389,873	285,278
NBP Balanced Fund	114,320	82,833
NBP Financial Security Fund	853,141	170,392
NBP Islamic Sarmaya Izafa Fund	92,719	64,448
NBP Islamic Energy Fund	1,258,982	774,632
NBP Islamic Stock Fund	1,270,735	633,025
NBP Sarmaya Izafa Fund	59,607	134,677
NBP Stock Fund	4,252,549	4,063,791
Saudi Pak Industrial & Agriculture Co	3,695,079	349,416
NBP Income Opportunity Fund	717,248	221,263
Brokerage earned	13,200,962	7,380,882
Balances		
Trade debts	2,349,214	3,046,414
Trade payable	22,518	39,117
Bank balance	19,018,922	79,749,229

32.3 Chairman / Directors and Chief Executive Officer

Transactions during the year

Brokerage earned	3,226,923	992,862
Balances		
Trade debts	-	-
Payable to related party	5,802,783	6,960,172

32.4 Key Managerial Personnel

Brokerage earned	470,667	188,533
Trade payable	744,479	2,033,043

33. OPERATIONAL RISK MANAGEMENT

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 behavior.

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 management. 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;
- risk mitigation, including insurance where this is effective.

However, the Company manages above risks with well-defined Disaster Recovery (DR) and Business Continuity Plan (BCP). The staff is sufficiently trained and aware of their job responsibilities in case of any calamity which may prevent employees to use office of the Company or any other joint working space. The BCP also provides remote access to the resources for employees to fulfil their job responsibilities and service clients while ensuring utmost security of the Company's information system.

34. FINANCIAL RISK MANAGEMENT

The management of the Company has an overall responsibility for the establishment and oversight of the Company's risk management framework. Management is also responsible for developing and monitoring the Company's risk management policies. However, the Board is responsible to setup risk management committee to effectively review the risk function.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

34.1 Risk management framework

The Company is exposed to credit risk, liquidity risk and market risk in respect of financial instruments.

34.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worth and obtaining securities where applicable. The carrying amount of these financial assets represents the maximum credit exposure at the reporting date.

	Note	2025 Rupees	2024 Rupees
Long term deposits and advances		3,707,196	3,716,671
Trade debts	34.2.1	264,937,317	132,648,479
Advances, deposits and prepayments		490,598,734	435,468,558
Accrued income		17,203,191	5,249,950
Bank balances	34.2.2	722,090,553	835,692,316
		<u>1,498,536,991</u>	<u>1,412,775,974</u>

34.2.1 The age analysis of the trade debts is as follows:

2025					
Carrying amount		Provision held	Total	Amount un-secured - net of provision	Amount secured
Amount outstanding	Impaired				
----- (Rupees) -----					
Not yet due*	-	-	-	-	-
Upto 3 months*	265,648,135	-	265,648,135	27,364,292	238,283,843
3 to 6 months	961,450	-	961,450	619,470	341,980
More than 6 months	6,689,922	3,278,207	(3,278,207)	823,788	2,587,927
	<u>273,299,507</u>	<u>3,278,207</u>	<u>270,021,300</u>	<u>28,807,550</u>	<u>241,213,750</u>
2024					
Carrying amount		Provision held	Total	Amount un-secured - net of provision	Amount secured
Amount outstanding	Impaired				
----- (Rupees) -----					
Not yet due*	34,939,650	-	34,939,650	-	34,939,650
Upto 3 months*	97,276,674	-	97,276,674	22,262,125	75,014,549
3 to 6 months	698,142	-	698,142	577,609	120,533
More than 6 months	8,096,204	3,278,207	(3,278,207)	2,055,251	2,762,746
	<u>141,010,670</u>	<u>3,278,207</u>	<u>137,732,463</u>	<u>24,894,985</u>	<u>112,837,478</u>

* Not yet due represents an amount of Rs. nil (2024: Rs. 34,939,650) due from National Clearing Company of Pakistan Limited against unsettled trades, which is considered secured. Further, subsequent to the year-end, the Company has collected significant portion of the amount presented as un-secured in the upto 3 months' category.

