

**Audited Consolidated Financial Statements of Secure Logistics
Trax Limited for the Year Ended December 31, 2025.**



RSM Avata Hyder Liaquat Hameed
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of **SECURE LOGISTICS-TRAX GROUP LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **SECURE LOGISTICS-TRAX GROUP LIMITED (the "Group")** and its subsidiary companies, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

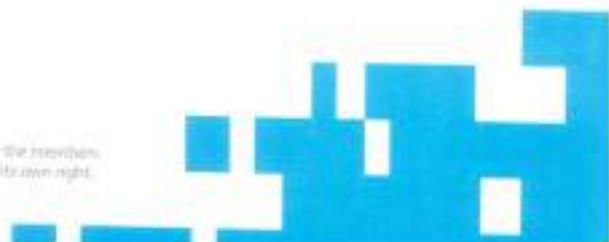
In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 Group's affairs as at December 31, 2025 and of the profit, the other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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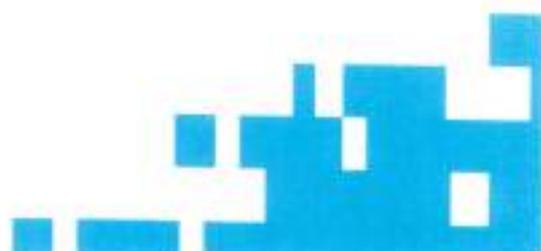
RSM Avata Hyder Liaquat Hameed is a related entity of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network does not itself a separate legal entity in any jurisdiction.



Key Audit Matters

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

Key Audit Matter	How the matter was addressed in our audit
<p>Revenue Recognition</p> <ol style="list-style-type: none"> Revenue is a significant financial statement item and a key performance indicator for the Group. The Group generates revenue primarily from rendering logistics services, security services, and online platform services to various customers in accordance with contractual agreements and from rental services. For the year ended December 31, 2025, the Group recorded consolidated revenue of Rs. 2,937,966,491/- We considered revenue recognition as a key audit matter due to the materiality of the amount involved and the risk associated with ensuring that revenue is recognized in accordance with International Financial Reporting Standards (IFRS) and the Group's accounting policies. There is also a risk of cut-off errors where revenue may not be recognized in the appropriate period. 	<p>Our key audit procedures in this area amongst others included the following:</p> <p>Evaluation of Internal Controls: We obtained an understanding of the revenue recognition process across significant subsidiaries, assessed the design and operating effectiveness of relevant internal controls, and tested selected controls related to contract management, invoicing, and revenue recording.</p> <p>Substantive Testing and Cut-off Procedures: We verified revenue transactions on a sample basis by inspecting customer contracts, invoices, and payment receipts across major subsidiaries, and performed cut-off testing by analyzing transactions before and after the reporting date to ensure revenue was recognized in the correct period.</p> <p>Assessment of Financial Statement Disclosures: We reviewed the revenue recognition policies and disclosures in the consolidated financial statements to assess whether they were presented fairly and in compliance with IFRS and applicable regulatory requirements in Pakistan.</p>
<p>Acquisition of Subsidiary</p> <ol style="list-style-type: none"> During the year, the Group acquired 100% shareholding in <i>Trax Online (Private) Limited</i>. The acquisition has been accounted for in accordance with IFRS 3 <i>Business Combinations</i>, and the results of the subsidiary have been consolidated from the date of acquisition. The transaction resulted in recognition of a bargain purchase gain rather than goodwill. 	<ul style="list-style-type: none"> Reviewing the purchase agreement and understanding the terms of the acquisition. Assessing management's process for identifying and valuing the assets acquired and liabilities assumed.



Key Audit Matter	How the matter was addressed in our audit
<p>2. We draw attention to Note 29 of the consolidated financial statements, which provides further details.</p> <p>3. Accounting for business combinations requires significant management judgment and involves complex estimates. In this case, the recognition of a bargain purchase gain is unusual and requires careful evaluation of:</p> <ul style="list-style-type: none"> • The completeness and accuracy of assets acquired and liabilities assumed. • The appropriateness of fair value measurements used. • Whether all relevant factors were considered before concluding that a bargain purchase gain should be recognized. <p>Given the complexity and the unusual outcome of a bargain purchase, we considered this a key audit matter.</p>	<ul style="list-style-type: none"> • Performing procedures to assess whether recognition of a bargain purchase gain was appropriate, including consideration of potential unrecorded liabilities or misstatements in asset valuations. • Testing the consolidation entries to ensure the subsidiary's results were appropriately included from the date of acquisition. • Reviewing the disclosures in Note 29 to ensure compliance with IFRS 3 and adequacy of information provided to users of the financial statements.

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

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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



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

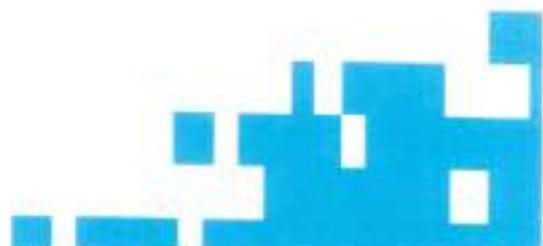
The Board of Directors are responsible for overseeing the Group's financial reporting process.

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

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

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

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



financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

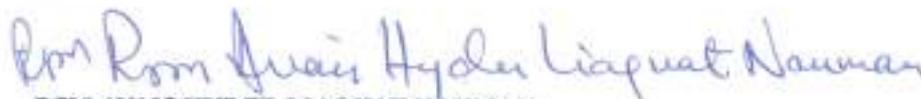
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Group and its subsidiary companies as required by the Companies Act, 2017 (XIX of 2017);
- b) the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year by the Group and its subsidiary companies were for the purpose of their respective business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Syed Naveed Abbas**.



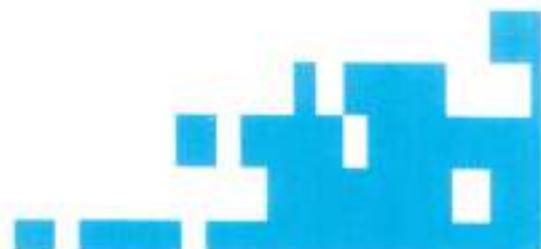
RSM AVAIS HYDER LIAQUAT NAUMAN

CHARTERED ACCOUNTANTS

Place: Islamabad

Date: 7 MAR 2023

UDIN: AR202510239AFTsEXMp



SECURE LOGISTICS TRAX GROUP LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Operating Fixed asset	5	4,463,879,777	4,121,373,258
Intangible assets	6	2,587,767,473	57,575,950
Long term security deposits	7	82,662,947	89,243,072
Deferred tax	16	442,022,342	-
		7,576,332,538	4,268,192,280
CURRENT ASSETS			
Trade debts	8	1,034,344,470	394,566,486
Stores and spares	9	980,221,527	969,893,310
Security Deposits	7	30,756,152	-
Due From Related Party	10	14,903,873	-
Mutual Fund Investments	11	90,475	-
Advances, deposits and prepayments	12	116,991,781	45,589,560
Cash and bank balances	13	221,584,905	14,281,170
		2,398,893,183	1,424,330,526
TOTAL ASSETS		9,975,225,721	5,692,522,806
EQUITY AND LIABILITIES			
SHARE CAPITAL			
Authorized share capital			
425,000,000 (2024: 275,000,000) Ordinary shares of Rs. 10/- each	14	4,250,000,000	2,750,000,000
Issued, subscribed and paid up capital			
417,567,095.6 (2024: 273,639,181) Ordinary shares of Rs. 10/- each	14.1	4,175,670,956	2,736,301,810
Revaluation surplus		3,174,200	3,967,750
Share premium		1,183,983,969	593,483,477
		5,362,829,125	3,333,753,037
Unappropriated profit		2,224,844,457	1,371,787,145
Equity attributable to equity holders of the holding company		7,587,673,582	4,705,540,182
Non-controlling interest		27,593,466	20,102,544
		7,615,267,048	4,725,642,726
NON CURRENT LIABILITIES			
Liability against assets subject to finance lease	15	223,774,784	49,161,429
Deferred tax	16	-	6,525,035
Employee benefit obligation	17	64,723,498	35,853,779
		288,498,283	91,540,243
CURRENT LIABILITIES			
Creditors, accrued and other payables	18	956,173,665	150,103,172
Provision for taxation-net	19	211,030,487	124,398,095
Current portion of leasing liability	15	15,251,780	22,202,178
Loan from associates	20	36,447,822	70,896,820
Due to related party	21	647,557,421	-
Short term loans	22	204,999,215	507,739,570
		2,071,460,390	875,339,835
TOTAL EQUITY AND LIABILITIES		9,975,225,721	5,692,522,804
CONTINGENCIES AND COMMITMENTS			
	23		

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

SECURE LOGISTICS TRAX GROUP LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
Revenue - net	24	2,937,966,491	2,518,354,795
Cost of services	25	(1,878,038,825)	(1,429,654,964)
Gross profit		1,059,927,666	1,088,699,831
Administrative expenses	26	(937,690,585)	(302,302,943)
Operating profit for the year		122,237,081	786,396,888
Finance cost	27	(112,353,365)	(186,252,535)
Other income	28	386,279,455	10,102,798
Bargain Purchase Option	29	116,770,738	-
Profit for the year before levies and income tax		512,933,908	610,247,150
Levies	30	(19,237,165)	(10,296,966)
Profit for the year before income tax		493,696,743	599,950,184
Taxation	31	370,212,353	16,840,648
Profit for the year after tax		863,909,096	616,790,832
Share of profit attributable to:			
Equity holders of holding company		856,418,174	611,688,289
Non- controlling interest		7,490,922	5,102,544
		863,909,096	616,790,832
Earning per share- basic and diluted	32	2.50	2.50

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CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

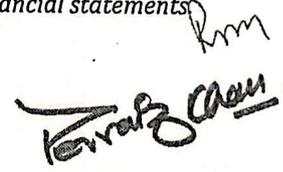
SECURE LOGISTICS TRAX GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	Restated	
	2025 (Rupees)	2024 (Rupees)
Profit for the year after tax	863,909,096	616,790,832
Other comprehensive income:		
Remeasurement (loss)/ gain on defined benefit obligation net of tax	-	(14,325,560)
Deferred tax on unrealized income(expense)	(4,154,412)	4,154,412
Remeasurement gain/ (loss) on defined benefit obligation of subsidiary	-	173,896
	(4,154,412)	(9,997,252)
Total comprehensive income for the period	859,754,684	606,793,580
Share of total comprehensive income attributable to :		
Equity holders of the company	859,754,684	606,793,580
Non-controlling interest	-	-
	859,754,684	606,793,580

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE OFFICER

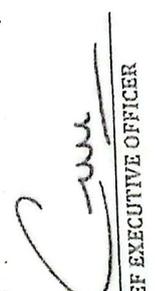

 DIRECTOR

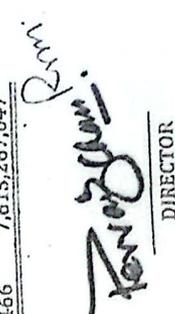
SECURE LOGISTICS TRAX GROUP LIMITED
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2025

	Share capital	Revaluation surplus	Share premium	Unappropriated profits	Equity attributable to the owners of holding company	Non-controlling interest	Total Equity
Balance as at January 01, 2024 (Restated)	1,664,260,680	4,959,688	435,631,420	769,104,171	3,110,187,364	-	3,110,187,364
Shares issued for cash	831,036,660	-	116,551,833	-	947,588,493	-	947,588,493
Shares issued for non-cash	241,004,470	-	41,300,224	-	282,304,694	-	282,304,694
	1,072,041,130	-	157,852,057	-	1,229,893,187	-	1,229,893,187
Transfer of revaluation surplus to retained earnings	-	(991,938)	-	991,938	-	-	-
Initial share of non-controlling interest	-	-	-	-	-	15,000,000	15,000,000
Total comprehensive income for the year	-	-	-	611,688,289	595,573,411	5,102,544	600,675,955
Profit for the period	-	-	-	(9,997,252)	(9,997,252)	-	(9,997,252)
Other comprehensive income	-	-	-	601,691,037	585,576,160	5,102,544	590,678,703
Balance as at December 31, 2024	2,736,301,810	3,967,750	593,483,477	1,371,787,145	4,925,656,710	20,102,544	4,945,759,253
Balance as at January 01, 2025	2,736,301,810	3,967,750	593,483,477	1,371,787,145	4,705,540,182	20,102,544	4,725,642,726
Shares issued for cash	243,137,255	-	66,862,745	-	310,000,000	-	310,000,000
Shares issued for non-cash	1,196,231,891	-	523,637,747	-	1,719,869,638	-	1,719,869,638
	1,439,369,146	-	590,500,492	-	2,029,869,638	-	2,029,869,638
Transfer of revaluation surplus to retained earnings	-	(793,550)	-	793,550	-	-	-
Total comprehensive income for the year	-	-	-	856,418,174	856,418,174	7,490,922	863,909,096
Profit for the period	-	-	-	(4,154,412)	(4,154,412)	-	(4,154,412)
Other comprehensive income	-	-	-	852,263,762	852,263,762	7,490,922	859,754,684
Balance as at December 31, 2025	4,175,670,956	3,174,200	1,183,983,969	2,224,844,457	7,587,673,582	27,593,466	7,615,267,047

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

SECURE LOGISTICS TRAX GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	Restated 2024
Note	(Rupees)	(Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year before levies and income tax	512,933,908	610,247,150
Adjustment for :		
Depreciation and amortization	427,183,774	291,285,260
Gain on reversal of liability	(330,379,565)	(4,733,414)
Bargain Purchase Option	(116,770,738)	-
Interest expense	114,178,801	186,252,535
(Gain)/Loss on disposal of fixed assets	16,863,081	20,279,244
Interest Income on deposits	(9,452,859)	-
Allowance for expected credit losses	6,393,645	3,415,516
Exchange loss on loan	-	3,623,305
Gratuity expense	-	5,055,225
	620,950,047	1,115,424,821
Changes in working capital		
(Increase)/decrease in current assets:		
Trade debts	(365,182,569)	19,018,920
Security Deposits	(30,756,152)	-
Stores and spares	(10,328,217)	(369,067,529)
Due from related party	(8,875,077)	-
Advances, deposits and other receivables	2,232,254	(14,557,698)
Increase/(decrease) in current liabilities		
Due to Related party	802,495,278	-
Creditors, accrued and other liabilities	(296,150,964)	(5,469,448)
	93,434,554	(370,075,754)
Cash generated from operations		
Finance cost paid	714,384,601	745,349,066
Income tax paid	(73,388,497)	(159,100,702)
Gratuity paid	(44,899,510)	(25,591,752)
	(35,853,779)	-
Net cash inflow from operating activities	560,242,815	560,656,612
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of operating assets	(547,558,646)	(821,831,832)
Proceed from disposal of operating assets	162,605,380	5,000,000
Long term security deposits	10,654,453	(89,500)
Acquisition of Intangible assets	(125,000)	-
Net cash (outflow) from investing activities	(374,423,813)	(816,921,332)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares	310,000,000	947,588,493
Lease rental paid	(79,453,890)	(152,022,318)
Repayment of Short term loans	-	(283,730,816)
Net cash inflow/(outflow) from financing activities	230,546,110	511,835,360
Net increase/(decrease) in cash and cash equivalents	416,365,111	255,570,640
Cash and cash equivalents at beginning of year	(493,458,400)	(756,009,268)
Cash and cash equalant of Trax online (Pvt.) Ltd. at acquisition	93,678,979	6,980,229
Cash and cash equivalents at the end of year	16,585,691	(493,458,400)

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The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

DIRECTOR

SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

1 THE GROUP AND ITS OPERATIONS

- 1.1** Secure Logistics Group Limited (the Group) previously known as Asia Capital Partners (Private) Limited was incorporated on 18th of April, 2013 as a private limited company under the Companies Ordinance 1984, (repealed Companies Act, 2017). The "SLG" has two main business segments, i.e. Logistics & Tracking / Fleet Management services. The registered office is situated in Sector I-10/3, Islamabad. Secure Logistics Group and its subsidiaries are comprises of following:

Name	Holding / Subsidiary	Percentage of shareholding
Secure Logistics Group Limited	Holding Company	-
Fist Securities (Private) Limited	Subsidiary Company	100%
Logi Serve (Private) Limited	Subsidiary Company	100%
Sky Guards (Private) Limited	Subsidiary Company	75%
Trax Online (Private) Limited	Subsidiary Company	100%

Nature of operations of subsidiaries

Fist Securities (Private) Limited

Fist Security (Private) Limited was incorporated on 27th June 2001 in Pakistan under the Companies Ordinance 1984, (repealed with enactment of Companies Act, 2017) and is wholly owned subsidiary of Secure Logistics Group Limited. The company is engaged in the business of providing security and consultancy services for protection of life and property, particularly with respect to building and factories. The registered office of the company is situated in Sector I-10/3, Islamabad.

Logi Serve (Private) Limited

Logi Serve (Private) Limited was incorporated on December 28, 2021, under the Companies Act, 2017. The principal line of business of the Company is to engage in software and application development, data processing and to provide consultancy and training facilities. The Company obtained the Zone Enterprise license of Special Technology Zones Authority ("STZA") on May 12, 2022. The registered office of the Company is 10th Floor, State Life Tower, Jinnah Avenue, Blue Area, Islamabad.

Sky Guards (Private) Limited

The Company has acquired 75% shareholding in Sky Guards (Private) Limited during the period. Sky Guards (Private) Limited was incorporated on May 10, 2001 in Pakistan as a private limited company under the Companies Ordinance 1984, (repealed with enactment of Companies Act, 2017). The company is engaged in the business of providing security and consultancy services for protection of life and property, particularly with respect to building and factories. The registered office of the company is 28/6-F Academy road Walton, Lahore cantt, Pakistan.

Trax Online (Private) Limited

Trax Online (Private) Limited (the Company) is a private limited company incorporated in Pakistan on September 14, 2017 under the Companies Act, 2017. The principal business activity of the Company is to carry on the business of logistics. The geographical locations of the Company's business units are: The Company's registered office is situated at plot No.105, Mehran Town, Sector 7A, Korangi, Karachi. The Company has various distribution centers.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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SECURE LOGISTICS TRAX GROUP LIMITED
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AS AT DECEMBER 31, 2025

2.1 Statement of compliance(...Continued)

• Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed." During the year, Companies Act, 2017 became effective. Under the new legislation, companies with turnover exceeding Rs. one billion fall under large size category. Because of this reason, the company has changed its applicable financial reporting framework from "IFRS for SMEs" to "IFRS".

Retrospective restatement was not required as there was no major change in accounting for Company's

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 Basis for consolidation

Subsidiary is an entity over which the Group has control. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. Generally, there is presumption that a majority of voting rights result in control. The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of control. Subsidiary is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Income and expenses of a subsidiary acquired or disposed off during the year are included in profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary. The financial statements of the Subsidiary Company are prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the Subsidiary Company have been changed to conform with accounting policies of the Holding Company, where required.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Identifiable assets acquired, liabilities assumed and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of cost of acquisition is recorded as goodwill, however, if the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss. The assets, liabilities, income and expenses of the Subsidiary Company are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the Subsidiary Company's shareholders' equity in the consolidated financial statements. All material intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends within the Group are eliminated in full. Non-controlling interest (NCI) is that part of the net results of operations and of net assets of subsidiary attributable interest which are not owned by the Group. The Group measures NCI on proportionate basis of the net assets of subsidiary company. When the ownership of a subsidiary is less than hundred percent, a NCI exists. The NCI is allocated its share of the total comprehensive income for the year, even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. The difference between fair value of any consideration paid / received and the relevant share acquired / disposed off of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses to non-controlling interests are also recorded in equity.

If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in other comprehensive income, and recognises fair value of consideration received, any investment retained, surplus or deficit in profit and loss, and reclassifies the Holding Company share of components previously recognised in other comprehensive income to profit and loss account or retained earnings, as appropriate.

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

2.4 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupees, which is the Holding Company's functional currency. All amounts have been rounded to the nearest Rupee, unless otherwise stated.

2.5 Critical accounting estimates and judgments

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

- Useful lives, residual values and depreciation method of property, plant and Equipment
- Revenue from contracts with customers
- Useful lives, residual values and amortization method of intangible assets
- Provision for impairment of store and spares
- Impairment loss of non-financial assets other than inventories
- Provision for expected credit losses
- Obligation of defined benefit obligation
- Estimation of provisions
- Estimation of contingent liabilities
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses)

3 STATUS OF STANDARDS AND INTERPRETATIONS

3.1 Standards, interpretations and amendments to approved accounting standards that are not yet effective

- (a) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026
IFRS 18	Primary Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

- (b) The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2025:

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRIC 12 Service Concession Arrangement
- IFRS 18 Presentation and Disclosures in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

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3.2 Sustainability Disclosure Standards

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. As per the current scenario, the Company will fall in Phase-III of the criteria as per the order from Securities and Exchange Commission of Pakistan (SECP) dated 31 December 2024. Therefore the effective date of these two sustainability standards for the Company is for annual reporting periods beginning on or after 01 July 2027.

4 MATERIAL ACCOUNTING POLICIES

4.1 Operating fixed asset

Items of operating fixed asset, other than capital work in progress are measured at cost less accumulated depreciation and impairment loss (if any).

Capital work in progress is stated at cost less impairment loss (if any).

The costs of property and equipment include:

- its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates;
- any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- Borrowing costs, if any.

Revaluation

Any revaluation increase arising on the revaluation of land, buildings and plant & machinery is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land, buildings and plant & machinery is charged to profit or loss to the extent that it exceeds the balance, if any, held in the Revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The surplus on revaluation buildings and plant & machinery improvements to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

Depreciation is charged so as to write off the cost of assets (capital work in progress) over their estimated useful lives, using the reducing balance method at rates specified in relevant notes to the consolidated financial statements.

4.2 Intangible assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Infinite intangible

These are stated at cost less impairment, if any.

Definite intangible

a) These are stated at cost less accumulated amortisation and impairment, if any.

b) Intangible assets are amortised on reducing balance method over its estimated useful life(s).

c) Amortization is charged from the date the asset is put to use and discontinued from the date the asset is retired.

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4.2 Intangible assets(„Continued)

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in as other income in the statement of profit or loss.

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Intangible assets acquired separately are initially recognized at cost. After initial recognition, these are measured at cost less accumulated amortization and accumulated impairment losses. Costs associated with routine maintenance of intangible assets are recognized as an expense when incurred. However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life is recognized as capital improvement and added to the original cost of the software.

Amortization is charged using the reducing balance method as per rates mentioned in note 6. Amortization on additions is charged from the month in which an intangible asset is available for use till the date of disposal.

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

4.3 Borrowing costs

Borrowing Costs are recognized as an expense in the period they are incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of assets.

4.4 Store and spares

Stores and spares are stated at lower of weighted average cost and net realisable value, less provision for impairment, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon. Provision is made for obsolete and slow moving stores and spares and is recognised in the statement of profit or loss.

4.5 Trade and other receivables

Trade debts and other receivables are stated initially at invoice amounts and subsequently measured at amortised cost using the effective interest rate method less an allowance for expected credit losses, if any. Allowance for expected credit losses is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts, if any, are written off when considered irrecoverable.

4.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flow, cash and cash equivalents include cash in hand, with banks and short term bank finances. The fair value of cash and cash equivalents approximate their carrying amount.

4.7 Government grant

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. As the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

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4.8 Staff retirement benefits

The Group operates an un-funded gratuity scheme for all its permanent employees who have attained retirement age, died or resigned during service period and have served for the minimum qualification period. Provision is based on the actuarial valuation of the scheme carried out as at December 31, 2022 using the Projected Unit Credit Method in accordance with IAS-19 "Employee Benefits" and resulting vested portion of past service cost has been charged to income in the current year. The remeasurement gains / losses as per actuarial valuation done at financial year end are recognized immediately in other comprehensive income and all other expenses are recognized in accordance with IAS 19 "Employee Benefits" in the statement of profit or loss.

4.9 Lease

The Group, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At inception of a contract, the Group assesses whether 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 Group mainly leases properties for its operations. The Group 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 if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. 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 Group has lease agreements for head office building which were previously classified by the Group based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for all the leases i.e. these leases are on statement of financial position.

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 entity's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. 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 corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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4.10 Right-of-use assets

The Company recognises a right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right of use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right of use asset from the commencement date to the end of the useful life of the underlying asset. otherwise, the lessee shall depreciate the right of use asset from the commencement date to earlier of end of the useful life of the right of use asset or the end of the lease term.

4.11 Non-Controlling interest

Non-controlling interest (NCI) represents the equity in a subsidiary not attributable, directly or indirectly, to the parent company. It is measured at the proportionate fair value of the net assets of the subsidiary. Non-controlling interest is initially measured at the proportionate share of the fair value of the subsidiary's identifiable net assets at the acquisition date. Subsequent to acquisition, NCI is adjusted for the non-controlling interests' share of changes in the subsidiary's equity.

4.12 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

4.13 Taxation

Tax Liability is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher in accordance with the provisions of Income Tax Ordinance 2001.

Current

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

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income and based on revenue or other basis other than taxable income is classified as levy. Minimum taxes in excess over the amount designated as income tax is recognized as levy falling under the scope of IFRIC 21/IAS 37.

Deferred

Deferred tax is accounted for using the balance sheet approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by the institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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4.13 Taxation (..Continued)

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

4.14 Provisions

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

4.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI), fair value through profit or loss (FVTPL) and in case of an equity instrument it is classified as FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Any gain or loss on derecognition is recognized in statement of profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, deposits, trade debts and long term loan.

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(b) Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss. However, the Group has no such instrument at the reporting date.

(c) Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and these investments are never reclassified to profit or loss. However, the Group has no such instrument at the reporting date.

(d) Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss.

Financial assets – Business model assessment

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, while the interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

The Group's financial liabilities comprise Creditors, short term borrowings, accrued markup, Accrued expenses & Liabilities against assets subject to finance lease.

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.16 Impairment

Financial assets

The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities, bank balances and other receivables for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

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4.16 Impairment (...Continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non - financial assets

The carrying amount of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

4.17 Foreign currency transactions

Pak Rupee is the functional currency of the Group. Transactions in foreign currencies are recorded in Pak Rupees at the exchange rate approximating those prevailing on the date of the transaction. Monetary assets and liabilities in foreign currency are reported in Pak. Rupees at the exchange rate approximating those prevalent at the reporting date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transaction. Non monetary items measured at fair value in foreign currencies, are translated using the exchange rates at the date when the fair value was determined.

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4.18 Dividend and appropriation to reserves

Dividends and appropriations to the reserves are recognized in the period in which these are approved. However if these are approved after the reporting period but before the financial statements are authorized for issue they are disclosed in the notes to these financial statements.

4.19 Revenue recognition

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Specifically, the standard introduces a 5 - step approach to revenue recognition.

- Step 1 Identify the contract with a customer
- Step 2 Identify the performance obligations in the contract
- Step 3 Determine the transaction price
- Step 4 Allocate the transaction price to the performance obligations in the contract
- Step 5 Recognize revenue when (or as) the entity satisfies a performance obligation

4.20 Related party transactions

Transactions with related parties are carried out on commercial terms and condition unless specifically mentioned in relevant note.

4.21 Contingent liabilities

Contingent liability is disclosed when:

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

4.22 Correction of prior period error

During the year ended 31 December 2025, management identified that a lease arrangement entered into in a prior period had been incorrectly accounted for as operating rent expense. Lease rentals were recognised as rent expense with a corresponding rent payable, whereas the arrangement met the recognition criteria of a lease under IFRS 16 – Leases. Accordingly, the entity has corrected the error by recognising a right-of-use asset and corresponding lease liability at the commencement date of the lease. Rent expense and rent payable previously recognised have been reversed, and instead depreciation on the right-of-use asset and finance cost on the lease liability have been recognised using the effective interest method. The correction has been accounted for retrospectively in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. Comparative figures for the year ended 31 December 2024 have been restated. The impact relating to periods prior to 1 January 2024 has been adjusted against opening retained earnings as at 1 January 2024, being the earliest period presented.

Statement of profit or loss

	For the year ended December 31, 2024		
	2024 Rupees	Increase/ (Decrease)	2024 Rupees
Cost of services	1,424,656,936	4,998,028	1,429,654,964
Administrative expense	307,788,548	(8,914,465)	298,874,083
Finance cost	175,743,248	10,509,287	186,252,535
Taxation	74,231,368	(2,615,579)	71,615,789
Deferred taxation	68,364,288	20,092,149	88,456,437
Profit	600,675,955	16,114,878	616,790,832

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SECURE LOGISTICS TRAX GROUP LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2025

Statement of financial position

	As at January 1, 2024		
	December 31, 2023 (Rupees)	Increase/ (Decrease)	Restated January 1, 2024 (Rupees)
Buildings-ROUA	-	78,999,934	78,999,934
Buildings-ROUA accumulated depreciations	-	17,373,085	17,373,085
Lease Liability	147,215,639	65,661,000	212,876,639

	As at December 31, 2024		
	December 31, 2024 (Rupees)	Increase/ (Decrease)	December 31, 2024 (Rupees)
Buildings-ROUA	-	78,999,934	78,999,934
Buildings-ROUA accumulated depreciations	-	30,469,961	30,469,961
Lease Liability	3,413,507	67,950,100	71,363,607
Rent payables	8,793,125	(8,793,125)	-
Deferred tax liability	26,617,184	(20,092,149)	6,525,035
Provision for taxation - net	127,013,674	(2,615,579)	124,398,095

4.23 Reclassification of Property, Plant and Equipment (PPE) in Consolidated Financial Statements

During the current reporting period, the Company identified that certain line items within Property, Plant and Equipment (PPE) were not correctly classified in the prior year's consolidated financial statements. While the standalone financial statements had already been properly reclassified, the consolidated financial statements required further adjustment. Accordingly, the Company has reclassified these PPE line items in the current period to ensure consistency and proper presentation.

4.24 Reclassification of Expected Credit Loss (ECL) Expenses

During the current reporting period, the Company has reclassified Expected Credit Loss (ECL) expenses. In prior periods, ECL was presented separately on the face of the Profit and Loss Statement. To better reflect the nature of these costs and align with the presentation of other operating expenses, ECL has now been included under Administrative Expenses. This reclassification does not impact the net profit or loss reported for the period; it is solely a presentational adjustment.

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SECURE LOGISTICS GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

5 OPERATING FIXED ASSETS

	Note	2025	Restated 2024
Owned	S.1	4,305,877,367	4,066,740,115
Rights of use	S.2	158,002,410	54,633,143
Total		4,463,879,777	4,121,373,258

2025

Description	Balance as at January 1, 2025	Cost		Balance as at December 31, 2025	Rate	Accumulated Depreciations			WDV	
		Addition / Transfer	Disposal / Transfer			Balance as at January 1, 2025	Addition / Transfer	Disposal / Transfer		Balance as at December 31, 2025
-----Amount in Rupees-----										
Owned Assets:										
Office Equipment	51,953,831	245,394,562	15,451,838	281,896,555	15%	13,646,646	159,721,188	3,943,438	169,424,396	112,472,159
Electrical equipment	17,665,604	-	-	17,665,604	10%	4,450,228	2,643,075	-	7,093,303	10,572,301
Security equipment	193,682,693	15,548,000	-	209,230,693	10%	35,835,507	16,847,166	-	52,682,673	156,548,020
Computers	147,422,371	130,000	-	147,552,371	33%	39,745,469	20,190,964	-	59,936,433	87,615,938
Weapons and licenses	224,412,354	23,254,121	-	247,666,475	10%	48,248,916	19,169,369	-	67,418,286	180,248,189
Furniture & Fixtures	53,275,659	69,456,666	20,117,720	142,849,045	10%	10,706,288	37,967,431	4,157,677	52,771,396	90,077,649
Vehicles	124,906,224	-	-	124,906,224	20%	69,367,897	11,107,665	-	80,475,562	44,430,662
Owned truck	1,688,831,315	132,514,524	119,790,126	1,701,555,713	3.5%	98,019,130	55,972,508	28,713,469	125,278,169	1,576,277,544
Trailers	1,477,341,187	100,231,000	80,666,428	1,496,905,759	2.8%	129,267,614	38,135,986	19,743,084	147,660,516	1,349,245,243
Fuel Tanks	94,451,893	-	-	94,451,893	10%	25,931,387	6,852,051	-	32,783,438	61,668,455
Trackers	197,738,181	210,172,067	197,738,181	210,172,067	10%	114,274,390	122,724,385	114,274,390	122,724,385	87,447,682
Bob trackers	23,368,389	23,368,389	23,368,389	23,368,389	20%	19,687,720	20,583,854	19,887,720	20,583,854	2,784,535
Wireless immobilizers	1,312,500	-	-	1,312,500	33%	1,299,115	4,417	-	1,303,532	8,968
Anti theft devices	28,058,492	-	-	28,058,492	33%	6,857,627	4,250,896	-	11,108,523	16,949,969
Lbs. device	29,678	-	-	29,678	33%	29,226	149	-	29,375	303
Fire extinguishers	1,288,259	-	-	1,288,259	33%	1,217,057	23,497	-	1,240,554	47,705
Motor cycles	512,500	-	-	512,500	10%	441,378	7,112	-	448,490	64,010
Distribution vehicles	215,432,457	40,100,000	-	255,532,457	3.5%	21,475,798	7,719,833	-	29,195,631	226,336,826
Tyres	432,102,973	95,406,355	-	527,509,328	40%	275,520,944	75,739,532	-	351,260,476	176,248,852
Leasehold improvements	14,445,925	77,311,796	-	91,757,721	16.7%	5,310,032	33,938,621	-	39,248,653	52,509,068
Motor Vehicle	-	27,376,309	-	27,376,309	3.5%	-	8,614,841	-	8,614,841	18,761,468
Foton Vehicle	-	90,129,690	-	90,129,690	3.5%	-	2,628,783	-	2,628,783	87,500,907
Subtotal	4,988,272,484	1,150,393,479	457,132,682	5,681,533,281		921,532,370	644,843,323	190,719,778	1,375,655,915	4,305,877,367

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SECURE LOGISTICS GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

5 OPERATING FIXED ASSETS (...Continued)
5.2 Right of use

	8,434,000	-	8,434,000	-	4%	2,330,830	196,793	2,527,623	-
Leased trucks	8,434,000	-	8,434,000	-	4%	2,330,830	196,793	2,527,623	-
Buildings	78,999,934	-	-	-	-	30,469,961	13,096,876	-	43,566,837
ROU Assets	-	294,439,803	51,160,383	243,279,420	-	-	171,870,490	51,160,383	120,710,107
Subtotal	87,433,934	294,439,803	59,594,383	322,279,354	-	33,800,791	185,164,159	53,688,006	164,276,944
Total	5,075,706,418	1,444,833,292	516,727,068	6,003,812,635	-	954,333,161	830,007,482	244,407,784	1,539,932,859

2024-Restated

Description	Balance as at January 1, 2024	Cost		Rate	Balance as at December 31, 2024	Accumulated Depreciations		WDV
		Addition / Transfer	Disposal / Transfer			Addition / Transfer	Disposal / Transfer	

Amount in Rupees

Description	Balance as at January 1, 2024	Cost		Rate	Balance as at December 31, 2024	Accumulated Depreciations		WDV
		Addition / Transfer	Disposal / Transfer			Addition / Transfer	Disposal / Transfer	
Owned Assets								
Office Equipment	12,159,646	39,794,195	-	15%	51,953,831	4,408,694	-	13,646,646
Electrical equipment	4,728,089	32,937,515	-	10%	17,665,604	1,632,276	-	4,450,228
Security equipment	125,421,744	68,260,949	-	10%	193,682,693	30,496,116	-	35,835,508
Computers	121,328,398	26,093,973	-	33%	147,422,371	5,854,219	-	39,745,469
Weapons and licenses	69,976,706	154,435,648	-	10%	224,412,354	14,109,959	-	48,248,916
Furniture & Fixture	9,627,647	43,648,012	-	10%	53,275,659	3,190,191	-	10,706,288
Vehicles	78,180,031	46,726,193	-	20%	124,906,224	7,527,190	-	69,367,897
Owned truck	621,689,244	1,127,387,139	(60,245,068)	3.5%	1,688,831,315	39,849,035	(9,965,024)	98,019,130
Trailers	946,950,956	530,390,231	-	2.0%	1,477,341,187	31,412,989	-	129,267,614
Fuel Tanks	94,451,893	-	-	10%	94,451,893	7,613,390	-	25,931,387
Tractors	197,046,731	691,450	-	10%	197,738,181	9,238,209	-	114,274,390
Rep trackers	23,368,389	-	-	10%	105,036,181	6,592	-	83,463,791
Wireless immobilizers	1,312,500	-	-	33%	1,312,500	6,592	-	13,305
Anti theft devices	4,318,921	23,779,571	-	33%	28,098,492	2,569,974	-	6,857,627
Lib. device	29,678	-	-	33%	29,678	222	-	29,226
Fire extinguishers	1,288,259	-	-	33%	1,288,259	35,069	-	1,217,057
Motor cycles	512,500	-	-	10%	512,500	7,903	-	441,378
Distribution vehicles	124,655,817	90,776,640	-	3.5%	215,432,457	6,027,833	-	21,475,798
Tyres	356,982,286	75,220,687	-	40%	432,102,973	79,734,381	-	275,520,944
Leasehold improvements	14,445,925	-	-	16.7%	14,445,925	2,407,654	-	5,310,032
Subtotal	2,808,375,360	2,249,142,192	(60,245,068)	-	4,988,272,484	246,992,063	(9,965,824)	921,532,369

5.2 Right of use

	1,065,077,882	114,927,403	(1,171,571,285)	8,434,000	4%	152,789,287	15,037,781	(165,496,288)	2,330,830
Leased trucks	1,065,077,882	114,927,403	(1,171,571,285)	8,434,000	4%	152,789,287	15,037,781	(165,496,288)	2,330,830
Leased trailers	571,899,558	-	(571,899,558)	-	3%	83,926,311	5,693,021	(89,619,332)	0
Motor vehicles	43,427,501	-	(43,427,501)	-	20%	249,503	4,317,792	(4,567,275)	0
Buildings	78,999,934	-	-	78,999,934	-	17,373,085	13,096,876	-	30,469,961
Subtotal	1,759,404,875	114,927,403	(1,786,898,344)	87,433,934	-	254,338,266	38,148,470	(259,682,944.80)	32,800,791
Total	4,567,780,235	2,355,069,595	(1,847,143,412)	5,075,706,418	-	938,844,396	246,137,533	(269,648,769)	954,333,160

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SECURE LOGISTICS GROUP LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2025

5 OPERATING FIXED ASSETS (...Continued)

5.3 Details of assets disposed off during the Period is as follows:

Asset	Cost		Accumulated Rupees.....	Carrying amount	Sales price	Gain / (Loss)	Particulars of the purchaser	Mode of disposal	Relationship with the
	2025	2024							
Owned Trucks	119,790,126	28,713,469	91,076,657	91,814,975	728,318	Dysin	Auction	None	
Trailers	80,666,428	19,743,084	60,923,344	61,390,405	467,061	Dysin	Auction	None	
Office Equipments	15,451,838	3,943,438	11,508,400	3,938,298	(7,570,102)	Rahat Hussain	Auction	None	
Furniture & Fixtures	20,117,720	4,157,662	15,960,058	5,461,702	(10,498,356)	Waqas Ahmed	Auction	None	
	236,026,112	56,557,653	179,460,459	162,605,380	(16,863,079)				

5.4 Allocation of depreciation is as below:

	2025	Restated 2024
	(Rupees)	(Rupees)
Cost of services	263,336,845	257,914,227
Administrative expenses	93,913,451	27,223,306
	357,250,297	285,137,533

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SECURE LOGISTICS GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

6 INTANGIBLES

	Computer Software	Navigation Software	Custom Clearance and License	Technology Software Suite	NBFC License	Total
Rupees						
Cost						
Balance as at January 01, 2025	6,600,000	52,150,000	36,788,801	4,800,000	-	100,338,801
Additions during the year	-	52,150,000	-	90,852,973	125,000	143,127,973
Revaluation	-	-	-	2,522,205,574	-	2,522,205,574
Disposals during the year	-	52,150,000	-	13,058,574	-	65,208,574
Balance as at December 31, 2025	6,600,000	52,150,000	36,788,801	2,604,799,973	125,000	2,700,463,774
Accumulated Amortization						
Balance as at January 01, 2025	5,272,535	29,255,092	3,803,759	4,431,465	-	42,762,851
Charge for the year	339,200	33,834,074	-	78,058,545	15,297	112,247,116
Disposals during the year	-	29,255,092	-	13,058,574	-	42,313,666
Balance as at December 31, 2025	5,611,735	33,834,074	3,803,759	69,431,436	15,297	112,696,301
WDV as at December 31, 2025	988,265	18,315,926	32,985,042	2,535,368,537	109,703	2,587,767,473
Cost						
Balance as at January 01, 2024	6,600,000	52,150,000	3,803,759	4,800,000	-	67,353,759
Additions during the year	-	-	32,985,042	-	-	32,985,042
Disposals during the year	-	-	-	-	-	-
Balance as at December 31, 2024	6,600,000	52,150,000	36,788,801	4,800,000	-	100,338,801
Accumulated Amortization						
Balance as at January 01, 2024	4,940,669	23,531,365	3,803,759	4,339,331	-	36,615,124
Charge for the year	331,866	5,723,727	-	92,134	-	6,147,727
Disposals during the year	-	-	-	-	-	-
Balance as at December 31, 2024	5,272,535	29,255,092	3,803,759	4,431,465	-	42,762,851
WDV as at December 31, 2024	1,327,465	22,894,908	32,985,042	368,535	-	57,575,950
Amortization rate	20%	20%	20%	20% & 3.33%	33.33%	

6.1 Amortization for the year is charged wholly to administrative expense.

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SECURE LOGISTICS TRAX GROUP LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)	
7 Long term security deposits				
Security deposit with Landlord	7.2	62,668,588	31,162,905	
Security deposit with clients	7.1	50,750,511	58,080,167	
		<u>113,419,099</u>	<u>89,243,072</u>	
7.1 The amount represents security deposits held by customers as assurance for contractual performance obligations.				
7.2 Non-Current security deposits		82,662,947	89,243,072	
Current security deposits	7.3	30,756,152	-	
		<u>113,419,099</u>	<u>89,243,072</u>	
7.3 These represent refundable deposits placed with clients as a guarantee for performance under contractual agreements with a tenure of less than one year and are expected to be recovered within twelve months of the reporting date.				
8 Trade debts				
Trade debts- other parties		1,093,809,273	402,709,415	
Allowance for expected credit losses	8.1	(59,464,803)	(8,142,929)	
		<u>1,034,344,470</u>	<u>394,566,486</u>	
Aging analysis of trade receivables from contract with customers				
Particulars	Past due less than 30 days	Past due less than 60 days	Past due less than 365 days	Past due over 365 days
Due from related parties	-	-	-	-
Due from other parties	507,010,836	266,869,136	319,618,425	310,875
8.1 Movement of allowance for expected credit losses of trade receivables				
Balance as at January 1, 2025			8,142,929	4,727,413
Opening ECL of Trax at acquisition			44,928,229	-
Allowance for expected credit losses			6,393,645	3,428,860
Balance as at December 31, 2025			<u>59,464,803</u>	<u>8,142,929</u>
9 Store and spares				
Miscellaneous maintenance items			622,743,550	617,075,447
Tyers			254,920,065	237,021,065
Diesel			102,557,912	103,362,912
Trackers			-	12,433,886
			<u>980,221,527</u>	<u>969,893,310</u>
9.1 These items are held for consumption in the ordinary course of business and are not intended for resale.				
10 Due from related party				
Mr. Umair (CEO Skyguards Pvt Ltd)	10.1	3,800,000	-	-
Genesis Holdings (Private) Limited	10.2	2,792,754	-	-
Trax Global (PTE) Limited	10.3	5,487,749	-	-
United Distribution Pakistan (Private) Limited	10.4	1,803,695	-	-
International Franchise (Private) Limited	10.5	690,135	-	-
Intelligen (Private) Limited	10.6	236,116	-	-
Trax Distribution (Private) Limited	10.7	93,424	-	-
		<u>14,903,873</u>	-	-

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SECURE LOGISTICS TRAX GROUP LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2025

10	Due from related party(…Continued)			
10.1	This represents an advance given to the Chief Executive officer for payment of No Objection Certificate (NOC) renewal fee on behalf of Skyguards (Private) Limited. The balance is unsecured, interest free and is expected to be settled in the normal course of business.			
10.2	This amount represents the amount receivable from Genesis Holdings (Private) Limited in respect of operating expenses paid by the company on behalf of Genesis Holdings (Private) Limited.			
10.3	This amount represents the amount receivable from Trax Global PTE Limited in respect of operating expenses paid by the company on behalf of Trax Global PTE Limited.			
10.4	This amount represents the amount receivable from United distribution Pakistan (Private) Limited in respect of rental space charges paid by the company on behalf of United distribution Pakistan (Private) Limited.			
10.5	This amount represents the amount receivable from International Franchise (Private) Limited in respect of rental space charges paid by the company on behalf of International Franchise (Private) Limited.			
10.6	This amount represents the amount receivable from Intelligen (Private) Limited in respect of rental space charges paid by the company on behalf of Intelligen (Private) Limited.			
10.7	This amount represents the amount receivable from Trax Distribution (Private) Limited in respect of rental space charges paid by the company on behalf of Trax Distribution (Private) Limited.			
11	Current investments			
	Mutual Fund Investments		90,475	-
			<u>90,475</u>	<u>-</u>
12	Prepayment, deposits and advances			
	Advances to customer	12.1	39,794,074	-
	Prepaid security deposits		17,536,730	-
	Business advances for way expenses	12.2	17,266,609	14,618,755
	Sales tax receivables		9,368,419	9,385,911
	Security deposit to clients		7,711,505	7,695,505
	Advances to employees against salary	12.3	6,891,677	-
	Receivables to field offices		6,541,825	7,456,503
	Prepaid expenses		5,398,623	-
	Earnest money		3,862,254	1,623,754
	Askari Bank Limited - finance lease	12.4	2,099,873	4,208,500
	Other receivables		520,192	126,000
	Prepaid insurance		-	474,632
			<u>116,991,781</u>	<u>45,589,560</u>
12.1	These represent funds paid upfront for logistics services. This amounts are recorded as asset and later adjusted against collection received from the public.			
12.2	This represents advances provided by the entity to truck drivers to cover way expenses, including fuel charges, toll charges, and any unforeseen costs such as minor repairs and maintenance during transit. These advances are settled on an actual basis upon submission of supporting bills and receipts to the			
12.3	These are interest free loans that have been provided to the employees as per policy to facilitate the expenditures for domestic purposes. Included in the above balance is an amount of Rs. 5,833,330 relating to an employee which is currently under dispute. The matter is under review by management, and appropriate action will be taken upon its resolution.			
12.4	This amount includes security deposit paid to Askari Bank Limited against finance lease liabilities.			
12.5	Loans and advances exceeding Rs. 1 million			
	Category			
	Rs. 1 million to Rs. 3 million		-	-
	Rs. 3 million and above		17,266,609	14,618,755
			<u>17,266,609</u>	<u>14,618,755</u>

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SECURE LOGISTICS TRAX GROUP LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
13 Cash and bank balances			
Cash in hand		1,033,750	1,348,274
Cash at bank in local currency			
- Current account - PKR		97,083,280	12,924,351
- Saving account - PKR		123,467,867	8,545
		<u>221,584,905</u>	<u>14,281,170</u>
Cash and cash equivalents			
The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows at the end of the financial year as follows:			
Cash and cash equivalents comprise of following:			
Cash and bank	13	221,584,905	14,281,170
Short term loans	22	(204,999,215)	(507,739,570)
		<u>16,585,690</u>	<u>(493,458,400)</u>
14 Share capital			
14 Authorized share capital			
		2025	2024
		Numbers	Numbers
		425,000,000	275,000,000
		Ordinary share of Rs. 10 each paid in cash	
		2025 Rupees	2024 Rupees
		4,250,000,000	2,750,000,000
14.1 Issued, subscribed and paid up capital			
The break up of ordinary paid up share capital is as follows:			
		2025	2024
		Numbers	Numbers
		273,843,459	249,529,734
		Ordinary shares of Rs. 10 each paid in cash	
		2,738,434,595	2,495,297,340
		Ordinary shares issued as fully paid for consideration other than cash	
		1,437,236,366	241,004,470
14.2 Reconciliation of number of shares outstanding	Note	2025 (Rupees)	2024 (Rupees)
		2025 Number	2024 Number
Ordinary shares			
Number of shares outstanding at the beginning of the year		1,360,819	83,564,932
Increase in authorize share capital		150,000,000	25,000,000
Shares issued for cash		-	83,103,666
Shares issued for consideration other than cash	14.2.1	143,936,915	24,100,447
Number of shares outstanding at the end of the year		<u>7,423,904</u>	<u>1,360,819</u>
14.2.1 Shares have been issued to the followings:			
Trax (Private) limited	10.3.1.1	116,921,307	-
Mr. Pervaiz Afzal Khan	10.3.1.2	27,015,608	-
Total shares issued during the period		<u>143,936,915</u>	<u>-</u>
14.2.2 During the year, the Company acquired 100% shareholding of Trax online (Private) Limited through the issuance of 116,921,307 ordinary shares at share price of Rs. 14.415 each, and PAR value of share is Rs.10. Accordingly, Trax online (Private) Limited has become a wholly owned subsidiary of the Company.			
14.2.3 During the period, the Company issued 27,015,608 ordinary shares to Mr. Pervaiz Afzal Khan at a par value of Rs. 12.75 per share. Complete disclosure in respect of this issuance is provided in Note 16 to the financial statements.			

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

14 Share capital(...Continued)

14.3 The Company was listed on the Pakistan Stock Exchange (PSX) on April 22, 2024. This listing involved the issuance of a total of 55,704,113 ordinary shares as part of a pre-IPO at a price of PKR 10.50 per share, amounting to PKR 585 million. Additionally, the Company issued 50,000,000 ordinary shares through an IPO at a floor price of PKR 12.00 per share, raising PKR 600 million. Consequently, the Company's share capital increased by PKR 1,057 million and the share premium increased by PKR 127 million.

14.4 Subsequent to the year end, the Company issued 4,217,940 ordinary shares of Rs. 10 each under the Employee Stock Option Scheme (ESOS) to Mr. Pervaiz Afzal Khan in consideration of services rendered in connection with the execution of the merger transaction and integration of entities, as approved by the Board of Directors and shareholders.

The shares were issued pursuant to the Scheme of Arrangement approved by the Honorable High Court. The transaction has been accounted for as an equity-settled share-based payment in accordance with IFRS 2. The fair value of the shares issued has been recognized in profit or loss with a corresponding increase in equity.

Consequent to the above allotment, the paid-up share capital of the Company stands at Rs. 4,217,940,360 divided into 421,794,036 ordinary shares of Rs. 10 each.

	Note	2025 (Rupees)	Restated 2024 (Rupees)
15 Liabilities against assets subject to finance lease			
As at 1 January 2025		71,363,607	212,876,639
Additions		213,291,751	-
Interest expense relating to lease liabilities		33,824,969	16,166,014
Payments		(79,453,763)	(157,679,046)
As at December 31, 2025		239,026,564	71,363,607
Current		15,251,780	22,202,178
Non-current		223,774,784	49,161,429
		239,026,564	71,363,607
Maturity analysis of lease liabilities			
Up to one year		82,849,051	154,750,036
After one year		282,874,055	3,540,875
Total lease liabilities		365,723,106	158,290,911
Future finance charges		(126,696,542)	11,075,272
		239,026,564	147,215,639

15.1 Cash outflow for leases

The Group had total cash outflows for leases of Rs. 79,453,763 (2024: Rs. 157,679,046).

The Group has obtained vehicle on finance leases form different banks at the rate of 3 month KIBOR+1.5 to 1 year KIBOR+2% on quarterly Instalment payment. The Group has provided following securities to bank against theses finance lease facility;

- Vehicles to be registered in name of company and lien to be marked over the registration book in name of
- Personal guarantee of all directors.
- Creation of charge of on receivables of the Group from Cherat Cement Company to be registered with
- Promissory notes.
- Hypothecation of leased Assets.

16 Deferred taxation

Deferred tax liability-opening	6,525,035	99,064,857
Charged to profit & loss	(452,701,789)	(88,456,437)
Charged to other comprehensive income	4,154,412	(4,083,384)
	(442,022,342)	6,525,035

Deferred tax arising due to following temporary timing differences are as follows:

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	Note	2025 (Rupees)	Restated 2024 (Rupees)	
16	Deferred taxation (...Continued)			
	Deferred tax liability on taxable temporary difference			
	Intangibles	(46,968,254)	(42,464,866)	
	Lease Liability	(58,953,505)	(7,596,683)	
	Gratuity	-	(8,684,187)	
	Unused tax losses	(326,355,133)	(75,587,468)	
	Unused tax credit	(122,612,507)	(59,986,669)	
	Expected credit losses	(16,378,520)	(1,573,356)	
	Investment in subsidiary	5,667,059	2,296,145	
	Loan from associate	-	1,035,740	
	Property and equipment-Owned	229,310,236	197,316,463	
	Leasehold improvements	-	-	
	Property and equipment-Leased	39,187,613	1,769,917	
	Advances	(2,100,045)	-	
	Minimum turnover 2025	(54,197,678)	-	
	Alternative corporate tax	(11,912,167)	-	
	Markup on Security deposits	(1,807,788)	-	
	Defined benefit obligation	(18,769,815)	-	
	Current quarter losses	(56,131,838)	-	
		<u>(442,022,342)</u>	<u>6,525,035</u>	
17	Employee benefit obligation			
	Employees gratuity	64,723,498	35,853,779	
	Reconciliation of net liability is as follows:			
	Present value of defined obligations	64,723,498	35,853,779	
		<u>64,723,498</u>	<u>35,853,779</u>	
	Movement in the net liability is as follows:			
	Opening balance	35,853,779	16,717,918	
	Trax acquisition	64,723,498	-	
	Charge during the year - P/L	-	5,055,225	
	Other comprehensive loss/ (income)	-	14,080,636	
	Payments made during the year	(35,853,779)	-	
	Closing balance	<u>64,723,498</u>	<u>35,853,779</u>	
	Movement in present value of defined obligation			
	Present value of defined obligations at beginning of the year	-	16,717,918	
	Current service cost	-	2,497,807	
	Interest cost	-	2,557,418	
	Remeasurement gain	-	14,080,636	
	Obligation at end of the year	<u>-</u>	<u>35,853,779</u>	
18	Creditors, accrued and other payables			
	Withholding tax payable	18.1	286,117,871	59,946
	Cash on delivery payable	18.2	214,346,480	-
	Creditors		173,599,677	152,476
	Sales tax payable		127,315,858	38,169,014
	Salaries payable	18.3	124,135,265	63,460,851
	Rent payable		12,232,384	0
	Others payable		8,069,372	26,056,737
	Markup accrued		6,227,568	13,293,467
	Audit fee payable		2,887,095	2,302,325
	Accrued expenses		915,334	1,679,841
	EOBI payable		326,761	4,928,515
			<u>956,173,665</u>	<u>150,103,172</u>

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		Note	2025 (Rupees)	Restated 2024 (Rupees)
18	Creditors, accrued and other payables (...Continued)			
18.1	This comprises statutory taxes withheld at source, including payroll taxes, withholding tax on vendors, and applicable taxes relating to cash on delivery (COD) services, which are payable to the relevant tax authorities.			
18.2	This comprises amounts collected from customers on behalf of merchants under COD arrangements, which are payable to the respective merchants in accordance with contractual terms.			
18.3	This comprises outstanding salaries, delivery incentives, and sales commissions payable to employees in respect of services rendered up to the reporting date.			
19	Provision for taxation-net			
	Opening at January 1		124,398,095	68,077,092
	Advance tax adjustment		29,805,280	-
	Provision for taxation		82,489,458	71,615,789
	Levy for the year		19,237,165	10,296,966
			<u>255,929,998</u>	<u>149,989,847</u>
	Income tax paid		(44,899,510)	(25,591,752)
	Closing at 31 December		<u>211,030,487</u>	<u>124,398,095</u>
20	Loan from associates			
	KBP Limited	20.1	28,850,452	28,850,452
	Mr. Pervaiz Afzal Khan - Sponsor	20.2	7,597,370	42,046,368
			<u>36,447,822</u>	<u>70,896,820</u>
20.1	This loan is unsecured and interest free. The loan does not bear any fixed repayment schedule.			
20.2	Opening balance		42,046,368	42,046,368
	Loan given to the company during		310,000,000	-
	Loan repaid by the company		(344,448,998)	-
	Closing balance		<u>7,597,370</u>	<u>42,046,368</u>
	The unsecured and interest-bearing loan of Rs. 42,046,368/- from Mr. Pervaiz Afzal Khan - Sponsor was outstanding at the beginning of the period. During the period ended December 31, 2025, Mr. Pervaiz Afzal advanced an additional Rs. 310 million to the Company for repayment of its running finance facility. From the opening balance of Rs. 42,046,368/-, an amount of Rs. 34,448,998/- was converted into equity through the issuance of 27,015,608 ordinary shares of Rs. 10 each to Mr. Pervaiz Afzal at a premium of Rs. 2.75 per share, resulting in partial settlement of the outstanding balance.			
21	Due to related party			
	Genesis holdings Pvt Ltd		496,721,298	-
	Loan From Trax Global PTE Limited	21.1	131,159,574	-
	Suleman Soorani	21.2	10,000,000	-
	Pegasync		9,676,549	-
			<u>647,557,421</u>	<u>-</u>
21.1	This amount represents the loan provided by Trax Global PTE Limited to Trax Online (Private) Limited to support its working capital and operational requirements. The loan has been extended under mutually agreed terms and conditions between the parties. The outstanding balance as at the reporting date represents the principal amount payable, together with accrued markup, and remains payable in accordance with the agreed repayment terms.			
21.2	This amount represents an interest-free loan provided by Director of the Company, to support the Company's working capital requirements during the year. The loan has been extended without markup under mutually agreed terms and conditions. The outstanding balance as at the reporting date represents the principal amount payable and is repayable in accordance with the agreed terms between the parties. The Company also had a short-term loan of Rs. 23,715,000 from a Director. During the year, the loan was written off and accordingly, the Company recognized a gain in the statement of profit or loss, recorded under Other Income under Note 28.			

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	Note	2025 (Rupees)	Restated 2024 (Rupees)
22 Short term loans:			
Askari Bank Limited	22.1	104,999,214	104,999,214
Habib Bank Limited-RF1	22.2	100,000,001	100,000,001
Habib Bank Limited-RF2	22.3	-	302,740,355
		204,999,215	507,739,570
22.1	Running Finance facility of PKR. 105 million has obtained at 3 month KIBOR plus 1.25%. The facility is secured against 1st pari passu charge of PKR. 50 M against all present and future current and fixed assets of the Company registered with SECP, 1st pari passu charge of PKR. 150 million over all present and future current assets and receivables of the Company registered with SECP and personal guarantee of all the directors of the Company excluding personal guarantee of nominee director.		
22.2	Running Finance facility was obtained at 3 month KIBOR plus 1.75% per annum and was secured against pari passu charge of PKR. 50 million over all present and future current and fixed assets of the company duly registered with SECP, personal guarantees of all the directors, personal guarantees of Pervaiz Afzal Khan and cross corporate guarantee of FIST Security Private Limited. This facility has been paid off in full.		
22.3	The Running Finance facility of PKR 310 million is obtained by the Company at 3 Month KIBOR plus 0.5% and is backed by Stand by Letter of Credit issued by UBS Bank and arranged by sponsor shareholder Mr. Pervaiz Afzal Khan. During the year liability is fully transferred to Mr. Pervaiz Afzal Khan.		
23 Contingencies and commitments	There were no contingencies as of reporting date.(2024:Nil)		
24 Revenue-net			
Logistics division		1,255,342,372	2,033,470,329
Courier services-domestic		1,072,656,144	-
Security services		491,236,707	753,212,657
Distribution division		40,876,534	82,049,666
Warehouse services		238,305,690	-
Closed protection duty		135,983,699	147,429,402
Courier services-international		88,235,847	-
Tracker division		23,752,994	9,950,961
		3,346,389,987	3,026,113,015
Less: Sales tax		(41,825,547)	(43,430,650)
Reimbursement of salaries		(366,597,949)	(464,327,570)
		2,937,966,491	2,518,354,795
25 Cost of services			
Fuel charges		746,111,860	768,304,847
Salaries- staff		317,422,541	-
Depreciation	5.4	263,336,845	257,914,227
Repair and maintenance vehicles		155,155,504	28,650,370
Way expenses		125,050,422	226,639,219
Cargo forwarding expenses		100,133,616	-
Offloading charges		52,800,166	-
Car rentals		30,034,378	22,235,498
Drivers salaries		23,761,655	52,374,176
Insurance expense		16,915,150	9,831,835
Misc. expenses		11,130,295	87,500
Petrol, oil and lubricants		11,918,026	7,374,932
Track services		5,446,622	4,264,635
Uniforms		4,975,298	4,834,216
CP duty expenses		3,677,064	5,639,597
Accommodation rent		2,640,100	6,618,716
Utilities and other direct expenses		1,635,653	2,343,522
EOBI		1,563,837	924,840

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	Note	2025 (Rupees)	Restated 2024 (Rupees)
25 Cost of services (...Continued)			
Transportation/container charges		1,207,917	2,438,197
Commission expense		1,092,401	10,200
Deduction by clients		755,989	911,166
Ammunition		633,810	524,464
Stock consumption		539,675	21,461,127
Equipment cost		100,000	2,534,866
Backload expense		-	2,841,973
Social security		-	894,841
		1,878,038,825	1,429,654,964
26 Administrative expenses			
Salaries and other benefits		461,794,083	120,785,840
Depreciation	5.4	93,913,451	27,223,306
Rent, rates and taxes		48,552,826	11,862,246
Legal and professional		45,092,839	34,698,253
Utilities		36,837,902	4,194,290
Amortization	6	69,933,477	6,147,727
Management and software staff salary		23,943,671	13,477,899
Entertainment		19,067,718	7,639,540
Loss on disposal of fixed assets		18,068,458	20,279,244
Repair and maintenance		17,811,455	7,417,737
Travelling and conveyance		16,918,350	11,612,327
Server hosting		16,108,158	-
Miscellaneous charges		12,097,722	8,070,547
Vehicle rent		9,526,805	6,528,000
Telephone/Mobile/Internet		9,209,976	2,520,844
Security charges		7,232,224	-
Consultancy charges		5,583,322	1,888,385
Advertisement		3,996,000	1,263,709
Printing and stationery		3,893,964	1,639,793
Auditor's remuneration	26.1	3,049,875	2,729,875
Postage and courier		1,001,688	320,755
Bad debt expense		7,599,623	-
Allowance for expected credit losses	8.1	6,393,645	3,428,860
Fee and subscription		58,852	3,119,088
Medical expense		4,500	275,000
Petrol oil and lubricants		-	1,556,373
Exchange loss		-	3,623,305
		937,690,585	302,302,943
26.1 Auditor's remuneration			
Separate financial statement		2,493,625	2,300,125
Consolidated financial statement		258,750	273,400
Out of pocket expenses		297,500	156,350
		3,049,875	2,729,875

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	Note	2025 (Rupees)	Restated 2024 (Rupees)
27 Finance cost			
Markup on running finance		56,322,598	115,013,832
Markup on finance leases		33,824,969	20,023,318
Interest expense on deposits		10,380,363	-
Markup on loan		10,000,000	-
Bank charges		1,825,435	1,410,691
Markup on loan from associates		-	49,804,694
		112,353,365	186,252,535
28 Other income			
Income from - financial assets			
Profit from saving account		3,911,260	171,395
Income from non - financial assets			
Others	28.1& 21.2	371,649,199	9,256,849
Interest income on deposits		9,452,859	-
Sale of scrap		1,266,137	661,210
Reversal of ECL		-	13,344
		386,279,455	10,102,798

28.1 During the year, the Company obtained loans from Genesis Holding (Private) Limited totaling Rs. 618,487,022/-. Out of these loans, an amount was written off by Genesis Holding (Private) Limited during the year. The benefit arising from this write-off has been recognized as other income.

29 Bargain purchase option

Investment	1,685,420,640	-
Less: Fair value of net assets at acquisition		
Total Assets	3,411,573,089	-
less: total liabilities	(1,609,381,711)	-
Net assets	1,802,191,378	-
Gain on bargain purchase	(116,770,738)	-

29.1 The Company acquired 100% shareholding of Trax Online (Private) Limited through issuance of shares to the shareholders of the acquiree at their fair value as at the acquisition date (Rs. 14.415 per share). The investment in subsidiary represents the fair value of consideration transferred in accordance with the terms of the approved scheme.

The Board of Directors approved the scheme in its meeting held on February 04, 2025. Subsequent to the reporting date, the Honorable Islamabad High Court sanctioned the scheme on May 05, 2025, which became effective on April 01, 2025.

The acquisition has been accounted for using the acquisition method in accordance with IFRS 3 – Business Combinations. The fair value of identifiable assets acquired and liabilities assumed exceeded the consideration transferred, resulting in a gain on bargain purchase amounting to Rs. 116,770,738. This gain has been recognized in the statement of profit or loss for the year.

Prior to recognizing the gain, management reassessed the identification and measurement of the identifiable assets acquired and liabilities assumed, as well as the fair value of the consideration transferred, to ensure compliance with the requirements of IFRS 3.

Following the effective date of the scheme, Trax Online (Private) Limited became a wholly owned subsidiary of Secure Logistics – Trax Group Limited and continues to operate as a separate legal entity.

29.2 The carrying value of the investment as on closing date calculated on equity method and appearing in the stand alone financial statements of the company is as follows

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29 Bargain purchase option(..Continued)	Note	2025 (Rupees)	Restated 2024 (Rupees)
Trax (Private) Limited			
Opening balance		1,685,420,640	-
Investment made during the period		-	-
Share of profit for the period		285,866,753	-
Carrying value		<u>1,971,287,393</u>	-
30 Levy			
Minimum tax		<u>19,237,165</u>	<u>10,296,966</u>
30.1 This represents portion of minimum tax paid under section 153(1)(b) & 113 of Income Tax Ordinance (ITO, 2001) amounting to PKR 10,296,966, representing levy in terms of requirements of IFRIC 21/IAS 37.			
31 Income tax expense			
Current taxation		82,489,458	71,615,789
Deferred taxation		<u>(452,701,811)</u>	<u>(88,456,437)</u>
		<u>(370,212,353)</u>	<u>(16,840,648)</u>
32 Basic and diluted earnings per share			
Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.			
Earnings per share are represented as follows:			
Profit for the period/year after tax		863,909,096	616,790,832
Weighted average number of outstanding shares		<u>345,607,638</u>	<u>247,189,814</u>
Basic and diluted EPS		<u>2.50</u>	<u>2.50</u>

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33 Transactions and balances with related parties

The related parties comprise of associated companies, directors and key management personnel. The Group in the normal course of business carries out transactions with various related parties. The Group enters into transactions with related parties on the basis of mutually agreed terms. Significant transactions and balances with related parties are as follows.

33.1 Transactions with related parties

Name of the Party	Basis of relationship	Nature of transaction	2025	2024
Mr. Pervaiz Afzal Khan	Sponsor	Repayment of loan	34,448,998	-
KBP Limited	Shareholder	Exchange loss	-	3,623,305
Genesis Holdings (Private) Limited	Associated Company	Loan obtained	496,721,298	-
Karandaz Pakistan	Shareholder	Conversion of loan to equity	-	237,304,694
		Interest on Loan	-	49,804,694
Mr. Pervaiz Afzal Khan	Sponsor	Payable balances in respect of loan obtained	7,597,370	42,046,368
KBP Limited	Shareholder	Payable balances in respect of loan obtained	28,850,452	28,850,452
Trax Distribution	Associated Company	Rental space charges receivables	93,424	-
Genesis Holdings (Private) Limited	Associated Company	Rental space charges receivables	2,792,754	-
Trax Global PTE Limited	Associated Company	Receivable balances	5,487,749	-
United Distribution Pakistan (Private) Limited	Associated Company	Rental space charges receivables	1,803,695	-
International Franchise (Private) Limited	Associated Company	Rental space charges receivables	690,135	-
Intelligen (Private)	Associated Company	Rental space charges receivables	236,116	-
Genesis Holdings (Private) Limited	Associated Company	Loan Write off	140,000,000	-
Suleman Soorani	Director	Loan Write off	23,715,000	-
Pegasync LLC	Associated Company	Payable balances	9,676,549	-
Trax Global (PTE.) Limited.	Associated Company	Loan obtained	131,159,574	-

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34 Remuneration of directors, chief executive and executives

Particulars	Chief Executive Officer	Directors	Executive
	-----Rupees-----		
December 31, 2025			
Salary	9,900,000	10,800,000	45,373,968
Housing expense	4,125,000	4,500,000	18,905,820
Medical expense	1,485,000	1,620,000	6,806,095
Transport allowance	990,000	1,080,000	4,537,397
	16,500,000	18,000,000	75,623,280
Number of executives	1	2	24
December 31, 2024			
Salary	5,000,000	2,970,000	4,968,000
Housing expense	1,400,000	1,237,500	2,070,000
Medical expense	500,000	445,500	745,200
Transport allowance	900,000	297,000	496,800
	7,800,000	4,950,000	8,280,000
Number of executives	1	2	9

35 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and

35.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Group maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly

The Group is exposed to credit risk from its operating and certain investing activities and the Company's credit risk exposures are categorized under the following headings:

Exposure to credit risk

The maximum exposure to credit risk at the reporting date was:

Advances, deposits and prepayments	116,991,781	45,589,560
Trade debts	1,034,344,470	394,566,486
Bank balances	123,467,867	12,924,351
	1,274,804,118	453,080,397

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35 Financial risk management(...Continued)

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The aging of trade receivable at the reporting date is:

Not Past Due	-	-
Past Due 1 - 60 Days	773,879,972	318,859,846
Past Due 60 - 120 Days	-	-
Past Due 120 Days	319,618,425	83,849,569
	<u>1,093,498,397</u>	<u>402,709,415</u>
Expected credit losses	(59,464,803)	(8,142,929)
	<u>1,034,033,594</u>	<u>394,566,486</u>

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:

Counter parties without credit rating	1,151,336,251	440,156,046
Counter parties with credit rating	123,467,867	12,924,351
	<u>1,274,804,118</u>	<u>453,080,397</u>

Bank balances

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis. The ratings of banks ranges from A to AAA.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Group believes that it is not exposed to major concentration of credit risk.

35.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in raising funds to meet commitments associated with the financial instruments. The management is closely monitoring the Group's liquidity and cash flow position through its treasury function and ensures availability of funds by maintaining credit facilities available from financial institutions. The liquidity management also involves monitoring of liquidity ratios and maintaining debt financing plans.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

December 31, 2025	Carrying Amount	Contractual Cash flows	Less than 1 year	More than 1 year
	----- Rupees -----			
Finance lease	239,026,564	365,723,106	82,849,051	282,874,055
Loan from	36,447,822	36,447,822	36,447,822	-
Creditors and other payables	956,173,665	956,173,665	956,173,665	-
Short term	204,999,215	204,999,215	204,999,215	-
	<u>1,436,647,266</u>	<u>1,563,343,808</u>	<u>1,280,469,753</u>	<u>282,874,055</u>
December 31, 2024	Carrying Amount	Contractual Cash flows	Less than 1 year	More than 1 year
	----- Rupees -----			
Finance lease liabilities	71,363,607	158,290,911	154,750,036	3,540,875
Loan from associates	70,896,820	70,896,820	70,896,820	-
Creditors and other payables	150,103,172	150,103,172	150,103,172	-
Short term loans	507,739,570	507,739,570	507,739,570	-
	<u>800,103,169</u>	<u>887,030,473</u>	<u>883,489,598</u>	<u>3,540,875</u>

Rm

SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025

35 Financial risk management(...Continued)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

35.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or market rate of foreign currency. The Group incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Group is exposed to

Market risk management is further analyzed in two categories:

- (a) Interest rate risk management.
- (b) Currency rate risk management.

(a) Interest rate risk management

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loan, subordinated loans, lease liabilities and short term borrowings. Interest rates are mostly dependent upon Karachi Inter Bank Offered Rate ("KIBOR") as indicated in respective notes. There were no fixed rate instruments outstanding as at reporting date.

Variable rate instruments

Financial

Bank balances	123,467,867	8,545
---------------	-------------	-------

Financial

Finance lease	239,026,564	71,363,607
---------------	-------------	------------

Short term	204,999,215	507,739,570
------------	-------------	-------------

Net exposure in statement of financial position	<u>567,493,647</u>	<u>579,111,722</u>
--	---------------------------	---------------------------

(b) Currency rate risk management

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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to foreign loan payables. Currently, the Group's foreign exchange risk exposure is restricted to:

KBP Limited - Loan from associates	<u>28,850,452</u>	<u>28,850,452</u>
------------------------------------	-------------------	-------------------

36 Financial instruments by category

Financial assets at amortized cost

Advances, deposits and other receivables	116,991,781	45,589,560
--	-------------	------------

Trade debts	1,034,344,470	394,566,486
-------------	---------------	-------------

Cash and bank balance	221,584,905	14,281,170
-----------------------	-------------	------------

	<u>1,372,921,156</u>	<u>454,437,216</u>
--	----------------------	--------------------

Financial liabilities at amortized cost

Finance lease liabilities	239,026,564	71,363,607
---------------------------	-------------	------------

Loan from associates	36,447,822	70,896,820
----------------------	------------	------------

Creditors, accrued and other payables	956,173,665	150,103,172
---------------------------------------	-------------	-------------

Short term loans	204,999,215	507,739,570
------------------	-------------	-------------

	<u>1,436,647,266</u>	<u>800,103,169</u>
--	----------------------	--------------------

37 Capital risk management

The primary objective of the Group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholders value and reduce the cost of capital.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders and remuneration to key management personnel, require interest free unsecured loans from directors, return capital to shareholders or issue new shares.

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SECURE LOGISTICS TRAX GROUP LIMITED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 AS AT DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
37 Capital risk management(..Continued)			
The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as long and short term borrowings offset by cash and bank balances.			
The gearing ratios as at December 31, 2025 and December 31, 2024 are as follows:			
Finance lease liabilities		239,026,564	71,363,607
Loan from associates		36,447,822	70,896,820
Short term loans		204,999,215	507,739,570
		480,473,601	649,999,997
Less: Cash and Cash equivalents		(221,584,905)	(14,281,170)
Net debts		258,888,696	635,718,827
Issued, subscribed and paid up capital		4,175,670,956	2,736,301,810
Revaluation surplus		3,174,200	3,967,750
Share premium		1,183,983,969	593,483,477
Accumulated profits		2,224,844,457	1,371,787,145
Equity		7,587,673,582	4,705,540,182
Total capital and debt		7,846,562,278	5,341,259,009
Gearing ratio		3%	12%

The Board's policy is to maintain a strong capital base so as to maintain stakeholders' confidence and to ensure sustainable future development of the business.

38 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

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

As of the reporting date, mutual funds of the company are carried at fair value.

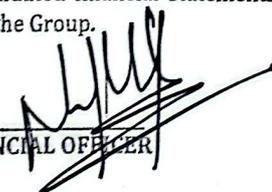
The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

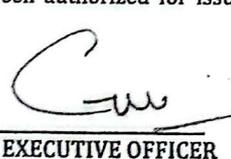
39 Number of employees

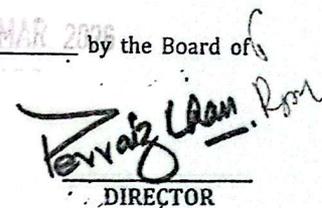
	2025	2024
Number of employees	806	146
Average number of employees	476	146

40 Date of authorization

These consolidated financial statements have been authorized for issue on 27 MAR 2025 by the Board of Directors of the Group.


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE OFFICER


 DIRECTOR

**Audited Financial Statements of Secure Logistics Trax Group
Limited for the Year Ended December 31, 2025.**



RSM Azeiz Hyder Ijazat Nauman
Chartered Accountants

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Islamabad, Pakistan,

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INDEPENDENT AUDITOR'S REPORT

To the Members of Secure Trax Logistics Group Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

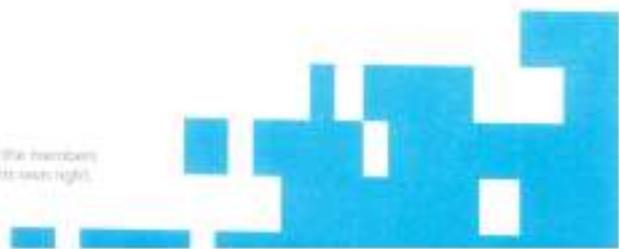
We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are Independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

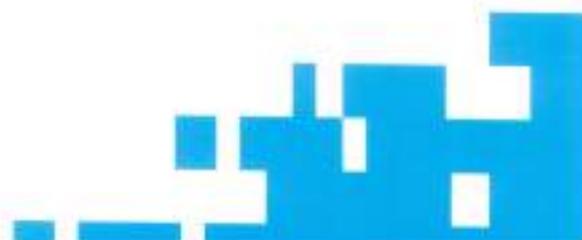
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we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

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

RSM Azeiz Hyder Ijazat Nauman is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not a legal entity in any jurisdiction.



Key Audit Matter	How the matter was addressed in our audit
<p>Revenue Recognition</p> <ol style="list-style-type: none"> 1. Revenue is a significant financial statement item and a key performance indicator for the Company. The Company generates revenue primarily from rendering logistics services to various customers in accordance with contractual agreements and from rental services. For the year ended December 31, 2025, the Company recorded revenue of Rs. 1,138,622,392/-. 2. We considered revenue recognition as a key audit matter due to the materiality of the amount involved and the risk associated with ensuring that revenue is recognized in accordance with International Financial Reporting Standards (IFRS) and the Company's accounting policies. There is also a risk of cut-off errors where revenue may not be recognized in the appropriate period. 	<p>Our key audit procedures in this area amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluation of Internal Controls: We obtained an understanding of the revenue recognition process, assessed the design and operating effectiveness of relevant internal controls, and tested selected controls related to contract management, invoicing, and revenue recording. • Substantive Testing and Cut-off Procedures: We verified revenue transactions on a sample basis by inspecting customer contracts, invoices, and payment receipts, and performed cut-off testing by analyzing transactions before and after the reporting date to ensure revenue was recognized in the correct period. • Assessment of Financial Statement Disclosures: We reviewed the revenue recognition policies and disclosures in the financial statements to assess whether they were presented fairly and in compliance with IFRS and applicable regulatory requirements in Pakistan.
<p>Subsidiary Acquisition</p> <ol style="list-style-type: none"> 1. As disclosed in Note 7.4 to the financial statements, during the year, the Company acquired 100% shareholding in <i>Trax Online (Private) Limited</i>. The investment has been recognized as an investment in a subsidiary in these standalone financial statements in accordance with the applicable financial reporting framework. 2. We considered the acquisition of subsidiary as a key audit matter due to the significance of the transaction and the judgment involved in determining the appropriate accounting treatment. 	<p>Our key audit procedures in this area amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluation of Acquisition Documentation: We reviewed the share purchase agreement and other relevant legal documents to assess whether the Company has obtained control over <i>Trax Online (Private) Limited</i>. • Assessment of Accounting Treatment: We evaluated whether the investment has been appropriately recognized as an investment in a subsidiary in the standalone financial statements in accordance with applicable financial reporting standards.



Key Audit Matter	How the matter was addressed in our audit
<p>There is a risk that the investment may not be appropriately recognized and measured in accordance with the requirements of IAS 27, and that the disclosures related to the acquisition may not fully comply with International Financial Reporting Standards (IFRS) and applicable regulatory requirements.</p>	<ul style="list-style-type: none"> • Assessment of Financial Statement Disclosures: We reviewed the disclosures in the financial statements to assess whether they adequately describe the nature of the acquisition and are in compliance with IFRS and applicable regulatory requirements in Pakistan

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Directors' 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and report the same to the shareholders of the Company.

Responsibilities of Management and Board of Directors for the Financial Statements

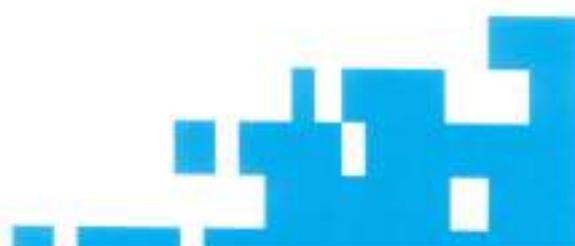
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the **Companies Act, 2017 (XIX of 2017)** and for such internal control as management determines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

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

The Board of Directors 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.

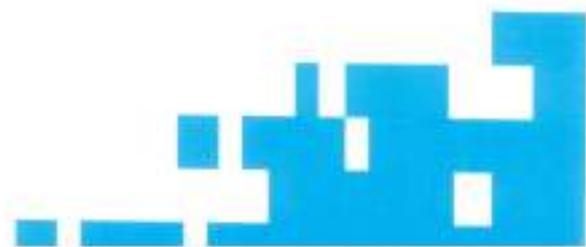


As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

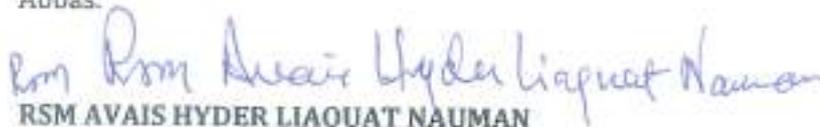


Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Syed Naveed Abbas.



RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Islamabad

Date:

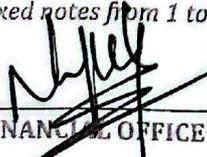
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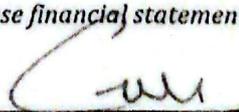


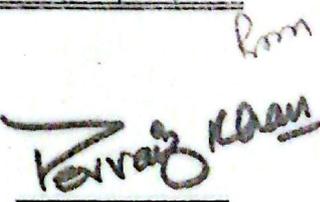
SECURE LOGISTICS TRAX GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Operating fixed assets	5	3,518,069,973	3,495,107,299
Intangible assets	6	1,061,972	24,222,373
Long term investment	7	3,167,043,916	992,163,083
Long term security deposits	8	50,750,512	58,080,167
Deferred tax asset	9	79,245,981	-
		6,816,172,354	4,569,572,923
CURRENT ASSETS			
Stores and spares	10	980,221,527	969,893,310
Trade receivables	11	395,516,446	191,659,654
Advances and deposits	12	35,710,499	28,213,166
Due from subsidiary company	13	845,218,856	266,705,000
Cash and bank balances	14	1,980,276	422,037
		2,258,647,604	1,456,893,167
TOTAL ASSETS		9,074,819,958	6,026,466,090
EQUITY AND LIABILITIES			
SHARE CAPITAL			
Authorized share capital	15	4,250,000,000	2,750,000,000
Issued, subscribed and paid up capital	15	4,175,760,957	2,736,391,810
		4,175,760,957	2,736,391,810
CAPITAL RESERVE			
Share premium	15	1,183,983,969	593,483,477
		1,183,983,969	593,483,477
REVENUE RESERVE			
Un-appropriated profit		2,155,882,832	1,382,648,156
		2,155,882,832	1,382,648,166
NON CURRENT LIABILITIES			
Liability against assets subject to finance lease	16	10,421,931	16,299,942
Employee benefit obligation	17	-	29,945,473
Deferred tax liability	9	-	4,161,868
		10,421,931	50,407,283
CURRENT LIABILITIES			
Due to subsidiary companies	18	580,495,064	521,405,029
Creditors, accrued and other payables	19	77,998,593	71,222,508
Provision for taxation - net	20	181,880,342	112,375,911
Liability against assets subject to finance lease	16	6,950,055	9,895,517
Loan from associates	21	526,447,822	70,896,820
Short term running finance	22	174,998,393	477,739,569
		1,548,770,269	1,263,535,354
TOTAL EQUITY AND LIABILITIES		9,074,819,958	6,026,466,090
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes from 1 to 40 form an integral part of these financial statements.


 CHIEF FINANCIAL OFFICER

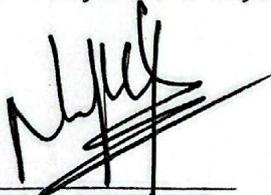

 CHIEF EXECUTIVE OFFICER


 DIRECTOR

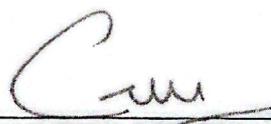
SECURE LOGISTICS TRAX GROUP LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
Revenue - net	24	1,138,622,392	1,803,631,846
Cost of services	25	(805,082,012)	(1,320,013,247)
Gross profit		333,540,380	483,618,599
Administrative expenses	26	(122,925,374)	(155,869,552)
Operating profit for the year		210,615,006	327,749,047
Finance costs	27	(62,905,088)	(168,905,711)
Share of profit from associate	7	489,460,193	403,235,134
Other income	28	127,021,444	5,356,040
Profit for the year before levies and income tax		764,191,555	567,434,510
Levies	29	(1,745,654)	(1,978,722)
Profit for the year before income tax		762,445,901	565,455,788
Taxation	30	14,943,177	49,674,844
Profit for the year after taxation		777,389,078	615,130,632
Basic and diluted earnings per share	31	2.25	2.49

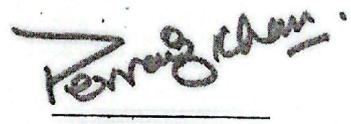
The annexed notes from 1 to 40 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

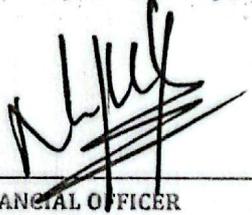


DIRECTOR

SECURE LOGISTICS TRAX GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	Restated 2024
Note	(Rupees)	(Rupees)
Profit for the year after tax	777,389,078	615,130,632
Items that will not be subsequently reclassified to statement of profit or loss:		
Remeasurement (loss)/gain on defined benefit obligation net of tax	-	(14,325,560)
Deferred tax on unrealized income/(expense)	(4,154,412)	4,154,412
Remeasurement gain/(loss) on defined benefit obligation of subsidiary	-	173,896
Other comprehensive income for the year	(4,154,412)	(9,997,252)
Total comprehensive income for the year	773,234,666	605,133,381

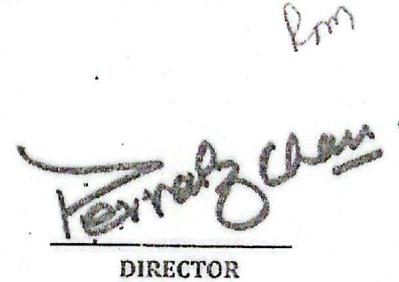
The annexed notes from 1 to 40 form an integral part of these financial statements.



 CHIEF FINANCIAL OFFICER



 CHIEF EXECUTIVE OFFICER



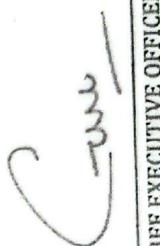
 DIRECTOR

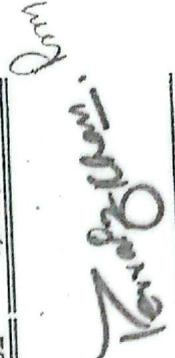
**SECURE LOGISTICS TRAX GROUP LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Share capital	Share premium	Revenue reserve	Total
Balance as at January 01, 2023	1,664,350,680	435,631,420	423,579,307	2,523,561,407
Total comprehensive income for the year				
Profit for the year after taxation	-	-	353,874,562	353,874,562
Other comprehensive income for the year	-	-	124,997	124,997
Total comprehensive income for the year			353,999,559	353,999,559
Balance as at December 31, 2023 (Restated)	1,664,350,680	435,631,420	777,578,866	2,877,560,966
Balance as at January 01, 2024 (Restated)	1,664,350,680	435,631,420	777,514,786	2,877,496,886
Shares issued for cash	831,036,660	116,551,833	-	947,588,493
Shares issued for non-cash	241,004,470	41,300,224	-	282,304,694
	1,072,041,130	157,852,057	-	1,229,893,187
Total comprehensive income for the period			615,130,632	615,130,632
Profit for the period after taxation	-	-	(9,997,252)	(9,997,252)
Other comprehensive loss for the period	-	-	605,133,381	605,133,381
Total comprehensive income for the period			1,382,648,166	4,712,523,454
Balance as at December 31, 2024	2,736,391,810	593,483,477	1,382,648,166	4,712,523,454
Balance as at January 01, 2025	2,736,391,810	593,483,477	1,382,648,166	4,712,523,454
Shares issued for cash	243,137,255	66,862,745	-	310,000,000
Shares issued for non-cash	1,196,231,892	523,637,746	-	1,719,869,638
	1,439,369,147	590,500,492	-	2,029,869,638
Total comprehensive income for the period			777,389,078	777,389,078
Profit for the period after taxation	-	-	(4,154,412)	(4,154,412)
Other comprehensive loss for the period	-	-	773,234,666	773,234,666
Total comprehensive income for the period			2,155,882,832	7,515,627,758
Balance as at December 31, 2025	4,175,760,957	1,183,983,969	2,155,882,832	7,515,627,758

The annexed notes from 1 to 40 form an integral part of these financial statements.


 CHIEF FINANCIAL OFFICER


 CHIEF EXECUTIVE OFFICER

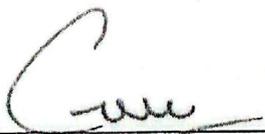

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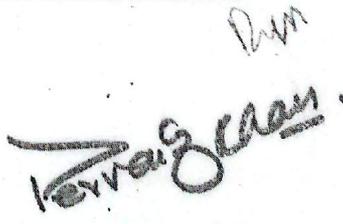
SECURE LOGISTICS TRAX GROUP LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year before taxation		764,191,555	567,434,510
Adjustment for:			
Depreciation- operating fixed assets	5	196,504,434	203,521,707
Interest expense	27	55,417,047	167,747,954
Security deposit	27	6,233,753	
Expected credit losses	26	2,277,208	697,956
Amortization- intangibles	6	265,493	6,055,593
Exchange loss	26	-	3,623,305
Share of profit from subsidiary	7.1, 7.2 7.3 & 7.4	(489,460,193)	(403,235,134)
Gain on reversal of liability	28	(120,000,000)	-
Gratuity expense	26.1	-	3,416,551
(Gain)/Loss on disposal of fixed assets	5.2	(1,205,380)	20,279,244
Markup on security deposit		(5,816,064)	-
		<u>408,407,852</u>	<u>569,541,686</u>
Changes in working capital:			
(Increase)/decrease in current assets:			
Advances and deposits	12	(7,888,300)	(17,822,640)
Trade debts	11	(206,133,999)	135,951,382
Due from subsidiary company	13	(578,513,857)	(266,705,000)
Stores and spares	10	(10,328,217)	(369,067,529)
Increase/(decrease) in current liabilities:			
Creditors, accrued and other liabilities	19	13,457,268	(9,880,375)
Due to subsidiary company	18	168,929,404	270,029,788
		<u>(620,477,701)</u>	<u>(257,494,374)</u>
Cash generated from operations		<u>(212,069,849)</u>	<u>312,047,312</u>
Income tax paid		(4,887,025)	(4,260,070)
Finance cost paid		(59,099,548)	(150,456,998)
Gratuity paid		(29,945,473)	-
Net cash inflow from operating activities		<u>(306,001,895)</u>	<u>157,330,244</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments against acquisition of fixed assets	5.1	(458,411,569)	(477,913,214)
Receipts from disposal of fixed assets	5.2	153,205,380	5,000,000
Security deposit		7,329,655	-
Net cash outflow from investing activities		<u>(297,876,534)</u>	<u>(472,913,214)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of shares	21.2	310,000,000	947,588,493
Lease rental paid	16	(11,822,154)	(98,911,605)
Loan from associates	21	610,000,000	-
Repayment of HBL Loan		-	(283,730,815)
Net cash flow inflow/(outflow) from financing activities		<u>908,177,846</u>	<u>564,946,073</u>
Net cash increase/(decrease) during the period/year		304,299,416	249,363,102
Cash and cash equivalents at beginning of the period		(477,317,532)	(726,680,634)
Cash and cash equivalents at the end of the period	14.1	<u>(173,018,117)</u>	<u>(477,317,532)</u>

The annexed notes from 1 to 40 form an integral part of these financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1 THE COMPANY AND ITS OPERATIONS

Secure Logistics Trax Group Limited (the Company) previously known as Asia Capital Partners (Private) Limited was incorporated on 18th of April, 2013 as a private limited company under the Companies Ordinance 1984, (repealed Companies Act, 2017). The Company has two principal line of business, i.e. Logistics & Tracking / Fleet Management services. The registered office of the company is situated in Sector F-7/4, Islamabad. The Company is now listed on Pakistan Stock Exchange (PSX). Following are the branch offices of the Company which are situated at;

Branch Title	Address
Secure Logistics Group limited - Head office	10th floor, New State Life Tower F-7/4, Blue Area, Islamabad
Secure Logistics Group limited - North region	Office # 29, 3rd Floor, Rehmat Plaza, I-8 Markaz, Islamabad
Secure Logistics Group limited - Central region	26KM, Multan Road, Lahore
Secure Logistics Group limited - South region	Building Sister Lounge Z-525, Darulaman C H Society Off National Stadium, Beside Liaquat Library, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional currency. All amounts have been rounded to the nearest Rupee, unless otherwise stated.

2.4 Key judgement and estimates

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

- Useful lives, residual values and depreciation method of property, plant and equipment
- Revenue from contracts with customers
- Useful lives, residual values and amortization method of intangible assets
- Provision for impairment of store and spares
- Impairment loss of non-financial assets other than inventories
- Provision for expected credit losses
- Obligation of defined benefit obligation
- Estimation of provisions
- Estimation of contingent liabilities
- Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses)

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

3 STATUS OF STANDARDS AND INTERPRETATIONS

3.1 Standards, interpretations and amendments to approved accounting standards that are not yet effective

(a) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments - Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026
IFRS 18	Primary Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

3.2 Sustainability Disclosure Standards

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity

IFRS S2 'Climate-related Disclosures'. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

As per the current scenario, the Company will fall in Phase-III of the criteria as per the order from Securities and Exchange Commission of Pakistan (SECP) dated 31 December 2024. Therefore the effective date of these two sustainability standards for the Company is for annual reporting periods beginning on or after 01 July 2027.

(b) The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at December 31, 2025;

- IFRS 1 First-time Adoption of International Financial Reporting Standards

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Operating fixed assets

Items of operating fixed assets, other than capital work in progress are measured at cost less accumulated depreciation and impairment loss (if any).

Capital work in progress is stated at cost less impairment loss (if any).

The costs of Operating fixed assets include:

- Its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates;
- any other costs directly attributable to bringing the asset to the location and condition
- Borrowing costs, if any.

Depreciation is charged so as to write off the cost of assets (capital work in progress) over their estimated useful lives, using the reducing balance method at rates specified in relevant notes 5 to the financial statements. Depreciation is charged in full in the month of acquisition of the asset, while no depreciation is charged in the month of disposal.

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4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED...)

4.1 Operating fixed assets (continued...)

An item of Operating fixed assets and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition of an item of Operating fixed assets is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in as other income in the The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

4.2 Intangible assets

Intangible assets acquired separately are initially recognized at cost. After initial recognition, these are measured at cost less accumulated amortization and accumulated impairment losses. Costs associated with routine maintenance of intangible assets are recognized as an expense when incurred. However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life is recognized as capital improvement and added to the original cost of the software.

Amortization is charged using the reducing balance method. Amortization on additions is charged from the month in which an intangible asset is available for use till the date of disposal.

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

4.3 Borrowing costs

Borrowing Costs are recognized as an expense in the period they are incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of assets.

4.4 Store and spares

Stores and spares are stated at lower of weighted average cost and net realisable value, less provision for impairment, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Provision is made for obsolete and slow moving stores and spares and is recognised in the statement of profit or loss.

4.5 Trade and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method less an allowance for expected credit losses, if any. Allowance for expected credit losses is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts, if any, are written off when considered irrecoverable.

4.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flow, cash and cash equivalents include cash in hand, with banks and short term bank finances. The fair value of cash and cash equivalents approximate their carrying amount.

4.7 Staff retirement benefits

The Company operates an un-funded gratuity scheme for all its permanent employees who have attained retirement age, died or resigned during service period and have served for the minimum qualification period. Provision is based on the actuarial valuation of the scheme carried out using the Projected Unit Credit Method in accordance with IAS-19 "Employee Benefits" and resulting vested portion of past service cost has been charged to income in the current year. The remeasurement gains / losses as per actuarial valuation done at financial year end are recognized immediately in other comprehensive income and all other expenses are recognized in accordance with IAS 19 "Employee Benefits" in the statement of profit or loss.

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4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED...)

4.8 Lease

The Company, as a lessee, has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments.

At inception of a contract, the Company assesses whether 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 if any, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. 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 entity's incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. 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 corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

4.9 Right-of-use assets

The Company recognises a right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

4.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

4.11 Taxation

Tax Liability is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher in accordance with the provisions of Income Tax Ordinance 2001.

Current

The amount calculated on taxable income using the notified rate of taxation after taking into account tax credits and rebates available, if any is recognized as "current income tax expense".

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4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED...)

4.11 Taxation (continued...)

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income and based on revenue or other basis other than taxable income is classified as levy. Minimum taxes in excess over the amount designated as income tax is recognized as levy falling under the scope of IFRIC 21/IAS 37.

Deferred

Deferred tax is accounted for using the statement of financial position liability method in respect of all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates that have been enacted. Deferred tax is charged or credited to profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or these tax assets and liabilities will be realised simultaneously.

4.12 Provisions

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

4.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instruments.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI), fair value through profit or loss (FVTPL) and in case of an equity instrument it is classified as FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED...)

4.13 Financial Instruments (continued...)

(a) Amortized cost (continued...)

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Any gain or loss on derecognition is recognized. Financial assets measured at amortized cost comprise of cash and bank balances, deposits, trade debts and long term loan.

(b) Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in statement of profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss. However, the Company has no such instrument at the reporting date.

(c) Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and these investments are never reclassified to profit or loss. However, the Company has no such instrument at the reporting date.

(d) Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit or loss.

Financial assets – Business model assessment

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR-ENDED DECEMBER 31, 2025

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED...)

4.13 Financial instruments (continued...)

(d) Fair value through profit or loss (FVTPL) (continued...)

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, while the interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

The Company's financial liabilities comprise Creditors, short term borrowings, accrued markup, Accrued expenses & Liabilities against assets subject to finance lease.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.14 Impairment

Financial assets

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities, bank balances and other receivables for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

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4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED...)

4.14 Impairment (continued...)

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non - financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the assets or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

4.15 Foreign currency transactions

Pak Rupee is the functional currency of the Company. Transactions in foreign currencies are recorded in Pak Rupees at the exchange rate approximating those prevailing on the date of the transaction. Monetary assets and liabilities in foreign currency are reported in Pak Rupees at the exchange rate approximating those prevalent at the reporting date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transaction. Non monetary items measured at fair value in foreign currencies, are translated using the exchange rates at the date when the fair value was determined.

4.16 Revenue recognition

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Specifically, the standard introduces a 5 - step approach to revenue

- Step 1 Identify the contract with a customer
- Step 2 Identify the separate performance obligations within the contract
- Step 3 Determine the transaction price
- Step 4 Allocate the transaction price to the performance obligations in the contract
- Step 5 Recognize revenue when (or as) the entity satisfies a performance obligation

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED...)

4.16 Revenue recognition (continued...)

Following are revenue streams of the Company.

Logistics

The company provides logistics services to customers and recognizes revenue from logistics services at point in time based on fact that performance obligation is met once transportation service has provided and required goods have reached to designated place.

Distribution

The company provides logistics services to distribution companies and transport goods or services to designated places. The Company recognizes revenue at point in time based on fact that performance obligation is met once transportation service has provided and required goods have reached to designated place.

Tracking

The Company provide trackers and provide corresponding navigation services to customers. Revenue is recognized over the time over contract life, as services are simultaneously used by customers.

4.17 Segment

The company uses 'management approach' for segment reporting, under which segment information is required to be presented on the same basis as that used for internal reporting purposes. Operating segments have been determined and presented in a manner consistent with the internal reporting provided for decision making. Currently, the management has classified all its operations in single segment.

4.18 Related party transactions

Transactions with related parties are carried out on commercial terms and condition unless specifically mentioned in relevant note.

4.19 Contingent liabilities

Contingent liability is disclosed when:

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

4.20 Share-based payments

The Company operates an equity-settled Employee Stock Option Scheme (ESOS) under which shares may be issued to eligible individuals in consideration of services rendered.

Equity-settled share-based payments are measured at the fair value of the equity instruments granted at the grant date. Where shares are issued for services already rendered, the fair value of the shares at the date of issuance is recognized immediately in profit or loss, with a corresponding increase in equity.

Upon issuance of shares, the nominal value is credited to share capital and any excess over par value is credited to share premium.

4.21 Investment in subsidiaries

These financial statements are the standalone financial statements of the Company, prepared in accordance with the International Financial Reporting Standards (IFRS). In these financial statements, investments in subsidiaries are accounted for using the **equity method of accounting** in accordance with IAS 27, **Separate Financial Statements**. The consolidated financial statements are issued separately.

4.22 Correction of prior period error

During the year ended 31 December 2025, management identified that a lease arrangement entered into in a prior period had been incorrectly accounted for as operating rent expense. Lease rentals were recognised as rent expense with a corresponding rent payable, whereas the arrangement met the recognition criteria of a lease under IFRS 16 – Leases.

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SECURE LOGISTICS TRAX GROUP LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED...)

4.22 Correction of prior period error (continued..)

Accordingly, the entity has corrected the error by recognising a right-of-use asset and corresponding lease liability at the commencement date of the lease. Rent expense and rent payable previously recognised have been reversed, and instead depreciation on the right-of-use asset and finance cost on the lease liability have been recognised using the effective interest method.

Furthermore, management identified an additional prior period error relating to the recognition of profit from Skyguards (Private) Limited. In the previous year, 100% of the subsidiary's profit was incorrectly recognised in the Company's standalone financial statements, whereas the Company holds a 75% equity interest. The error has been corrected by restricting the recognised share of profit to 75% in accordance with the applicable accounting framework for investments in subsidiaries in standalone financial statements.

The correction has been accounted for retrospectively in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. Comparative figures for the year ended 31 December 2024 have been restated. The impact relating to periods prior to 1 January 2024 has been adjusted against opening retained earnings as at 1 January 2024, being the earliest period presented.

Statement of profit or loss

	For the year ended December 31, 2024		
	2024 (Rupees)	Increase/ (Decrease)	2024 (Rupees)
Cost of services	1,315,015,219	4,998,028	1,320,013,247
Administrative expense	160,483,983	(5,312,386)	155,171,597
Finance cost	165,440,845	3,464,866	168,905,711
Share of profit from associate	408,337,678	(5,102,544)	403,235,134
Profit before income tax	575,687,561	(8,253,052)	567,434,509
Income tax	26,967,116	22,707,728	49,674,844
Profit for the year	600,675,955	14,454,676	615,130,631

Statement of financial position

	As at January 1, 2024		
	December 31, 2023 (Rupees)	Increase/ (Decrease)	Restated January 1, 2024 (Rupees)
Right-of-use asset	6,103,170	22,608,693	28,711,863
Lease liability	3,413,507	22,672,773	26,086,280
Unappropriated profits	777,578,866	(64,080)	777,514,786

	As at December 31, 2024		
	December 31, 2024 (Rupees)	Increase/ (Decrease)	Restated December 31, 2024 (Rupees)
Right-of-use asset	6,103,170	17,584,539	23,687,709
Lease liability	3,413,507	22,781,952	26,195,459
Rent payable	1,982,825	(1,982,825)	-
Investment in Skyguards	65,410,175	(5,102,544)	60,307,631
Deferred tax liability	24,254,016	(20,092,149)	4,161,867
Provision for taxation - net	114,991,490	(2,615,579)	112,375,911
Unappropriated profits	1,368,257,569	14,390,596	1,382,648,165

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SECURE LOGISTICS TRAK GROUP LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

5. OPERATING FIXED ASSETS

	Note	2025 (Rupees)	2024 (Rupees)
Owned			
Right of use	5.1	3,505,509,588	3,471,419,590
Total	5.1	12,560,385	23,687,709
		<u>3,518,065,973</u>	<u>3,495,107,299</u>

5.1

Description	Cost				Rate of Depreciation	Accumulated Depreciation				WDV	
	Opening	Addition	Disposal	Transfer In/(out)		Closing	Opening	Charge for the year	Disposal		Transfer In/(out)
Owned Assets											
Office equipments	11,739,889	-	-	-	15%	11,739,889	1,503,019	-	-	13,242,908	8,517,107
Computers	10,475,251	30,000	-	-	33%	10,505,251	1,415,032	-	-	11,920,283	2,890,443
Furniture and fixture	14,707,231	-	-	-	10%	14,707,231	1,269,747	-	-	15,976,978	10,851,720
Owned truck	1,686,803,215	132,514,324	(119,790,126)	-	5%	1,701,555,713	55,972,508	(28,713,469)	-	1,728,814,752	1,576,277,544
Police trucks	1,477,341,187	90,129,890	-	-	3.5%	1,567,471,077	2,628,783	-	-	1,570,099,860	87,500,907
Trailers	94,451,893	100,231,000	(80,666,428)	-	2.8%	1,496,905,759	38,135,986	(19,743,004)	-	1,515,198,741	1,349,248,243
Fuel Tanks	197,738,181	-	-	(197,738,181)	10%	-	6,852,051	-	-	6,852,051	61,668,455
Truckers	23,368,389	-	-	(23,368,389)	10%	-	19,087,720	-	(14,274,390)	4,813,330	-
Box truckers	1,312,508	-	-	-	20%	1,312,508	4,617	-	-	1,317,125	8,968
Wireless immobil	432,333	-	-	-	33%	432,333	6,913	-	-	439,246	14,036
Anti theft devices	29,678	-	-	-	33%	29,678	149	-	-	30,127	303
Law device	1,288,259	-	-	-	33%	1,288,259	29,226	-	-	1,317,485	47,785
Fire extinguishers	512,500	-	-	-	10%	512,500	23,497	-	-	536,000	64,010
Motor cycles	5,906,377	-	-	-	10%	5,906,377	7,112	-	-	5,913,489	68,908
Miscer Vehicle	215,432,457	40,100,000	-	-	3.5%	255,532,457	7,719,833	-	-	263,252,290	226,336,826
Distribution vehic	432,102,973	95,406,355	-	-	40%	527,509,328	75,739,532	-	-	603,248,860	176,248,852
Tyres											
Subtotal	6,169,764,838	464,317,946	(200,456,554)	(221,196,570)		6,412,519,660	191,283,487	(48,416,553)	(134,165,110)	707,009,172	3,505,509,588
Right of use											
Leased trucks	8,494,000	-	(8,434,000)	-	5.9%	-	196,793	(2,527,623)	-	-	-
Labour yard	30,563,603	-	-	-	20%	30,563,603	5,024,154	-	-	35,587,757	17,560,385
Subtotal	38,997,603	-	(8,434,000)	-		30,563,603	5,220,947	(2,527,623)	-	33,256,927	17,560,385
Total	4,208,761,641	464,317,946	(208,890,554)	(221,196,570)		4,343,082,663	196,504,434	(50,944,176)	(134,152,110)	4,158,590,817	3,518,065,973

5.2 Details of assets disposed off during the year are as follows:

Asset	Cost	Accumulated depreciation	Carrying amount	Sales price	Gain / (Loss) on disposal	Particulars of the buyer	Mode of disposal	Relationship with the purchaser	Note
Owned Trucks	119,790,126	20,713,469	99,076,657	91,842,146	765,489	Dysm	Auction	Note	
Owned Trailers	80,666,428	18,743,094	61,923,344	61,363,234	(439,890)	Dysm	Auction	Note	
TOTAL	200,456,554	40,456,563	159,899,991	153,205,380	(6,694,611)				

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5 OPERATING FIXED ASSETS (CONTINUED-)

5.3 During the year ended December 31, 2025, the Company transferred Right-of-use (ROU) assets amounting to PKR 5,906,877/- to operating fixed assets. This transfer represents a reclassification of leased assets that have met the criteria for recognition as owned assets under applicable accounting standards.

The entity has fully settled its lease liability and concluded the lease agreement. Consequently, the Right-of-use asset, initially recognized against the lease liability, including lessor improvements, has been reclassified to operating fixed assets.

5.4 Tractor devices and 809 tractors were transferred during the year to the Company's wholly owned subsidiary, LogServe (Private) Limited. Accordingly, no tractor-related or 809 tractor-related property, plant and equipment is recognized by the Company as at 31 December 2025.

Description	2024						WDV			
	Cost			Rate of Depreciation	Accumulated Depreciations					
	Opening	Addition	Disposal		Opening	Addition		Disposal	Transfer In/(out)	Closing
Owned Assets										
Office equipments	1,317,887	10,421,002	-	15%	810,902	900,861	-	-	1,719,763	10,020,126
Computers	5,815,251	4,660,000	-	33%	5,045,158	1,154,610	-	-	6,199,768	4,375,475
Furniture and fix	2,914,656	11,792,575	-	10%	1,752,601	897,183	-	-	2,649,784	12,057,467
Owned truck	621,609,244	1,127,387,139	(60,245,068)	3.5%	68,135,919	39,849,035	(9,965,824)	-	98,019,130	1,590,812,180
Trailers	946,950,956	536,390,231	-	2.8%	97,864,625	31,412,989	-	-	139,267,614	1,340,673,573
Flat Trucks	94,451,893	-	-	10%	18,317,997	7,613,390	-	-	25,931,387	68,520,506
Tractors	197,046,731	691,450	-	10%	105,036,181	9,230,209	-	-	114,274,390	83,463,791
Rep tractors	23,348,309	-	-	20%	19,017,553	870,167	-	-	19,887,720	3,480,669
Wireless terminal	1,312,500	-	-	33%	1,292,523	6,592	-	-	1,299,115	13,385
Asset theft devices	432,335	-	-	33%	401,067	10,319	-	-	411,386	20,949
Lab device	29,678	-	-	33%	29,004	222	-	-	29,126	452
Pire extinguishers	1,208,259	-	-	33%	1,181,008	35,069	-	-	1,217,057	71,202
Motor cycles	512,500	-	-	10%	433,475	7,903	-	-	441,378	71,122
Distribution vehicle	124,655,817	90,376,640	-	3.5%	15,447,965	6,027,033	-	-	21,475,798	193,956,659
Tyres	356,882,286	75,220,687	-	40%	195,786,563	79,734,381	-	-	275,520,944	156,382,039
Subtotal	2,378,668,382	1,851,240,724	(60,245,068)		836,543,530	177,766,751	(9,965,824)		698,344,448	3,471,419,589
Right of use										
Leased trucks	1,065,077,882	114,927,403	(1,171,571,285)	3.5%	152,289,647	15,037,781	(165,496,590)	-	2,330,820	6,103,170
Leased trailers	571,899,558	-	(571,899,558)	2.8%	83,026,311	5,693,021	(89,619,332)	-	-	-
Lease yard	30,583,603	-	-	20%	7,954,910	5,034,154	-	-	12,979,064	17,584,539
Subtotal	1,667,561,043	114,927,403	-1,243,470,443		244,670,868	25,754,956	-255,115,930		15,309,894	23,687,709
Total	4,046,209,425	1,966,268,127	(1,803,715,911)		779,214,398	203,521,707	(265,081,754)		713,654,342	3,495,107,299

5.2 Details of assets disposed off during the year are as follows:

Asset	Cost	Accumulated depreciation	Carrying amount	Sales price	Gain/(Loss) on disposal	Particulars of the buyer	Mode of disposal	Relationship with the purchaser
Owned Trucks	9,965,849	1,834,368	8,131,481	5,000,000	(3,131,481)	United Gas	Auction	None
Owned Trucks	10,140,806	1,320,891	8,869,946	5,000,000	(3,869,946)	Malik Enterprises	Auction	None
Owned Trucks	9,965,849	1,029,892	8,135,957	5,000,000	(3,135,957)	Muhammad Mustafa	Auction	None
Owned Trucks	9,965,849	1,029,892	8,135,957	5,000,000	(3,135,957)	Roor Khan	Auction	None
Owned Trucks	9,965,849	1,829,892	8,135,957	5,000,000	(3,135,957)	United Gas	Auction	None
Owned Trucks	10,140,806	1,320,891	8,869,946	5,000,000	(3,869,946)	Malik Enterprises	Auction	None
Subtotal	60,245,068	9,965,824	50,279,244	30,000,000	(20,279,244)			

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SECURE LOGISTICS TRAK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

5 OPERATING FIXED ASSETS (CONTINUED)-1

5.3 During the year ended December 31, 2024, the Company transferred Right-of-Use (ROU) assets amounting to PKR 1,743,470,043 to operating fixed assets. This transfer represents a reclassification of leased assets that have met the criteria for recognition as owned assets under applicable accounting standards.

The entity has fully settled its lease liability and concluded the lease agreement. Consequently, the Right-of-Use asset, initially recognized against the lease liability, including leasehold improvements, has been reclassified to operating fixed assets.

5.5 Depreciation for the year has been allocated as follows:

	2025 (Rupees)	2024 (Rupees)
Cost of services	25	202,463,394
Administrative expenses	36	1,658,313
	<u>196,504,434</u>	<u>203,571,707</u>

5.5.1 Depreciation for the year is changed 99.48% to Cost of Services and 0.52% to Administrative expenses.

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SECURE LOGISTICS TRAX GROUP LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

6 INTANGIBLES

	Computer Software	Navigation Software	Custom clearance and License	Total
Rupees				
Cost				
Balance as at January 01, 2024	6,600,000	52,150,000	3,803,759	62,553,759
Balance as at December 31, 2024	6,600,000	52,150,000	3,803,759	62,553,759
Accumulated Amortization				
Balance as at January 01, 2024	4,940,669	23,531,365	3,803,759	32,275,793
Charge for the period	331,866	5,723,727	-	6,055,593
Balance as at December 31, 2024	5,272,535	29,255,092	3,803,759	38,331,386
WDV as at December 31, 2024	1,327,465	22,894,908	-	24,222,373
Cost				
Balance as at January 01, 2025	6,600,000	52,150,000	-	58,750,000
Additions during the year	-	-	-	-
Disposals during the year	-	-	-	-
Transfer In/(Out)	-	(52,150,000)	-	(52,150,000)
Balance as at December 31, 2025	6,600,000	-	-	6,600,000
Accumulated Amortization				
Balance as at January 01, 2025	5,272,535	29,255,092	-	34,527,627
Charge for the period	265,493	-	-	265,493
Disposals during the year	-	-	-	-
Transfer In/(Out)	-	(29,255,092)	-	(29,255,092)
Balance as at December 31, 2025	5,538,028	-	-	5,538,028
WDV as at December 31, 2025	1,061,972	-	-	1,061,972
Amortization rate	20%	20%	20%	

6.1 Amortization for the year is charged wholly to administrative expense.

6.2 Navigation software transferred during the year to the Company's wholly owned subsidiary, LogiServe (Private) Limited. Accordingly, no navigation software-related intangible is recognised by the Company as at 31 December 2025.

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
7 LONG TERM INVESTMENT			
Equity method			
Fist Security (Private) Limited	7.1	475,896,933	457,324,076
Logi Serve (Private) Limited	7.2	637,079,194	474,531,376
Sky Guards (Private) Limited	7.3	82,780,396	60,307,631
Trax Online (Private) Limited	7.4	1,971,287,393	-
		<u>3,167,043,916</u>	<u>992,163,083</u>
7.1 Fist Security (Private) Limited			
Opening balance		457,324,076	342,578,223
Share of profit for the period		18,572,857	114,745,853
		<u>18,572,857</u>	<u>114,745,853</u>
Carrying value		<u>475,896,933</u>	<u>457,324,076</u>
7.1.1	The Company has 100% shareholding in FIST Security (Private) Limited. FIST Security (Private) Limited was incorporated on June 27, 2001 in Pakistan under the Companies Ordinance 1984, (repealed with enactment of Companies Act, 2017). The company is engaged in the business of providing security and consultancy services for protection of life and property, particularly with respect to building and factories. The registered office of the company is situated in Sector I-10/3, Islamabad.		
7.2 Logi Serve (Private) Limited			
Opening balance		474,531,376	201,175,831
Share of profit for the period		162,547,818	273,355,545
		<u>162,547,818</u>	<u>273,355,545</u>
Carrying value		<u>637,079,194</u>	<u>474,531,376</u>
7.2.1	The Company has acquired 100% shareholding of Logi Serve (Private) Limited. Logi Serve (Private) Limited was incorporated on December 31, 2021 in Pakistan under the Companies Act 2017 & obtained the Zone Enterprise license of Special Technology Zones Authority ("STZA") on May 12, 2022. The principal business activity of the Logi Serve is software and application development, data processing and to provide consultancy and training faculties. The registered office of the Company is on 10th Floor, State Life Tower, Jinnah Avenue, Blue Area, Islamabad.		
7.3 Sky Guards (Private) Limited			
Investment made during the period		60,307,631	45,000,000
Share of profit for the period		22,472,765	15,307,631
		<u>82,780,396</u>	<u>60,307,631</u>
Carrying value		<u>82,780,396</u>	<u>60,307,631</u>
7.3.1	The Company has acquired 75% shareholding of Sky Guards (Private) Limited. Sky Guards (Private) Limited was incorporated on May 10, 2001 in Pakistan as a private limited company under the Companies Ordinance 1984, (repealed with enactment of Companies Act, 2017). The company is engaged in the business of providing security and consultancy services for protection of life and property, particularly with respect to building and factories. The registered office of the company is 28/6-F Academy road Walton, Lahore cantt, Pakistan.		
7.4 Trax Online (Private) Limited			
Investment made during the period		1,685,420,640	-
Share of profit for the period		285,866,753	-
		<u>1,971,287,393</u>	<u>-</u>
Carrying value		<u>1,971,287,393</u>	<u>-</u>

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SECURE LOGISTICS TRAX GROUP LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
7 LONG TERM INVESTMENT (CONTINUED...)			
7.4.1 The Company acquired 100% shareholding of Trax Online (Private) Limited. The investment in subsidiary represents the consideration given by the company in the form of shares issued to the shareholders of the acquiree company at their fair value as on acquisition, (Rs. 14,415 per share). The Board of Directors of the Company has approved the scheme in its meeting held on February 04, 2025 and subsequent to the reporting date the Honorable Islamabad High Court has sanctioned the scheme on May 05, 2025, which has become effective on April 01, 2025. The implementation of the Scheme did not involve the transfer of any assets or liabilities, and both the Company and Trax Online (Private) Limited continue to operate as independent legal entities without dissolution or winding-up. Following the effective date, Trax Online (Private) Limited has become a wholly owned subsidiary of Secure Logistics - Trax Group Limited.			
8 LONG TERM SECURITY DEPOSITS			
Security deposit with clients	8.1	50,750,512	58,080,167
8.1 The amount represents security deposits held by customers as assurance for contractual performance obligations.			
9 DEFERRED TAX (ASSET)/ LIABILITY			
Deferred tax (asset)/ liability-opening		4,161,867	107,984,548
Charged to statement of profit or loss	30.2	(87,562,260)	(99,668,268)
Charged to other comprehensive income		4,154,412	(4,154,412)
		<u>(79,245,981)</u>	<u>4,161,867</u>
Deferred tax liabilities arising due to following temporary timing differences are as follows:			
Deferred tax on taxable temporary difference			
Intangibles		(46,810,154)	(42,206,342)
Lease Liability		(5,037,876)	(7,596,683)
Gratuity		-	(8,684,187)
Unused tax losses		(118,702,429)	(65,857,758)
Unused tax credit		(122,612,507)	(49,993,424)
Markup on security deposit		(1,807,788)	-
Expected credit losses		(2,196,219)	(1,535,829)
Investment in subsidiary		5,667,059	2,296,145
Property and equipment-Owned		208,611,421	170,870,511
Property and equipment-Leased		3,642,512	6,869,436
		<u>(79,245,981)</u>	<u>4,161,867</u>
Tax rate used		29%	29%
10 STORE AND SPARES			
Maintenance items			
Tyres		622,743,550	617,075,447
Diesel		254,920,065	237,021,065
Trackers	10.1.1	102,557,912	103,362,912
		-	12,433,886
		<u>980,221,527</u>	<u>969,893,310</u>
10.1 These items are held for consumption in the ordinary course of business and are not intended for resale.			
10.1.1 No tracker-related stores and spares are recognised as at December 31, 2025, as all tracker inventory was transferred to the Company's wholly owned subsidiary, LogiServe (Private) Limited.			
11 TRADE RECEIVABLES			
Receivables -considered goods		403,089,615	196,955,615
		<u>403,089,615</u>	<u>196,955,615</u>
Allowance for expected credit losses		(7,573,169)	(5,295,961)
		<u>395,516,446</u>	<u>191,659,654</u>

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
11	TRADE RECEIVABLES (CONTINUED...)		
11.1	Trade receivables from contract with customers		
	Local sales	403,089,615	196,955,615
	Export sales	-	-
	Allowance for expected credit losses	(7,573,169)	(5,295,961)
		<u>395,516,446</u>	<u>191,659,654</u>
11.2	Aging analysis of trade receivables from contract with customers		

2025				
Particulars	Past due less than 30 days	Past due less than 60 days	Past due less than 90 days	Past due over 365 days
Due from related parties	21,011,330	-	-	-
Due from other parties	112,494,550	135,266,623	134,317,112	-

2024				
Particulars	Past due less than 30 days	Past due less than 60 days	Past due less than 90 days	Past due over 365 days
Due from related parties	-	-	-	-
Due from other parties	142,341,007	36,714,240	17,900,368	-

11.3	Movement of allowance for expected credit losses of trade receivables		
	Balance as at January 1, 2025	5,295,961	4,598,005
	Impairment charge for the year	2,277,208	697,956
	Amounts written off	-	-
	Balance as at December 31, 2025	<u>7,573,169</u>	<u>5,295,961</u>
12	ADVANCES AND DEPOSITS		
	Business advances for way expenses	12.1.1	17,266,609
	Sales tax receivables - Input Tax		9,368,419
	Security deposit	12.1.2	6,975,598
	Askari Bank Limited - finance lease	12.1.3	2,099,873
			<u>35,710,499</u>
			<u>28,213,166</u>

12.1.1 This represents advances provided by the entity to truck drivers to cover way expenses, including fuel charges, toll charges, and any unforeseen costs such as minor repairs and maintenance during transit. These advances are settled on an actual basis upon submission of supporting bills and receipts to the entity.

12.1.2 The amount represents security deposits held by customers as assurance for contractual performance obligations.

12.1.3 This amount includes security deposit paid to Askari Bank Limited against finance lease liabilities.

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SECURE LOGISTICS TRAX GROUP LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
12 ADVANCES AND DEPOSITS (CONTINUED...)			
12.2 Loans and advances exceeding Rs. 1 million			
Category			
Rs. 1 million to Rs. 3 million			
Rs. 3 million and above	12.1.1	17,266,609	14,618,755
		<u>17,266,609</u>	<u>14,618,755</u>
13 DUE FROM SUBSIDIARY COMPANY			
Trax Online (Private) Limited	13.1	605,189,625	
Sky Guards (Private) Limited	13.2	240,029,231	266,705,000
		<u>845,218,856</u>	<u>266,705,000</u>
Ageing analysis of due from subsidiary company			
13.1	This amount represents the amount receivable from Trax Online (Private) Limited in respect of operating expenses paid by the company on behalf of Trax Online (Private) Limited.		
13.2	This amount represents the amount receivable from Sky Guards (Private) Limited in respect of operating expenses paid by the company on behalf of Sky Guards (Private) Limited. The outstanding balance is an interest-free loan		
14 CASH AND BANK BALANCES			
Cash in hand		25,593	206,045
Cash at bank:			
- Savings account - PKR		1,265	8,545
- Current account - PKR		1,953,418	207,447
		<u>1,980,276</u>	<u>422,037</u>
14.1 Cash and cash equivalents			
The above figures of cash and bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows at the end of the financial year as follows:			
Cash and cash equivalents comprise of following :			
Cash and bank	14	1,980,276	422,037
Short term loans	22	(174,998,393)	(477,739,569)
		<u>(173,018,117)</u>	<u>(477,317,532)</u>
15 SHARE CAPITAL			
15.1 Authorised share capital			
		2025	2024
		Numbers	Numbers
		425,000,000	275,000,000
			Ordinary shares
			Ordinary share of Rs. 10 each paid in cash
		2025	2024
		Rupees	Rupees
		4,250,000,000	2,750,000,000
15.2 Issued, subscribed and paid up capital			
The break up of ordinary paid up share capital is as follows:			
		2025	2024
		Numbers	Numbers
		273,852,459	249,538,734
			Ordinary shares of Rs. 10 each paid in cash
		2,738,524,595	2,495,387,340
			Ordinary shares issued as fully paid for consideration other than cash
		1,437,236,362	241,004,470

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
15 SHARE CAPITAL (CONTINUED...)			
15.3 Reconciliation of number of shares outstanding		2025 Number	2024 Number
Ordinary shares			
Number of shares outstanding at the beginning of the year		1,360,819	83,564,932
Increase in authorize share capital		150,000,000	25,000,000
Shares issued for cash		-	83,103,666
Shares issued for consideration other than cash	15.3.1	143,936,915	24,100,447
Number of shares outstanding at the end of the year		<u>7,423,904</u>	<u>1,360,819</u>
15.3.1 Shares have been issued to the followings:			
Trax online (Private) Limited	15.3.1.1	116,921,307	-
Mr. Pervaiz Afzal Khan	15.3.1.2	27,015,608	-
Total shares issued during the period		<u>143,936,915</u>	-

15.3.1.1 During the year, the Company acquired 100% shareholding of Trax online (Private) Limited through the issuance of 116,921,307 ordinary shares at share price of Rs. 14.415 each, and PAR value of share is Rs.10. Accordingly, Trax online (Private) Limited has become a wholly owned subsidiary of the Company.

15.3.1.2 During the period, the Company issued 27,015,608 ordinary shares to Mr. Pervaiz Afzal Khan at a par value of Rs. 12.75 per share. Complete disclosure in respect of this issuance is provided in Note 21 to the financial statements.

15.4 Subsequent Event - Issue of Shares under Employee Share Option Scheme

Subsequent to the year end, the Company issued 4,217,940 ordinary shares of Rs. 10 each under the Employee Stock Option Scheme (ESOS) to Mr. Pervaiz Afzal Khan in consideration of services rendered in connection with the execution of the merger transaction and integration of entities, as approved by the Board of Directors and shareholders.

The shares were issued pursuant to the Scheme of Arrangement approved by the Honourable High Court. The transaction has been accounted for as an equity-settled share-based payment in accordance with IFRS 2. The fair value of the shares issued has been recognized in profit or loss with a corresponding increase in equity.

Consequent to the above allotment, the paid-up share capital of the Company stands at Rs. 4,217,940,360 divided into 421,794,036 ordinary shares of Rs. 10 each.

15.5 Utilization of proceeds from initial public offering

During the previous financial year, the Company successfully raised funds through an Initial Public Offering (IPO), with total gross proceeds amounting to Rs. 1,184,893,183. The proceeds were allocated in accordance with the intended utilization as disclosed in the prospectus.

During the year ended 31 December 2025, the remaining unutilized balance of Rs. 203,689,512 was fully utilized in line with the approved objectives. Accordingly, as at 31 December 2025, the entire IPO proceeds have been fully deployed against their designated purposes.

Purpose of utilization	Amount Allocated	Amount Utilized	Un-utilized Balance
Debt settlement	1,042,893,183	1,042,893,183	-
Business expansion and initiatives	30,000,000	30,000,000	-
B2B Marketplace and IT Infrastructure	50,000,000	50,000,000	-
Efficiencies enhancement	62,000,000	62,000,000	-
Total	<u>1,184,893,183</u>	<u>1,184,893,183</u>	-

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
16 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
As at January 1, 2025		26,195,459	125,107,065
Additions		-	-
Interest expense relating to lease liabilities	27	2,998,681	9,121,594
Payments		(11,822,154)	(108,033,200)
As at December 31, 2025		<u>17,371,986</u>	<u>26,195,459</u>
Current		6,950,055	9,895,517
Non-current		10,421,931	16,299,942
		<u>17,371,986</u>	<u>26,195,459</u>
Maturity analysis of lease liabilities			
Up to one year		6,950,055	9,895,517
After one year		10,421,931	16,299,942
Total lease liabilities		<u>17,371,986</u>	<u>26,195,459</u>
16.1 Cash outflow for leases			
The Company had total cash outflows for leases of Rs. 11,822,154/- (2024: Rs. 108,033,200/-).			
16.2			
The Company has obtained vehicle on finance leases from different banks at the rate of 3 month KIBOR+1.5 to 1 year KIBOR+2% on quarterly instalment payment. The Company has provided following securities to bank against these finance lease facility:			
16.3			
The lease liability disclosed above also includes the lease liability recognised during the year in respect of Lahore yard premises, previously accounted for as a rental arrangement.			
17 EMPLOYEE BENEFIT OBLIGATION			
Employees gratuity		-	29,945,473
17.1 Reconciliation of net liability is as follows:			
Present value of defined benefits obligation		-	29,945,473
		-	29,945,473
17.2 Movement in the net liability is as follows:			
Opening balance		29,945,473	12,203,362
Charge during the year - statement of profit or loss		-	3,416,551
Other comprehensive income		-	14,325,560
Benefit paid		(29,945,473)	-
Closing balance		-	29,945,473
17.3 Movement in present value of defined obligation			
Present value of defined obligations at beginning of the year		-	12,203,362
Current service cost		-	1,525,030
Interest cost		-	1,091,521
Remeasurement profit/(loss)		-	14,325,560
Obligation at end of the period/year		-	29,945,473
17.4 Principle actuarial assumptions			
Assumptions used to determine defined benefit obligation			
Discount Rate		-	12.25%
Salary increase rate		-	11.25%
Rate of return on plan assets for the next years		-	N/A
Effective duration of plan		-	13 years
Assumptions			

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
17 EMPLOYEE BENEFIT OBLIGATION (CONTINUED...)			
17.5 Sensitivity Analysis			
Defined Benefit Obligation (DBO)		-	29,945,473
1% Increase in Discount rate		-	26,371,008
1% Decrease in Discount rate		-	34,205,650
1% Increase in Salary Increase rate		-	34,235,869
1% Decrease in Salary Increase rate		-	26,275,799
18 DUE TO SUBSIDIARY COMPANIES			
Logi Serve (Private) Limited	18.1	465,514,429	393,184,905
Fist Security (Private) Limited	18.2	114,980,635	128,220,124
		580,495,064	521,405,029
18.1	The balance represents amounts payable to the Company's wholly owned subsidiary, LogiServe (Private) Limited, relating to the transfer of the tracker business during the year, as well as a commission payable in respect of tracker-related services.		
18.2	This amount represents the amount payable to FIST Security (Private) Limited in respect of operating expenses paid by the FIST Security (Private) Limited on the behalf of Secure Logistics Trax Group Limited. The outstanding loan is interest free loan.		
19 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Salaries payable		27,237,295	39,501,927
Sales tax payable		22,701,362	16,909,822
Creditors		14,583,327	152,476
Others payable	19.1	6,891,073	1,405,580
Markup accrued		5,291,075	11,972,257
Audit fee payable		1,294,461	1,280,446
		77,998,593	71,222,508
19.1	Other payables represent amounts payable to various vendors against services rendered and expenses incurred during the year. These balances are unsecured, non-interest bearing, and are payable in the normal course of business in accordance with agreed terms.		
20 PROVISION FOR TAXATION - NET			
Opening at January 1, 2025		112,375,911	64,663,835
Provision for taxation		72,619,083	49,993,424
Levy for the year		1,745,654	1,978,722
		186,740,648	116,635,981
Income tax paid		(4,860,306)	(4,260,070)
Closing at December 31, 2025		181,880,342	112,375,911
21 LOAN FROM ASSOCIATES			
Genesis Holdings (Private) Limited		490,000,000	-
KBP Limited	21.1	28,850,452	28,850,452
Mr. Pervaiz Afzal Khan - Sponsor	21.2	7,597,370	42,046,368
		526,447,822	70,896,820
21.1	This loan is unsecured and interest free. The loan does not bear any fixed repayment schedule.		
21.2	Opening balance		
Loan given to the		42,046,368	42,046,368
Loan repaid by		310,000,000	-
Closing balance		(344,448,998)	-
		7,597,370	42,046,368

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
21 LOAN FROM ASSOCIATES (CONTINUED....)			
21.2.1			
The unsecured and interest-bearing loan of Rs. 42,046,368/- from Mr. Pervaiz Afzal Khan - Sponsor was outstanding at the beginning of the period. During the period ended December 31, 2025, Mr. Pervaiz Afzal advanced an additional Rs. 310 million to the Company for repayment of its running finance facility. From the opening balance of Rs. 42,046,368/-, an amount of Rs. 34,448,998/- was converted into equity through the issuance of 27,015,608 ordinary shares of Rs. 10 each to Mr. Pervaiz Afzal at a premium of Rs. 2.75 per share, resulting in partial settlement of the outstanding balance.			
22 SHORT TERM RUNNING FINANCE			
Running finances:			
Askari Bank Limited	22.1	104,998,393	104,999,214
Habib Bank Limited-RF1	22.2	70,000,000	70,000,000
Habib Bank Limited-RF2	22.3	-	302,740,355
		<u>174,998,393</u>	<u>477,739,569</u>
		<u>174,998,393</u>	<u>477,739,569</u>
22.1			
Running Finance facility of PKR. 105 million has obtained at 3 month KIBOR plus 1.25%. The facility is secured against 1st pari passu charge of PKR. 50 M against all present and future current and fixed assets of the Company registered with SECP, 1st pari passu charge of PKR. 150 million over all present and future current assets and receivables of the Company registered with SECP and personal guarantee of all the directors of the Company excluding personal guarantee of nominee director.			
22.2			
Company has obtained running finance facility of PKR. 70 million at 3 month KIBOR plus 1.25%. The facility is secure against 1st pari passu charge of PKR. 27 million over all present and future current and fixed assets of the company, HPA in favor of HBL of 19 trucks with first exclusive charge of PKR. 125 million registered with SECP, 1st pari passu charge of PKR. 27 million over receivables of the Company and personal guarantee of Mr. Pervaiz Afzal Khan and Gulraiz Afzal Khan.			
22.3			
The Running Finance facility of PKR 310 million is obtained by the Company at 3 Month KIBOR plus 0.5% and is backed by Stand by Letter of Credit issued by UBS Bank and arranged by sponsor shareholder Mr. Pervaiz Afzal Khan. During the year liability is fully transferred to Mr Pervaiz Afzal Khan.			
23 CONTINGENCIES AND COMMITMENTS			
There were no contingencies as of reporting date.			
24 REVENUE - NET			
Logistics division		1,273,321,718	2,033,470,329
Distribution division		74,694,534	82,049,666
Tracker division		-	9,950,961
		<u>1,348,016,252</u>	<u>2,125,470,956</u>
Less: Third party service fee		(202,218,540)	(314,014,823)
Less: Sales tax		(7,175,320)	(7,824,287)
		<u>1,138,622,392</u>	<u>1,803,631,846</u>
25 COST OF SERVICES			
Fuel charges		434,102,530	765,165,596
Depreciation - operating fixed assets	5.5	195,482,611	202,463,394
Way expenses		125,050,422	227,175,706
Salaries and wages		23,761,655	51,266,839
Insurance expense		13,336,566	8,156,894
Repair and maintenance vehicles		11,587,254	33,780,220
Transportation/container charges		1,207,917	2,438,197
Stock consumption		539,675	21,461,127
Deduction by clients		13,382	911,166

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
25 COST OF SERVICES (CONTINUED...)			
Backload expense		-	2,841,973
Track services		-	4,264,635
Miscellaneous expenses		-	87,500
		805,082,012	1,320,013,247
26 ADMINISTRATIVE EXPENSE			
Salaries and other benefits	26.1	85,652,188	90,217,881
Legal and professional		12,168,160	22,977,660
Consultancy		5,583,322	-
Miscellaneous expense		2,822,931	1,496,079
Shared Expenses		2,608,923	-
Fee and subscription		2,591,465	473,800
Repair and maintenance		2,383,381	474,483
Allowances for expected credit loss		2,277,208	697,956
Travelling and conveyance		1,409,769	1,950,815
Auditor's remuneration	26.2	1,363,750	1,526,934
Utilities		1,294,641	1,229,412
Depreciation - operating fixed assets	5.5	1,021,823	1,058,313
Advertisement expense		928,920	1,264,479
Entertainment		529,400	605,723
Amortization - Intangibles	6	265,493	6,055,593
Printing and stationery		24,000	381,502
Petrol oil and lubricants		-	1,556,373
Loss on disposal of fixed asset		-	20,279,244
Exchange loss		-	3,623,305
		122,925,374	155,869,552
26.1 Salaries and other benefits			
Salaries		85,652,188	86,801,330
Gratuity expenses		-	3,416,551
		85,652,188	90,217,881
26.2 Auditor's remuneration			
Interim audit and review fee		426,250	1,311,934
Annual audit fee		750,000	115,000
Out of pocket expenses		75,000	100,000
Sales tax @15 %		112,500	-
		1,363,750	1,526,934
27 FINANCE COST			
Markup on short term borrowings	22	52,418,366	108,821,666
Markup on security deposit	8	6,233,753	-
Markup on finance leases	16	2,998,681	9,121,594
Bank charges		1,254,288	1,157,757
Markup on loan from associates		-	49,804,694
		62,905,088	168,905,711
28 OTHER INCOME			
Income from - financial assets			
Profit from saving account		-	171,395
Loan write-off		120,000,000	-

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
28 OTHER INCOME (CONTINUED...)			
Income from non - financial assets			
Markup on security deposit	28.1	5,816,064	-
Gain on disposal of fixed assets	28.2	1,205,380	-
Sale of scrap		-	661,210
Insurance claim		-	4,523,435
		<u>127,021,444</u>	<u>5,356,040</u>
28.1	This represents the markup income on security deposit.		
28.2	During the year ended December 31, 2025, the Company disposed of certain fixed assets, including a trucks and a trailers, resulting in a gain on sale.		
29 LEVY			
Minimum tax		<u>1,745,654</u>	<u>1,978,722</u>
29.1	This represents portion of minimum tax paid under section 153(1)(b) of Income Tax Ordinance (ITO, 2001) amounting to PKR. 1,745,654 - (2024:PKR 1,978,722/-) respectively, representing levy in terms of requirements of IFRIC 21/IAS 37.		
30 INCOME TAX EXPENSE			
Current tax		72,619,083	49,993,424
Deferred tax	9	<u>(87,562,260)</u>	<u>(99,668,268)</u>
		<u>(14,943,177)</u>	<u>(49,674,844)</u>
30.1 Major components of current tax expense			
Charge for the year		72,619,083	49,993,424
Adjustment for the prior years		-	-
		<u>72,619,083</u>	<u>49,993,424</u>
30.2 Major components of deferred tax expense			
Origination and reversal of temporary differences		<u>(87,562,260)</u>	<u>(99,668,268)</u>
		<u>(87,562,260)</u>	<u>(99,668,268)</u>
31 BASIC AND DILUTED EARNINGS PER SHARE			
Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.			
Earnings per share are represented as follows:			
		2025	2024
		(Rupees)	(Rupees)
Net profit for the year		777,389,078	615,130,632
Weighted		345,607,638	247,189,814
Basic and diluted earnings per share		<u>2.25</u>	<u>2.49</u>

32 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- Operational risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and policies. The Board is responsible for developing and monitoring the Company's risk management policies.

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
32 FINANCIAL RISK MANAGEMENT (CONTINUED...)			
<p>The Company's risk management policies are established to identify and analyse 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. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.</p> <p>The board oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.</p>			
32.1 Credit risk			
<p>Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.</p> <p>The Company is exposed to credit risk from its operating and certain investing activities and the Company's credit risk exposures are categorized under the following headings:</p>			
Exposure to credit risk			
The maximum exposure to credit risk at the reporting date was:			
Due from subsidiary company	13	845,218,856	266,705,000
Trade debts	11	395,516,446	191,659,654
Security deposits	8	50,750,512	58,080,167
Advances and other receivables	12	35,710,499	28,213,166
Bank Balances	14	1,954,683	215,992
		<u>1,329,150,996</u>	<u>544,873,979</u>
<p>To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.</p> <p>The aging of trade receivable at the reporting date is:</p>			
Past Due 0 - 30 Days		133,505,880	142,341,007
Past Due 31 - 60 Days		135,266,623	36,714,240
Past Due 61 - 90 Days		134,317,112	17,900,368
Past Due 91 - 180 Days		-	-
		<u>403,089,615</u>	<u>196,955,615</u>
Expected credit losses		<u>(7,573,169)</u>	<u>(5,295,961)</u>
		<u>395,516,446</u>	<u>191,659,654</u>
Credit quality of financial assets			
<p>The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates:</p>			
Counter parties without credit rating		1,325,096,440	540,449,487
Counter parties with credit rating		4,054,556	4,424,492
		<u>1,329,150,996</u>	<u>544,873,979</u>
Bank balances			
<p>The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis. The ratings of banks ranges from A to AAA.</p>			

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
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32 FINANCIAL RISK MANAGEMENT (CONTINUED...)

32.1 Credit risk (continued...)

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

32.2 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. Operational risk is inherent in operational activities.

The company has instituted sound operational risk through policies, plans and processes for controlling and mitigating potential operational risk. The systems of internal controls include financial, operational and compliance controls and is performed on continuous basis by the senior management and all levels of employees within the company.

The objectives of operational risk include the safeguarding of assets from inappropriate use or from loss and fraud, ensuring that liabilities are identified and managed and that quality of internal and external reporting is maintained. The Company regularly monitors its Key Risk Indicators (KRI) and loss data inventory. The company has also formulated a disaster recovery plan and guidelines for information security, employee conduct and for prevention of fraud and forgery to ensure smooth functioning of the Company's operations.

Business Continuity Plan (BCP) has been rigorously tested. The company has enhanced remote work capabilities in order to endure seamless operations and provisions of uninterrupted services to the customers. Related risks and control measures are regularly monitored to protect company's information assets from emerging cyber threat.

32.3 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet commitments associated with the financial instruments. The management is closely monitoring the Company's liquidity and cash flow position through its treasury function and ensures availability of funds by maintaining credit facilities available from financial institutions. The liquidity management also involves monitoring of liquidity ratios and maintaining debt financing plans.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

December 31, 2025	Carrying Amount	Contractual Cash flows	Less than 1 year	More than 1 year
Finance lease liabilities	17,371,986	-	-	-
Due to subsidiary	-	-	-	-
Loan from subsidiaries	580,495,064	580,495,064	580,495,064	-
Creditors, accrued and other payables	77,998,593	77,998,593	77,998,593	-
Short term loans	174,998,393	174,998,393	174,998,393	-
	850,864,036	833,492,050	833,492,050	-

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SECURE LOGISTICS TRAX GROUP LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

		Note	2025 (Rupees)	Restated 2024 (Rupees)	
32	FINANCIAL RISK MANAGEMENT (CONTINUED...)				
32.3	Liquidity Risk (continued...)				
	December 31, 2024	Carrying Amount	Contractual Cash flows	Less than 1 year	More than 1 year
	Finance lease liabilities	26,195,459	26,195,459	6,950,055	-
	Due to subsidiary companies	521,405,029	521,405,029	521,405,029	-
	Loan from subsidiaries	526,447,822	526,447,822	526,447,822	-
	Creditors, accrued and other payables	71,222,508	71,222,508	71,222,508	-
	Short term loans	477,739,569	477,739,569	477,739,569	-
		<u>1,623,010,387</u>	<u>1,623,010,387</u>	<u>1,603,764,983</u>	

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

32.4 **Market Risk**

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or market rate of foreign currency. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Company is exposed to interest rate and currency risks.

Market risk management is further analysed in two categories:

- (a) Interest rate risk management.
- (b) Currency rate risk management.

(a) **Interest rate risk management**

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loan, subordinated loans, lease liabilities and short term borrowings. Interest rates are mostly dependent upon Karachi Inter Bank Offered Rate ("KIBOR") as indicated in respective notes. There were no fixed rate instruments outstanding as at reporting date.

Variable rate instruments

Financial assets

Bank balances	1,265	8,545
Financial		
Finance lease	17,371,986	26,195,459
Loan from	580,495,064	-
Short term loans	174,998,393	477,739,569
Net exposure in statement of financial position	<u>772,866,708</u>	<u>503,943,573</u>

Sensitivity analysis for variable rate instruments

Management runs a sensitivity analysis for interest rate risk, if the interest rates at the reporting date had been increased/(decreased) by 100 basis points with all other variables being constant, the profit/(loss) before tax would have decreased/(increased) by Rs.7,729,989/- (2024: Rs. 5,039,436/-). The analysis is prepared assuming that amounts of assets and liabilities outstanding as at the reporting date are outstanding for the entire period.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the period and assets/ liabilities of the Company.

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
32 FINANCIAL RISK MANAGEMENT (CONTINUED...)			
32.4 Market Risk			
(b) Currency rate risk management			
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. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.			
The Company is exposed to currency risk arising from various currency exposures, primarily with respect to foreign loan payables. Currently, the Company's foreign exchange risk exposure is restricted to:			
		<u>28,850,452</u>	<u>28,850,452</u>
KBP Limited - Subordinated loan			
If the functional currency, at reporting date, had weakened / strengthened by 1% against the USD with all other variables held constant, the impact on profit before taxation for the period would have been Rs. 288,504/- (2024: Rs. 577,009/-) respectively lower / higher, mainly as a result of exchange gains or losses on translation of foreign exchange denominated financial instruments.			
33 FINANCIAL INSTRUMENTS BY CATEGORY			
Fair value of financial assets			
Financial assets			
Due from subsidiary company		845,218,856	266,705,000
Trade debts		395,516,446	191,659,654
Security deposits		50,750,512	58,080,167
Advances, deposits and other receivables		35,710,499	28,213,166
Cash and bank balance		1,980,276	422,037
		<u>1,329,176,589</u>	<u>545,080,024</u>
Financial liabilities			
Due to subsidiary companies		580,495,064	521,405,029
Loan from subsidiaries		526,447,822	70,896,820
Short term loans		174,998,393	477,739,569
Creditors, accrued and other payables		77,998,593	71,222,508
Finance lease liabilities		17,371,986	26,195,459
		<u>1,377,311,858</u>	<u>1,167,459,385</u>
34 CAPITAL RISK MANAGEMENT			
The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholders value and reduce the cost of capital.			
The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and remuneration to key management personnel, require interest free unsecured loans from directors, return capital to shareholders or issue new shares.			
The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as long and short term borrowings offset by cash and bank balances.			
The gearing ratios are as follows:			
Finance lease liabilities		17,371,986	26,195,459
Loan from subsidiaries		526,447,822	70,896,820
Short term loans		174,998,393	477,739,569
		<u>718,818,201</u>	<u>574,831,848</u>
Less: Cash and cash equivalents		(1,980,276)	(422,037)
Net debts		<u>716,837,925</u>	<u>574,409,811</u>

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025 (Rupees)	Restated 2024 (Rupees)
34	CAPITAL RISK MANAGEMENT (CONTINUED...)		
	Issued, subscribed and paid up capital	4,175,760,957	2,736,391,810
	Share premium	1,183,983,969	593,483,477
	Accumulated profits	2,155,992,832	1,382,648,166
	Equity	7,515,737,758	4,712,523,453
	Total capital and debt	8,232,575,683	5,286,933,264
	Gearing ratio	9%	11%

The Company finances its expansion projects through equity, borrowings and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

The Board's policy is to maintain a strong capital base so as to maintain stakeholders' confidence and to ensure sustainable future development of the business.

The Board of Directors monitors return on equity and ensures that the company has an appropriate capital mix. Board of Directors monitors the company's performance along with capital and debt costs.

35 **FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

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

As of the reporting date, mutual funds of the company are carried at fair value.

The carrying values of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

36	NUMBER OF EMPLOYEES	2025	2024
		Number	Number
	Number of employees	58	77
	Average number of employees	58	77

37 **TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

The related parties comprise of associated companies, directors and key management personnel. The company in the normal course of business carries out transactions with various related parties. The company enters into transactions with related parties on the basis of mutually agreed terms. Significant transactions and balances with related parties are as follows.

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SECURE LOGISTICS TRAX GROUP LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2025

37 TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED...)

37.1 TRANSACTIONS WITH RELATED PARTIES

Name of related party	Relationship with the Company	Nature of Transaction	December 31, 2025 (Rupees)	December 31, 2024 (Rupees)
Mr. Pervaiz Afzal Khan	Sponsor/Director/Shareholder	Repayment of loan via Issuance of shares	34,448,998	-
KBP Limited	16.95% Shareholding	Repayment of loan	-	-
		Loan received	-	-
		Exchange loss on loan	-	3,623,306
Genesis Holdings (Private) Limited	Associated Company	Loan received	490,000,000	-
FIST Security (Private) Limited	Subsidiary company	Repayment of loan	(13,239,489)	(25,944,709)
Logi Serve (Private) Limited	Subsidiary Company	Amount paid for operating expenses by logi serve on behalf of SLG	72,329,524	295,974,498
Trax Online (Private) Limited	Subsidiary company	Amount paid for operating expenses by company on the behalf of Trax Online	605,189,625	-
Karandaz Pakistan	Shareholder	Repayment of loan via issuance of shares	-	(187,500,000)
Sky Guards (Private) Limited	Subsidiary Company	Expenses paid by the Company on the behalf of Sky Guards	-	-
		Repayment of loan	26,675,769	266,705,000

37.2 BALANCES WITH RELATED PARTIES

Name of the Party	Relationship with the Company	Nature of Balances	December 31, 2025 (Rupees)	December 31, 2024 (Rupees)
Mr. Pervaiz Afzal Khan	Sponsor	Payable balances in respect of loan obtained	(7,597,370)	(42,046,368)
KBP Limited	16.95% Shareholding	Payable balances in respect of loan obtained	(28,850,452)	(28,850,452)
Genesis Holding (Private) Limited	Associated Company	Payable balances in respect of loan obtained	(490,000,000)	-
Fist Security (Private) Limited	Subsidiary Company	Payable balances in respect of loan obtained	(114,980,635)	(128,220,124)
Logi Serve (Private) Limited	Subsidiary Company	Receivable/ (Payable) balances in respect of loan provided	(465,514,429)	(393,184,905)
Trax Online (Private) Limited	Subsidiary Company	Receivable/ (Payable) balances in respect of loan provided	605,189,625	-
Sky Guards (Private) Limited	Subsidiary Company	Receivable balances in respect of loan provided	240,029,231	266,705,000

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SECURE LOGISTICS TRAX GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

38 REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

Particulars	Chief Executive Officer	Directors	Executive
	----- Rupees-----		
December 31, 2025			
Salary	9,900,000	10,800,000	14,328,000
Housing expense	4,125,000	4,500,000	5,970,000
Medical expense	1,485,000	1,620,000	2,149,200
Transport allowance	990,000	1,080,000	1,432,800
	16,500,000	18,000,000	23,880,000
Number of Executives	1	2	10

Particulars	Chief Executive Officer	Directors	Executive
	----- Rupees-----		
December 31, 2024			
Salary	2,500,000	3,960,000	6,624,000
Housing expense	700,000	1,650,000	2,760,000
Medical expense	250,000	594,000	993,600
Transport allowance	450,000	396,000	662,400
	3,900,000	6,600,000	11,040,000
Number of Executives	1	3	6

39 DATE OF AUTHORISATION

These financial statements have been authorised for issue on _____ by the Board of Directors of the Company.

40 GENERAL

Figures have been rounded off to the nearest Rupee.

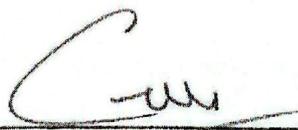
40.1 CORRESPONDING FIGURES

Following material rearrangement have been made in these Financial Statements for better presentation. Figures of the previous year have been re-arranged and reclassified wherever necessary for the purpose of comparison.

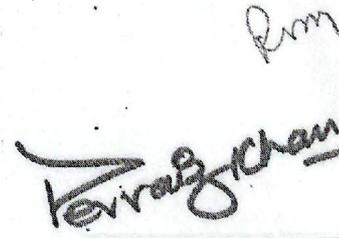
Nature	Note	From	To	2024 (Rupees)
Sales tax payable	19	Other Payables (Creditor, accrued and other payables)	Sales tax payable (Creditor, accrued and other payables)	16,909,822



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR