

Pearl Securities Limited
Financial Statements
For the six months period ended
31 December 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pearl Securities Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pearl Securities Limited** as at **31 December 2025** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

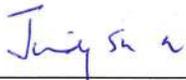
Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Farrukh V. Junaidy**.



Chartered Accountants
Karachi

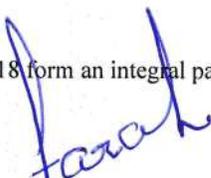
Date: 28th February 2026

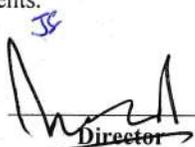
UDIN: RR2025106531BobJ3R5f

PEARL SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
As at December 31, 2025

		December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
		----- (Rupees) -----	
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized capital		500,000,000	500,000,000
50,000,000 ordinary shares of Rs. 10 each			
Issued, subscribed and paid-up capital	4	144,136,000	144,136,000
Revenue reserve - unappropriated profit		437,208,986	206,015,571
		581,344,986	350,151,571
Fair value reserve		(15,238,879)	26,930,523
Sponsors' loan		35,000,000	46,000,000
		601,106,107	423,082,094
NON-CURRENT LIABILITIES			
Long term portion of liability against right-of-use assets		2,480,112	4,752,096
Staff retirement benefits		53,284,297	42,182,682
		55,764,409	46,934,778
CURRENT LIABILITIES			
Trade creditors, accrued and other liabilities	5	606,343,079	421,428,907
Short term borrowings	6	615,998,155	718,116,097
Current portion of liability against right-of-use assets		3,349,124	2,154,280
Accrued markup		8,203,146	36,707,966
Taxation - net		23,439,345	5,398,031
		1,257,332,849	1,183,805,281
		1,914,203,365	1,653,822,153
Contingencies and commitments	7	-	-
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	8	53,757,612	52,005,898
Right-of-use assets		4,920,064	5,904,077
Intangible assets	9	2,750,000	2,750,000
Deferred taxation	10	18,772,248	9,961,210
Long term deposits		7,157,979	15,157,979
		87,357,903	85,779,164
CURRENT ASSETS			
Short term investments	11	526,854,014	387,225,529
Receivable against margin financing transactions		147,585,645	60,762,220
Trade debts	12	728,250,900	621,836,289
Advances, deposits, prepayments and other receivables	13	88,369,029	149,525,738
Taxation - net		13,790,777	10,229,783
Cash and bank balances	14	321,995,097	338,463,430
		1,826,845,462	1,568,042,989
		1,914,203,365	1,653,822,153

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

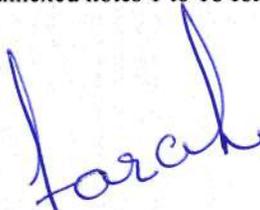

Chief Executive Officer


Director

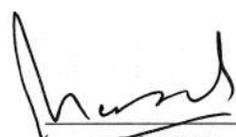
PEARL SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
For the six months ended December 31, 2025

	Note	Six months period ended (Un-audited)	
		December 31, 2025	December 31, 2024
		----- (Rupees) -----	
Operating revenue		151,469,615	101,990,888
Capital gain on short term investments		46,320,168	109,998,876
Administrative and operating expenses		(115,810,836)	(91,009,184)
Operating profit		81,978,947	120,980,580
Finance cost		(43,020,768)	(128,685,140)
Other income	15	23,673,708	46,927,468
Profit from operations		62,631,887	39,222,908
Unrealized loss on investments held at fair value through profit or loss	11	5,226,688	(990,997)
Profit before income tax, minimum tax differential and final tax		67,858,575	38,231,911
Minimum tax differential and final tax		(17,326,395)	(4,202,148)
Profit before income tax		50,532,180	34,029,763
Taxation			
- Current		(6,112,950)	(10,445,684)
- Prior years		-	11,719,978
- Deferred		1,369,380	4,930,286
		(4,743,570)	6,204,580
Profit after taxation for the year		45,788,610	40,234,343

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



 Chief Executive Officer



 Director

PEARL SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For the six months ended December 31, 2025

	Six months period ended (Un-audited)	
	December 31, 2025	December 31, 2024
	----- (Rupees) -----	
Profit after taxation for the year	45,788,610	40,234,343
<i>Items that may not be reclassified subsequently to profit or loss</i>		
- Unrealized gain / (loss) on revaluation of equity securities held at 'Fair value through other comprehensive income'	143,235,403	53,818,781
- Realised (gain) / loss - FVTOCI investment	(185,404,805)	11,510,183
Total comprehensive income for the period	<u><u>3,619,208</u></u>	<u><u>105,563,307</u></u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