34.2.2 Bank balances

The Company limits its exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counter-parties that have stable credit rating. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

The bank balances along with the credit ratings are tabulated below:

	Rating		Rating agency	As at December 31,	
	Short-term	Long-term		2025	2024
				Rupees	Rupees
MCB Bank Limited	A1+	AAA	PACRA	485,471,370	515,052,452
Bank Alfalah Limited	A1+	AA+	PACRA	105,843,412	46,426,509
Bank of Khyber Limited	A1	A	PACRA	19,018,922	79,749,229
Bank of Panjab Limited	A1+	AA+	PACRA	2,924,359	21,576,242
Bank Al Habib Limited	A1+	AAA	PACRA	10,645,954	57,826,561
Habib Bank Limited	A1+	AAA	PACRA	32,160,399	49,498,534
Habib Metropolitan Limited	A1+	AA+	PACRA	44,015,048	38,961,011
United Bank Limited	A1+	AAA	JCR-VIS	10,433,082	6,489,193
National Bank of Pakistan	A1+	AAA	PACRA	11,578,008	20,112,585
Total				<u>722,090,554</u>	<u>835,692,316</u>

34.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of financial liabilities:

	Carrying Amount	Contractual cash flows	Maturity not later than one month	Maturity later than one month and not later than three months	Maturity later than three months and not later than one year	Maturity later than one year and not later than five years
2025	(Rupees)					
On Statement of financial position						
Trade and other payables	968,688,013	968,688,013	968,688,013	-	-	-
Lease liabilities	40,836,500	50,514,119	528,895	1,031,968	4,830,140	44,123,116
Short term running finance	220,000,000	220,000,000	220,000,000	-	-	-
	<u>1,229,524,513</u>	<u>1,239,202,132</u>	<u>1,189,216,908</u>	<u>1,031,968</u>	<u>4,830,140</u>	<u>44,123,116</u>
2024						
On Statement of financial position						
Trade and other payables	893,229,654	893,229,654	893,229,654	-	-	-
Lease liabilities	10,463,924	11,568,988	470,923	798,641	2,475,752	2,697,900
Short term running finance	235,000,000	235,000,000	235,000,000	-	-	-
	<u>1,138,693,578</u>	<u>1,139,798,642</u>	<u>1,128,700,577</u>	<u>798,641</u>	<u>2,475,752</u>	<u>2,697,900</u>

34.4 Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Market risk comprises of three types of risk: foreign exchange or currency risk, interest / mark up rate risk and price risk. The market risks associated with the Company's business activities are discussed as under:

34.4.1 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market yield. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

		Carrying Amount	
	Note	2025	2024
		----- (Rupees) -----	
Fixed rate investments	16	702,950,884	766,321,246

Sensitivity analysis for variable rate instruments

The Company disposed off its entire investments in PSX and JSCL which exposed the company to cash flow interest rate risk consequently no such exposure impact.

Sensitivity analysis for fixed rate instruments

As at December 31, 2025, the Company held fixed rate financial instruments.

2025							
	Effective yield / interest rate percent	Interest / mark-up bearing				Non interest / mark-up bearing	Total
		Maturity not later than one month	Maturity later than one month and not later than three months	Maturity later than three months and not later than one year	Maturity later than one year and not later than five years		
Financial Assets							
Long term deposits and advances		-	-	-	-	3,707,196	3,707,196
Trade debts		-	-	-	-	264,937,317	264,937,317
Advances, Deposits and Prepayments containing profit margin		-	-	-	-	488,796,253	488,796,253
Advances, Deposits and Prepayments not containing profit margin		-	-	-	-	1,802,481	1,802,481
Other receivables		-	-	-	-	36,788	36,788
Accrued interest income		-	-	-	-	17,203,191	17,203,191
Bank balances	8% to 9%	702,950,884	-	-	-	19,170,369	722,121,253
		702,950,884	-	-	-	795,653,595	1,498,604,479
Financial Liabilities							
Trade and other payables		-	-	-	-	968,688,013	968,688,013
Lease Liabilities		528,895	1,031,968	4,830,140	44,123,116	-	50,514,119
Short term running finance	KIBOR + 2.5%	220,000,000	-	-	-	-	220,000,000
On Statement of financial position gap		482,421,989	(1,031,968)	(4,830,140)	(44,123,116)	(173,034,418)	259,402,347
Non-financial net assets							141,053,145
Total net assets							400,455,492

2024

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	Effective yield / interest rate percent	Maturity not later than one month	Maturity later than one month and not later than three months	Maturity later than three months and not later than one year	Maturity later than one year and not later than five years	Non interest / mark-up bearing	Total
On Statement of financial position assets							
Financial Assets							
Long term deposits and advances		-	-	-	-	3,716,671	3,716,671
Trade debts		-	-	-	-	132,648,479	132,648,479
Advances, Deposits and Prepayments containing profit margin		-	-	-	-	434,137,664	434,137,664
Advances, Deposits and Prepayments not containing profit margin		-	-	-	-	1,330,894	1,330,894
Other receivables						229,476	229,476
Accrued interest income		-	-	-	-	5,249,950	5,249,950
Investments		-	-	-	-	-	-
Cash and bank balances	17% to 20%	766,321,246	-	-	-	69,382,920	835,704,166
		766,321,246	-	-	-	646,696,054	1,413,017,300
Financial Liabilities							
Trade and other payables		-	-	-	-	893,229,654	893,229,654
Lease Liabilities		470,923	798,641	2,475,752	2,697,900	-	6,443,216
Short term running finance	KIBOR + 2.5%	235,000,000	-	-	-	-	235,000,000
On Statement of financial position gap		<u>530,850,323</u>	<u>(798,641)</u>	<u>(2,475,752)</u>	<u>(2,697,900)</u>	<u>(246,533,600)</u>	<u>278,344,430</u>
Non-financial net assets							<u>82,011,772</u>
Total net assets							<u>360,356,202</u>

34.4.2 Price risk

Price risk is the risk of unfavorable changes in the fair value of securities as a result of changes in the value of individual shares / net asset value of units. The price risk exposure arises from the Company's investments in equity securities and mutual funds during the year. The Company's policy is to manage price risk through selection of blue chip securities and obtain cover under futures.

The Company's investments in quoted equity securities amount to Rs. nil (2024: nil) at the reporting date. The carrying value of investments subject to equity price risk are, in almost all instances, based on quoted market prices as of the reporting date. Market prices are subject to fluctuation. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions.

In case of fair value through OCI investments, a 10% increase / decrease in share prices and net asset value at year end would have increased / decreased the other comprehensive income of the Company by increasing / decreasing surplus on revaluation of such investment by the amounts given below. Investments at fair value through profit or loss are currently not exposed to any price risk since the Company has entered into future sale contract in respect of these securities.

34.4.3 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present is not exposed to currency risk as all transactions are carried out in Pak Rupees.

35. FAIR VALUE AND CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

Fair value is an amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in arm's length transaction. The table below analyses financial instruments carried at fair value, by valuation method. The different levels (methods) have been defined as follows:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using 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).
- Level 3:** Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair value of the financial assets that are traded in active markets are based on quoted market prices. The following table shows fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value. These financial assets and financial liabilities are short term and their fair value approximates their carrying value:

36. CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximizing shareholders' value, for tapping potential investment opportunities and to reduce cost of capital.

The Company is subject to minimum capital and base minimum capital requirements under PSX Regulations. The minimum capital requirement is Rs. 50 million and that for base minimum capital is Rs. 31 million, however Company's capital and base minimum capital is Rs. 135 million and Rs. 32.49 million respectively.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. Furthermore, the Company finances its operations through equity and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

37. USE OF COLLATERAL AND TRADING SECURITIES

The Company purchases and sells securities as either principal or agents on behalf of its customers. If either the customer or a counterparty fails to perform, the Company may be required to discharge the obligation on behalf of the non-performing party. In such circumstances, the Company may sustain a loss if the market value of the security is different from the contracted value of the transaction less any margin deposits that the Company has on hand. Where the customer operates through institutional delivery system, the Company is not exposed to the risk.

Transactions involving future settlement give rise to market risk, which represents the potential loss that can be caused by a change in the market value of a particular financial instrument. The credit risk for these transactions is limited to the unrealized market valuation losses which have been recorded in the statement of accounts of the customers. As explained above, credit risk is controlled through a variety of reporting and control procedures.

38. OPERATING SEGMENTS

A segment is a distinguishable component of the Company that is engaged in business activities from which the Company earns revenues and incurs expenses and its results are regularly reviewed by the Company's Chief Operating Decision Maker to make decision about resources to be allocated to the segment and assess its performance. Further, discrete financial information is available for each segment. Based on internal management reporting structure, the Company is organized into the following three operating segments namely equity brokerage, investment and treasury operations and other operations. Segment revenue, segment result, costs, assets and liabilities for the year are as follows:

	Equity Brokerage	Investment and treasury	Other operations	Total
	(Rupees)			
December 31, 2025				
Segment revenues *	284,302,888	51,758,579	42,000	336,103,467
Administrative and operating expenses **	(241,792,700)	-	-	(241,792,700)
Depreciation	(4,653,807)	(847,121)	-	(5,500,928)
Amortization	(688,690)	(125,361)	-	(814,051)
Finance cost	(12,060,710)	-	-	(12,060,710)
	<u>25,106,981</u>	<u>50,786,097</u>	<u>42,000</u>	<u>75,935,078</u>
Other income - unallocated				-
Other expenses - unallocated				-
Taxation				(25,709,058)
Profit after tax				<u>50,226,020</u>
Segment assets	<u>1,380,494,572</u>	<u>251,287,927</u>	<u>-</u>	<u>1,631,782,499</u>
Segment liabilities	<u>1,041,707,612</u>	<u>189,619,395</u>	<u>-</u>	<u>1,231,327,007</u>

* Reconciliation of total segment revenue with revenue as per statement of profit or loss is as follows:

	As at December 31, 2025
	(Rupees)
Total segment revenue	336,103,467
Less - Revenue from Investment & treasury	(51,758,579)
Less - Revenue from other operations	(42,000)
	<u>284,302,888</u>

** In the absence of any specific administrative and operational costs pertaining to investment & treasury and other operating segments, no cost is allocated to these segments.

December 31, 2024				
Segment revenues *	176,147,026	75,803,674	50,000	252,000,700
Administrative and operating expenses **	(175,748,698)	-	-	(175,748,698)
Depreciation	(2,636,085)	(1,134,099)	-	(3,770,184)
Amortization	(586,190)	(252,192)	-	(838,382)
Finance cost	(8,784,134)	-	-	(8,784,134)
	<u>(11,608,081)</u>	<u>74,417,383</u>	<u>50,000</u>	<u>62,859,302</u>
Other income - unallocated				-
Other expenses - unallocated				-
Taxation				(30,748,032)
Profit after tax				<u>32,111,270</u>
Segment assets	<u>1,048,230,677</u>	<u>450,970,929</u>	<u>-</u>	<u>1,499,201,606</u>
Segment liabilities	<u>796,272,285</u>	<u>342,573,119</u>	<u>-</u>	<u>1,138,845,404</u>

* Reconciliation of total segment revenue with revenue as per profit & loss account is as follows:

	As at December 31, 2024
	(Rupees)
Total segment revenue	252,000,700
Less - Revenue from Investment & treasury	(75,803,674)
Less - Revenue from other operations	(50,000)
	<u>176,147,026</u>

** In the absence of any specific administrative and operational costs pertaining to investment & treasury and other operating segments, no cost is allocated to these segments.

39. MAXIMUM CUSTODY LIMIT UNDER CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED REGULATIONS

Following information is presented for determination of 'Capital Adequacy Level' by the CDC under Central Depository Company of Pakistan Limited Regulations.

**As at December
31, 2025
(Rupees)**

Total assets as per Statement of financial position	1,631,782,499
Notional value of TRE certificate at year-end as determined by PSX vide notice PSX/N-7178 dated November 10, 2017	2,500,000
Total assets including notional value of TRE certificate	1,634,282,499
Less: Total liabilities as per Statement of financial position	(1,231,327,007)
Less: Revaluation reserves (created upon revaluation of fixed assets)	-
Capital adequacy level	<u>402,955,492</u>

40. NET CAPITAL BALANCE

Excess of Current Assets over Current Liabilities determined in accordance with the third schedule of the Securities and Exchange Rules 1971, the schedule II of the Securities Brokers (Licensing and Operations) Regulations, 2016 and the guidebook issued by Securities and Exchange Commission of Pakistan (SECP).

**As at December 31,
2025
(Rupees)**

<u>CURRENT ASSETS</u>		Note		
Cash in hand or in bank	As per book value	16		722,121,253
Cash deposited as margin with National Clearing Company of Pakistan		13.1		455,301,327
Trade debts - gross	As per book value	12	273,299,507	
	Less: Overdue for more than 14 days		(31,662,195)	241,637,312
Securities purchased for client	(Value of shares appearing in clients respective sub account to the extent of overdue balance for more than 14 days or value of securities, whichever is less)	12.4.2		7,073,048
Total Current Assets				1,426,132,940
<u>CURRENT LIABILITIES</u>				
Trade payables	As per book value	20	831,630,891	
	Less: Overdue for more than 30 days		(244,655,519)	586,975,372
Other liabilities	As per book value	18 & 19		614,930,877
Total current liabilities				(1,201,906,249)
Net Capital Balance as at December 31, 2025				<u>224,226,691</u>

41. LIQUID CAPITAL BALANCE

The below statement has been prepared in accordance with regulation 6(3) and schedule III of the Securities Broker (Licensing and Operations) Regulations, 2016

S. No.	Head of Account	Note	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets					
1.1	Property & Equipment	6& 7	70,034,865	100%	-
1.2	Intangible Assets	8	989,501	100%	-
1.3	Investment in Govt. Securities		-	-	-
1.4	as				
	If listed than:				
	i. 5% of the balance sheet value in the case of tenure upto 1 year		-	5%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years		-	8%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years		-	10%	-
	If unlisted than:				
	i. 10% of the balance sheet value in the case of tenure upto 1 year		-	10%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years		-	12.5%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years		-	15%	-
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.		-	-	-
	ii. If unlisted, 100% of carrying value			100%	-
1.6	Investment in subsidiaries		-	100%	-
1.7	Investment in associated companies / undertaking				
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher		-	-	-
	ii. If unlisted, 100% of net value		-	100%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC	13.2	33,494,926	100%	-
1.9	Margin deposits with exchange and clearing house	13.3	455,301,327	-	455,301,327
1.10	Deposit with authorized intermediary against borrowed securities under SLB		-	-	-
1.11	Other deposits and prepayments	9,10,& 11	65,860,850	100%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc	14	17,203,191	-	17,203,191
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties		-	100%	-
1.13	Dividends receivables		-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments</i>)			-	-

S. No.	Head of Account	Note	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Advances and receivables other than trade Receivables;				
1.15	i. No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	13	1,802,481	-	1,802,481
	ii. No haircut may be applied to the advance tax to the extent it is netted with provision of taxation .				
	iii. In all other cases 100% of net value	14	36,789	100%	-
1.16	Receivables from clearing house or securities exchange(s)				
	i) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MTM gains		-	100%	-
	ii) Receivable on entitlements against trading of securities in all markets including MTM gains	12.3	-	-	-
1.17	Receivables from customers				
	i. In case receivables are against margin financing, the aggregate if (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		-		-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut		-	5%	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haircut		-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	10	237,694,485	-	237,694,485
	v. Incase 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. v. Lower of net balance sheet value or value determined through adjustments	10	21,815,025	17,712,854	4,102,171
	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. vi. Lower of net balance sheet value or value determined through adjustments	10	5,427,806	As per slabs	3,061,772
1.18	Cash and Bank balances				
	I. Bank Balance-proprietary accounts	14	43,132,222	-	43,132,222
	ii. Bank balance-customer accounts	14	678,958,331	-	678,958,331
	iii. Cash in hand	14	30,700	-	30,700
1.19	Subscription money against investment in IPO/ offer for sale (asset)				
	Balance sheet value				
1.20	Total Assets		1,631,782,499		1,441,286,680

S. No.	Head of Account	Note	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2. Liabilities					
2.1	Trade Payables				
	i. Payable to exchanges and clearing house		76,017,359	-	76,017,359
	ii. Payable against leveraged market products		-	-	-
	iii. Payable to customers	18	831,630,891	-	831,630,891
2.2	Current Liabilities				
	i. Statutory and regulatory dues		-	-	-
	ii. Accruals and other payables	18	61,052,556	-	61,052,556
	iii. Short-term borrowings	19	220,000,000	-	220,000,000
	iv. Current portion of subordinated loans		-	-	-
	v. Current portion of long term liabilities	17	13,205,443	-	13,205,443
	vi. Deferred Liabilities		-	-	-
	vii. Provision for taxation		-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements.		-	-	-
2.3	Non-Current Liabilities				
	i. Long-Term financing		27,631,057	-	27,631,057
	ii. Staff retirement benefits		-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements.	17	1,789,701	100%	1,789,701
2.4	Subordinated Loans		-	-	-
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted		-	-	-
2.5	Total Liabilities		1,231,327,007		1,231,327,007
3. Ranking Liabilities Relating to :					
3.1	Concentration in Margin Financing				
	The amount calculated 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.		-	-	-
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		-	-	-
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 commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting		-	-	-
	(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		-	-	-

S. No.	Head of Account	Note	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
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		-	-	-
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. Incase 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. Incase 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	Total Ranking Liabilities		-	-	-
			<u>400,455,492</u>	Liquid Capital	<u>209,959,673</u>

41.1 CALCULATIONS SUMMARY OF LIQUID CAPITAL

(i) Adjusted value of Assets (serial number 1.20)	1,441,286,680
(ii) Less: Adjusted value of liabilities (serial number 2.5)	(1,231,327,007)
(iii) Less: Total ranking liabilities (series number 3.11)	-
	<u>209,959,673</u>

	Note	2025 Rupees	2024 Rupees
42. CASH AND CASH EQUIVALENTS			
Cash and bank balances	16	722,121,253	835,704,166
Short term running finance	21	(220,000,000)	(235,000,000)
		<u>502,121,253</u>	<u>600,704,166</u>

43. NUMBER OF EMPLOYEES

The details of number of employees are as follows:

- Average number of employees during the year	<u>55</u>	<u>51</u>
- Number of employees at year end	<u>56</u>	<u>53</u>

44. SUBSEQUENT EVENT

The Board of Directors of the Company in its 131st meeting held on _____ has approved the following appropriation:

	2025 Rupees	2024 Rupees
- Cash dividend - Rs. <u>✓</u> (2024: Nil) per share of Rs. 10 each	<u>-</u>	<u>-</u>
- Issue of bonus shares Nil % (2024: Nil) in the ratio of <u>✓</u> (2024: Nil) shares for every 100 shares held	<u>-</u>	<u>-</u>

These would be accounted for in the Company's financial statements in the year in which these are approved.

45. DATE OF AUTHORIZATION

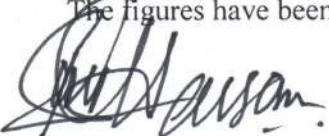
These financial statements were authorized for issue by the Board of Directors of the Company in their 131st meeting held on 30 MAR 2026.

46. CORRESPONDING FIGURE

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation.

47. GENERAL

The figures have been rounded off to the nearest rupee, else otherwise stated.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR