

Liquid Capital Balance

Taurus Securities Limited

As at June 30, 2020



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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF TAURUS SECURITIES LIMITED ON THE STATEMENT OF LIQUID CAPITAL BALANCE AS AT JUNE 30, 2020

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Opinion

We have audited the annexed Statement of Liquid Capital of Taurus Securities Limited (the Securities Broker) and notes to the Statement of Liquid Capital as at June 30, 2020 (together the Statement).

In our opinion, the financial information in the Statement of the Securities Broker as at June 30, 2020 is prepared, in all material respects, in accordance with requirements of the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 issued by the Securities & Exchange Commission of Pakistan (SECP).

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 Statement section of our report. We are independent of the Securities Broker in accordance with the ethical requirements that are relevant to our audit of the Statement in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Notes 1 and 2 to the Statement, which describe the statement of compliance and basis of accounting. The Statement is prepared to assist the Securities Broker to meet the requirements of the SECP, Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL). As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the Securities Broker, SECP, PSX and NCCPL and should not be distributed to parties other than the Securities Broker, the SECP, PSX or NCCPL. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

Management is responsible for the preparation of the Statement in accordance with requirements of the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 issued by the Securities & Exchange Commission of Pakistan (SECP), and for such internal control as management determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance is responsible for overseeing the Securities Broker's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

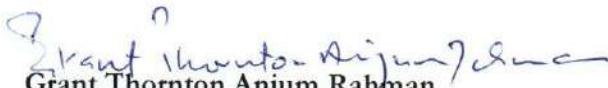
Our objectives are to obtain reasonable assurance about whether the Statement is free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 this Statement.

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

- Identify and assess the risks of material misstatement of the Statement, 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 Securities Broker's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance 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.

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


Grant Thornton Anjum Rahman
Chartered Accountants

Karachi

Date:

15 SEP 2020

Taurus Securities Limited

Statements of Liquid Capital Balance
As at June 30, 2020

TAURUS SECURITIES LIMITED
STATEMENT OF LIQUID CAPITAL BALANCE
AS AT JUNE 30, 2020

S. No.	Head of Account	Note	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
I. Assets					
1.1	Property & Equipment		14,682,231	100.00%	-
1.2	Intangible Assets		356,343	100.00%	-
1.3	Investment in Govt. Securities		-	-	-
Investment in Debt Securities					
If listed than:					
i. 5% of the balance sheet value in the case of tenure upto 1 year.					
ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.					
iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.					
If unlisted than:					
i. 10% of the balance sheet value in the case of tenure upto 1 year.					
ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.					
iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.					
Investment in Equity Securities					
1.5	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. ii. If unlisted, 100% of carrying value.	3	170,312,595	39,242,188	131,070,407
1.6	Investment in subsidiaries		-	100.00%	-
Investment in associated companies/undertaking					
1.7	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher. ii. If unlisted, 100% of net value.		-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.		-	100.00%	-
1.9	Margin deposits with exchange and clearing house.		49,620,263	-	49,620,263
1.10	Deposit with authorized intermediary against borrowed securities under SLB.		-	-	-
1.11	Other deposits and prepayments		15,998,002	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil) 100% in respect of markup accrued on loans to directors, subsidiaries and other related parties		77,000	-	77,000
1.13	Dividends receivables.		-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. <i>(Securities purchased under repo arrangement shall not be included in the investments.)</i>		-	-	-
1.15	i. Short Term Loan to Employees: Loans are Secured and Due for repayment within 12 months ii. Receivables other than trade receivables	4	1,932,998 60,138,026	- 100.00%	1,932,998 -
Receivables from clearing house or securities exchange(s)					
1.16	i) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains. ii) Receivable on entitlements against trading of securities in all markets including MTM gains.		-	100.00%	-
Receivables from customers					
i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VaR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. i. Lower of net balance sheet value or value determined through adjustments.					
ii. In case receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut					
iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haircut					
1.17	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	5	26,125,023	-	26,125,023
v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VaR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. v. Lower of net balance sheet value or value determined through adjustments					
vi. 100% haircut in the case of amount receivable from related parties.					
Cash and Bank balances					
1.18	i. Bank Balance-proprietary accounts ii. Bank balance-customer accounts iii. Cash in hand		9,441,717 206,884,323 105,979	- - -	9,441,717 206,884,323 105,979
1.19	Total Assets		584,769,316		434,350,082

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TAURUS SECURITIES LIMITED
STATEMENT OF LIQUID CAPITAL BALANCE
AS AT JUNE 30, 2020

2. Liabilities				
	Trade Payables			
2.1	i. Payable to exchanges and clearing house		17,999,363	17,999,363
	ii. Payable against leveraged market products		-	-
	iii. Payable to customers		211,821,832	211,821,832
	Current Liabilities			
	i. Statutory and regulatory dues		-	-
	ii. Accruals and other payables	6	21,264,427	21,264,427
	iii. Short-term borrowings		25,000,000	25,000,000
	iv. Current portion of subordinated loans		-	-
	v. Current portion of long term liabilities		-	-
	vi. Deferred Liabilities		-	-
	vii. Provision for bad debts		9,363,080	9,363,080
	viii. Provision for taxation		-	-
	ix. Other liabilities as per accounting principles and included in the financial statements		-	-
	Non-Current Liabilities			
2.3	i. Long Term financing		-	-
	ii. Staff retirement benefits		-	-
	iii. Other liabilities as per accounting principles and included in the financial statements		-	-
2.4	Subordinated Loans			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted		-	-
2.5	Total Liabilities		285,448,702	285,448,702
3. Ranking Liabilities Relating to :				
	Concentration in Margin Financing			
3.1	The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.		-	0
	Concentration in securities lending and borrowing			
3.2	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed		-	-
	Net underwriting Commitments			
3.3	(a) in the case of right issues, if the market value of securities is less than or equal to the subscription price, the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting (b) in any other case : 12.5% of the net underwriting commitments		-	-
3.4	Negative equity of subsidiary			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary		-	-
3.5	Foreign exchange agreements and foreign currency positions			
	5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency		-	-
3.6	Amount Payable under REPO		-	-
	Repo adjustment			
3.7	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.		-	-
3.8	Concentrated proprietary positions			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security		-	5,278,656

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TAURUS SECURITIES LIMITED
STATEMENT OF LIQUID CAPITAL BALANCE
AS AT JUNE 30, 2020

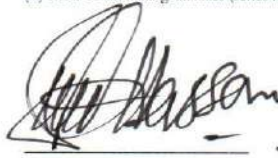
Opening Positions in futures and options				
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts		-	-
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met		-	-
Short sell positions				
3.10	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VaR based Haircuts		-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VaR based haircut less the value of securities pledged as collateral after applying haircuts.		-	-
3.11	Total Ranking Liabilities		-	5,278,656
			<u>299,320,614</u>	<u>143,622,724</u>
				Liquid Capital

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Calculations Summary of Liquid Capital

- (i) Adjusted value of Assets (serial number 1.19)
- (ii) Less: Adjusted value of liabilities (serial number 2.5)
- (iii) Less: Total ranking liabilities (series number 3.11)

434,350,082
(285,448,702)
(5,278,656)
143,622,724



Chief Financial Officer



Chief Executive Officer

TAURUS SECURITIES LIMITED
NOTES TO THE STATEMENT OF LIQUID CAPITAL
FOR THE PERIOD ENDED JUNE 30, 2020

1 STATEMENT OF COMPLIANCE

The statement of liquid capital balance ("the Statement") has been prepared in accordance with requirements as contained in the third schedule read with regulation 6(4) of the Securities Brokers (Licensing and Operations) Regulations, 2016 issued by Securities & Exchange commission of Pakistan (SECP).

The Statement is prepared specifically to meet the above mentioned requirements and for submission to the Pakistan Stock Exchange (PSX), National Clearing Company of Pakistan Limited (NCCPL) and SECP. As a result, the Statement may not be suitable for any other purpose.

2 BASIS OF ACCOUNTING

This statement has been prepared on Trade Date accounting basis and accordingly account for income, assets and liabilities.

3 INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER

Name of Securities	June 30, 2020			
	Available Quantity	Fair Value in Rs.	Haircut higher of VaR or 15%	Net Value at Risk in Rs.
ATRL	8,000	714,560	(107,184)	607,376
BOP	50,000	420,000	(63,000)	357,000
DGKC	9,000	767,970	(115,196)	652,775
FCCL	17,000	286,960	(43,044)	243,916
HBL	14,500	1,404,615	(210,692)	1,193,923
HUBC	19,000	1,377,500	(206,625)	1,170,875
LUCK	36,500	16,847,670	(2,527,151)	14,320,520
NML	21,500	1,677,215	(251,582)	1,425,633
OGDC	51,000	5,559,000	(833,850)	4,725,150
PAEL	49,500	1,135,035	(170,255)	964,780
PIOC	105,500	6,650,720	(1,130,622)	5,520,098
PPL	678,000	58,836,840	(8,825,526)	50,011,314
PSO	295,500	46,736,280	(7,010,442)	39,725,838
SEARL	6,500	1,294,995	(194,249)	1,100,746
TRG	374,500	10,575,880	(1,639,261)	8,936,619
PSX	1,602,953	15,869,235	(15,869,235)	-
JSCL	13,400	158,120	(44,274)	113,846
Total	3,352,353	170,312,595	(39,242,188)	131,070,407

4 RECEIVABLES OTHER THAN TRADE RECEIVABLES

June 30, 2020
(Rupees)

Other Receivables	4,029,233
Taxation - net	56,108,793
	<u>60,138,026</u>

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TAURUS SECURITIES LIMITED
NOTES TO THE STATEMENT OF LIQUID CAPITAL
FOR THE PERIOD ENDED JUNE 30, 2020

5 TRADE RECEIVABLES

These are valued at cost less debts outstanding for more than 5 days.

Total trade receivable other than related parties	53,031,899
Less: Outstanding for more than 5 days	<u>(26,906,877)</u>
Balance sheet value of over due up to 5 days	<u>26,125,023</u>

6 ACCRUALS AND OTHER PAYABLES

Accrued expenses	12,779,230
Accrued markup on running finance	230,864
Liabilities attributable to client identified subsequent to balance sheet date	936,325
Others	<u>7,318,008</u>
	<u>21,264,427</u>

7 DATE OF ISSUANCE

This Statement was authorized for issue on 15 SEP 2020 . *CSM*



Chief Financial Officer



Chief Executive Officer