 Chief Executive Officer

JS



 Director

EARL SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the six months ended December 31, 2025

	Issued, subscribed & paid-up capital	Sponsors' loan	Revenue reserve - unappropriated profit	Fair value reserve	Total Equity
	----- (Rupees) -----				
Balance as at July 01, 2024	144,136,000	46,000,000	165,859,150	(131,894,908)	224,100,242
Total comprehensive income for the period					
Loss after taxation for the period	-	-	40,234,343	-	40,234,343
Other comprehensive income for the period	-	-	-	53,818,781	53,818,781
Transfer of fair value reserve of equity instruments designated at FVTOCI	-	-	11,510,183	(11,510,183)	-
Balance as at December 31, 2024	<u>144,136,000</u>	<u>46,000,000</u>	<u>217,603,676</u>	<u>(89,586,310)</u>	<u>318,153,366</u>
Balance as at July 01, 2025	144,136,000	46,000,000	206,015,571	26,930,523	423,082,094
Total comprehensive income for the period					
Profit after taxation for the period	-	-	45,788,610	-	45,788,610
Repayment of sponsor loan		(11,000,000)	-	-	(11,000,000)
<i>Other comprehensive income</i>					
Other comprehensive income for the period	-	-	-	143,235,403	143,235,403
Transfer of fair value reserve of equity instruments designated at FVTOCI	-	-	185,404,805	(185,404,805)	-
Balance as at 31 December 2025	<u>144,136,000</u>	<u>35,000,000</u>	<u>437,208,986</u>	<u>(15,238,879)</u>	<u>601,106,107</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



Chief Executive Officer

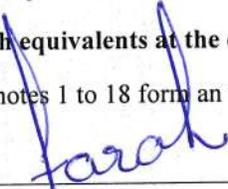


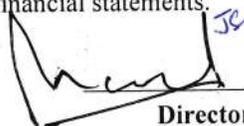
Director

PEARL SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
For the six months ended December 31, 2025

Note	Six months period ended (Un-audited)	
	December 31, 2025	December 31, 2024
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	67,858,575	38,231,911
<i>Adjustments for:</i>		
- Depreciation	3,274,701	2,621,026
- Depreciation on Right of use assets	984,013	278,507
- Unrealized loss/gain on held-for-trading investments	(5,226,688)	990,997
- Provision for gratuity	11,101,615	4,418,223
- Gain on disposal of fixed assets	(6,266,366)	(11,892,203)
- Finance cost	43,020,768	128,685,140
	46,888,043	125,101,690
<i>(Increase) / decrease in current assets</i>		
Trade debts	(106,414,611)	(411,840)
Receivable against margin financing	(86,823,425)	17,376,584
Advances, deposits, prepayments and other receivables	61,156,709	(40,551,753)
<i>Increase / (decrease) in current liabilities</i>		
Trade creditors, accrued and other liabilities	184,914,172	120,885,954
Short term borrowings	(102,117,942)	(13,249,336)
	(49,285,097)	84,049,609
Financial charges paid	(71,525,588)	(145,134,869)
Taxes paid	(8,959,024)	(4,205,830)
<i>Net cash (used in) / generated from operating activities</i>	(15,023,091)	98,042,511
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(5,974,050)	(4,802,538)
Proceeds from disposal of property and equipment	7,214,001	13,035,002
Investments disposed during the period - net	1,391,947	52,489,161
Long term deposits	8,000,000	11,050,000
<i>Net cash generated from investing activities</i>	10,631,898	71,771,625
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	(1,077,140)	-
Repayment of sponsors' loan	(11,000,000)	-
<i>Net cash used in financing activities</i>	(12,077,140)	-
<i>Net (decrease) / increase in cash and cash equivalents</i>	(16,468,333)	169,814,136
Cash and cash equivalents at the beginning of the period	338,463,430	161,226,417
Cash and cash equivalents at the end of the period	321,995,097	331,040,553

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Director

PEARL SECURITIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
For the six months ended December 31, 2025

1. LEGAL STATUS AND OPERATION

- 1.1 Pearl Securities Limited ("the Company") was incorporated as a private limited company on May 8, 2000 under the Companies Ordinance, 1984 (now Companies Act, 2017) and was subsequently converted into a public limited company on April 17, 2009. The Company is a corporate member of Pakistan Stock Exchange Limited (PSX).

The Company is a Trading Right Entitlement Certificate (TREC) holder of PSX and a member of Pakistan Mercantile Exchange Limited (PMEX). The Company is principally engaged in brokerage of shares, stocks, securities, commodities and other financial instruments, securities research, financial consultancy and underwriting. The Company has a network of five branches across Pakistan.

Geographical location of business units

Locations	Addresses
Head office / registered office	Suit # 204, 2nd Floor, Business & Finance Centre, I.I Chundrigar Road, Karachi, Pakistan.
Branches	
Pakistan Stock Exchange	Suit # 137, 3rd Floor, Stock Exchange Building, Karachi, Pakistan.
Islamabad Branch	Suit # 1011, 10th Floor, Stock Exchange Towers, Islamabad, Pakistan.
Peshawar Branch	Ground Floor, State Life Building, Peshawar Cantt, Peshawar, Pakistan
Lahore Branch	Suit # 218, 2nd Floor, Siddiq Trade Centre, 72 Main Boulevard Gulberg, Lahore, Pakistan.
Mardan Branch	Office No. 102 & 103, Ground Floor, Mardan Trade Center 2, Qazi Bashir Road Opposite D.C Office Mardan,
Kohat Branch	5 - 6, Al - Madina Plaza, Near Central Science College, University Road, Chakar Kot, Kohat.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Accounting Standards (IAS) 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information is un-audited and subject to limited scope review by the auditors and has been presented in accordance with the requirements of the International Accounting Standard as applicable in Pakistan for interim financial reporting. This condensed interim financial information does not include all of the information required for full financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2024.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the audited financial statements of the Company for the year ended June 30, 2025, whereas the comparative statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows are stated from the unaudited condensed interim financial information for the six months ended December 31, 2024.

This condensed interim financial information has been presented in Pakistan Rupees, which is the functional currency of the Company. The figures are rounded off to the nearest rupees.

2.1 Material accounting policy information

- 2.1.1 The accounting policies adopted by the Company in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual audited financial statements of the Company for the year ended June 30, 2025.
- 2.1.2 Amendments to certain existing standards and new interpretations on approved accounting standards effectives during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company. Therefore, have not been disclosed in these condensed interim financial statements.

2.2 Use of estimates and judgments

- 2.2.1 The preparation of this condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.
- 2.2.2 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 from the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of the revision and future periods if the effects both current and future periods.
- 2.2.3 In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key source of estimation uncertainty were the same as those that applied to the audited financial statements of the Company as at and for the year ended June 30, 2025.

3. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company as at and for the year ended June 30, 2025.

	December 31, 2025	June 30, 2024
	----- (Rupees) -----	
	(Un-audited)	(Audited)
4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
14,413,600 shares fully paid-up ordinary shares of Rs. 10 each issued for cash	<u>144,136,000</u>	<u>144,136,000</u>

	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
	----- (Rupees) -----	
5. CREDITORS, ACCRUED AND OTHER LIABILITIES		
Creditors for purchase of shares	301,101,618	288,755,457
Creditors of PMEX - Client	6,143	6,143
Creditors of MM - Client	263,005,273	110,564,223
Sindh sales tax on brokerage services	5,246,427	3,585,007
Commission payable to traders	19,085,615	9,343,443
Accrued and other liabilities	17,898,003	9,174,634
	<u>606,343,079</u>	<u>421,428,907</u>

6. SHORT TERM BORROWINGS

From banking companies - secured

United Bank Limited	244,999,864	595,214,331
Sindh Bank Limited	249,592,814	122,901,766
Summit Bank Limited	49,637,807	-
Askari Bank Limited	71,767,670	-
	<u>615,998,155</u>	<u>718,116,097</u>

7. CONTINGENCIES AND COMMITMENTS

The Assistant Commissioner SRB has passed 3 orders in respect of short payment of sales tax amounting to Rs. 280,808,039 along with penalty amounting to Rs. 14,040,401 in respect of financial year 2011 to 2018 on other charges recovered from customers. The Company has filed appeal before the Commissioner Appeals against the impugned order however, decision in appeal is pending. The Company is having fair chances of success in appeal, therefore, no provision has been recorded in these financial statements.

	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
	----- (Rupees) -----	
8. PROPERTY AND EQUIPMENTS		
Opening written down value	52,005,898	38,984,683
Additions during the period / year	5,974,050	21,134,906
Disposals during the period / year	(947,635)	(3,339,271)
Depreciation charge during the period / year	(3,274,701)	(4,774,420)
	<u>53,757,612</u>	<u>52,005,898</u>

9. INTANGIBLE ASSETS

Trading Right Entitlement Certificate (TREC)	2,500,000	2,500,000
Pakistan Mercantile Exchange Limited - membership card	250,000	250,000
	<u>2,750,000</u>	<u>2,750,000</u>

9.1 This represents TREC received by the Company in accordance with the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. These have been recorded at notional value determined by PSX.

	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
	----- (Rupees) -----	
10. DEFERRED TAXATION		
<i>Taxable temporary differences arising on:</i>		
Accelerated depreciation	(3,637,920)	(2,672,496)
Right-of-use asset	(1,426,819)	(1,712,182)
Investments held at FVTPL	(784,003)	-
Investment held at FVTOCI	-	(4,752,445)
<i>Deductible temporary differences arising on:</i>		
Provision for expected credit losses	4,788,852	4,788,852
Investment held at FVTOCI	2,689,214	-
Provision for gratuity	15,452,446	12,232,978
Liability against right-of-use assets	1,690,478	2,002,849
Investments held at FVTPL	-	73,654
	<u>18,772,248</u>	<u>9,961,210</u>
11. SHORT TERM INVESTMENT		
<i>Financial assets classified as FVTPL</i>		
Sukuk certificates	250,000,000	-
Shares of listed companies - carrying amount	138,070,433	53,068,839
Less: Unrealized gain / (loss) on revaluation of fair value through profit or loss	5,226,688	(491,030)
	<u>393,297,121</u>	<u>52,577,809</u>
<i>Financial assets classified as FVTOCI</i>		
Shares of listed companies - average cost	151,484,986	302,964,752
Add: Unrealized (loss) / gain on revaluation of fair value through other comprehensive income	(17,928,093)	31,682,968
	<u>133,556,893</u>	<u>334,647,720</u>
	<u>526,854,014</u>	<u>387,225,529</u>
12. TRADE DEBTS		
<i>Receivable from clients against:</i>		
Purchase of shares on behalf of clients	726,852,948	620,494,710
Money market and forex	1,397,952	1,341,579
	<u>728,250,900</u>	<u>621,836,289</u>
Considered doubtful	16,513,282	16,513,282
	<u>744,764,182</u>	<u>638,349,571</u>
Less: Provision against expected credit losses	(16,513,282)	(16,513,282)
	<u>728,250,900</u>	<u>621,836,289</u>
13. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances - considered good	13,201,713	13,784,483
Trade deposit	58,652,564	124,177,164
Prepayments	988,239	842,546
Others	15,526,513	10,721,545
	<u>88,369,029</u>	<u>149,525,738</u>

	December 31, 2025 (Un-audited)	June 30, 2025 (Audited)
14. CASH AND BANK BALANCES	----- (Rupees) -----	
Cash in hand	4,554,581	1,679,378
At banks:		
- Clients' accounts - current	306,597,749	296,478,082
- House current accounts	9,883,553	39,670,443
- House savings accounts	959,214	635,527
	<u>321,995,097</u>	<u>338,463,430</u>

	For the six months period ended	
	December 31, 2025 (Un-audited)	December 31, 2024 (Un-audited)
15. OTHER INCOME	----- (Rupees) -----	
<i>Income from financial assets</i>		
Return on short term investment	-	5,090,245
Return on margin financing & MTS	7,673,858	8,554,450
Dividend income	6,733,576	7,399,321
Return on cash margins with KSE & PMEX	2,871,739	5,926,057
Profit from profit and loss sharing account	110,763	89,979
	<u>17,389,936</u>	<u>27,060,052</u>
<i>Income from non-financial assets</i>		
Gain on disposal of fixed assets	6,266,366	11,892,203
Expenses recovered from customers	-	4,282,358
Miscellaneous	17,406	3,692,855
	<u>6,283,772</u>	<u>19,867,416</u>
	<u>23,673,708</u>	<u>46,927,468</u>

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise key management personnel. Transactions with related parties are carried out on commercial terms and conditions. All transactions with key management personnel are under the terms of employment.

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

	As at	
	December 31, 2025 (Un-audited)	June 30, 2025 Audited
Balances with related parties	----- Rupees -----	
Sub-ordinated loan from shareholder	<u>35,000,000</u>	<u>46,000,000</u>

17. GENERAL

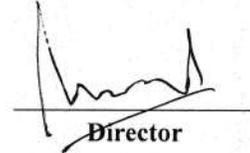
- The corresponding figures have been rearranged / reclassified wherever necessary for the purpose of better presentation.
- Figures have been rounded off to the nearest Rupee.

18. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 28 FEB 2026 by the Board of Directors of the Company.



Chief Executive Officer



Director