



**FINANCIAL STATEMENTS
OF
TAURUS SECURITIES LIMITED
FOR THE YEAR ENDED
DECEMBER 31, 2024**

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

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **TAURUS SECURITIES LIMITED** (the Company), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory notes, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit and other comprehensive income or the surplus, the changes in equity, its cash flows for the year then ended.

Basis for Opinion

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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

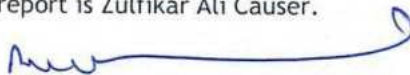
- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the financial statements were prepared.

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

KARACHI

DATED: 14 APR 2025

UDIN: AR202410067dVWGbcbvQR



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

TAURUS SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	8,036,859	8,345,027
Right of use assets	7	17,510,091	24,794,265
Intangible assets	8	1,553,552	341,934
Long term deposits and advances	9	3,716,671	2,795,946
Taxation - net	10	56,985,903	61,765,005
Deferred taxation	11	-	2,656,772
		87,803,076	100,698,949
CURRENT ASSETS			
Trade debts	12	132,648,479	209,455,990
Advances, deposits and prepayments	13	437,566,459	298,480,437
Other receivables	14	5,479,426	2,637,900
Investments	15	-	15,359,230
Cash and bank balances	16	835,704,166	372,736,405
		1,411,398,530	898,669,962
TOTAL ASSETS		1,499,201,606	999,368,911
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
40,000,000 (2023: 40,000,000) ordinary shares of Rs 10/- each	17.1	400,000,000	400,000,000
Issued, subscribed and paid-up share capital	17.2	135,023,060	135,023,060
Unappropriated profits	18	225,333,142	166,896,083
Remeasurement reserve on investment at fair value through other comprehensive income	18	-	11,179,721
		225,333,142	178,075,804
TOTAL EQUITY		360,356,202	313,098,864
NON-CURRENT LIABILITIES			
Lease liabilities	19	2,697,900	5,402,798
Deferred taxation	11	139,260	-
		2,837,160	5,402,798
CURRENT LIABILITIES			
Trade and other payables	20	893,229,654	569,313,399
Dividend payable		12,566	12,566
Lease liabilities	19	7,766,024	11,541,284
Short term running finance	21	235,000,000	100,000,000
		1,136,008,244	680,867,249
TOTAL LIABILITIES		1,138,845,404	686,270,047
TOTAL EQUITY AND LIABILITIES		1,499,201,606	999,368,911
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes 1 to 46 and 'Annexure - I' form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 Rupees	2023 Rupees
Operating revenue	23	176,147,026	98,662,642
Other operating revenue	24	75,803,674	72,801,037
Total operating income		251,950,700	171,463,679
Administrative expenses	25	(180,357,264)	(136,595,444)
Operating profit		71,593,436	34,868,235
Other income	26	50,000	160,244
Finance cost	27	(8,784,134)	(4,964,401)
Profit before taxation		62,859,302	30,064,078
Taxation	28	(30,748,032)	(14,644,336)
Profit for the year		32,111,270	15,419,742
Earnings per share - basic	29	2.38	1.14

The annexed notes 1 to 46 and 'Annexure - I' form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

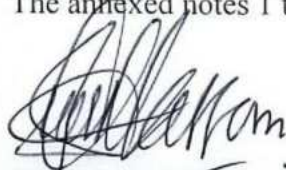


DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 Rupees	2023 Rupees
Profit for the year		32,111,270	15,419,742
Other comprehensive income for the year - net of tax			
Items that will never be reclassified to the statement of profit or loss			
fair value gain on investment in equity instruments designated at FVOCI		15,146,068	3,078,288
Remeasurements of defined benefit asset	14.1.1.5	-	(8,438,574)
Related current tax charge		-	2,447,186
		-	(5,991,388)
Total comprehensive income for the year		<u>47,257,338</u>	<u>12,506,642</u>

The annexed notes 1 to 46 and 'Annexure - I' form an integral part of these financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

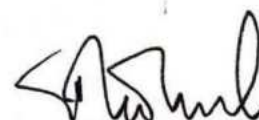
TAURUS SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Share capital	Unappropriated Profit	Unrealized gain / (loss) on re-measurement of investment at fair value through OCI	Total equity
	(Rupees)			
Balance as at January 01, 2023	135,023,060	157,467,729	8,101,433	300,592,222
Total comprehensive income for the year				
Loss for the year	-	15,419,742	-	15,419,742
Other comprehensive income/ (loss)	-	(5,991,388)	3,078,288	(2,913,100)
	-	9,428,354	3,078,288	12,506,642
Balance as at December 31, 2023	<u>135,023,060</u>	<u>166,896,083</u>	<u>11,179,721</u>	<u>313,098,864</u>
Balance as at January 01, 2024	135,023,060	166,896,083	11,179,721	313,098,864
Total comprehensive income for the year				
Profit for the year	-	32,111,270	-	32,111,270
Other comprehensive income	-	-	15,146,068	15,146,068
	-	32,111,270	26,325,789	47,257,338
Transfer of investment revaluation reserve upon disposal of investment in equity instruments designated as at FVOCI	-	26,325,789	(26,325,789)	-
Balance as at December 31, 2024	<u>135,023,060</u>	<u>225,333,142</u>	<u>-</u>	<u>360,356,202</u>

The annexed notes 1 to 46 and 'Annexure - I' form an integral part of these financial statements.


CHIEF FINANCIAL OFFICER

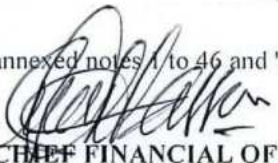

CHIEF EXECUTIVE OFFICER

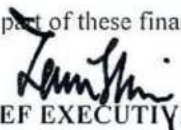

DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation for the year		62,859,302	30,064,078
Less: Dividend income		(3,121,855)	(7,397,398)
Adjustments for non cash items:			
Depreciation on property and equipment	6	3,770,184	3,652,820
Depreciation on right-of-use assets	7	12,772,553	6,304,367
Amortization on intangible assets	8	838,382	369,115
Gain on disposal of property and equipment	26	(50,000)	(60,244)
Finance cost	27	8,784,134	4,964,401
Mark-up income on bank deposits and cash margin	24	(66,268,098)	(54,272,597)
Capital gain on sale of securities	24	(276,439)	(494,560)
Capital gain on sale of units of mutual funds	24	(6,137,282)	(10,636,482)
		(46,566,566)	(50,173,180)
Net cash generated from/ (used in) operating activities before working capital changes		13,170,881	(27,506,500)
(Increase) / decrease in current assets			
Trade debts		76,807,511	459,962,271
Advances, deposits and prepayments		(15,691,472)	1,123,006
Other receivables		176,200	8,432,574
Deposit paid to National Clearing Company of Pakistan Limited - net		(124,315,275)	(115,567,804)
		(63,023,036)	353,950,047
		(49,852,155)	326,443,547
Increase in working capital liabilities:			
Trade and other payables		330,872,370	(403,449,191)
Net cash flows used in operations		281,020,215	(77,005,644)
Income tax paid	10	(23,172,898)	(17,307,279)
Net receipt from/ (payment) to gratuity fund	14.1.1.5	(8,618,581)	180,006
Financial charges paid		(6,103,981)	(1,406,569)
Net cash generated from / (used in) operating activities		243,124,755	(95,539,486)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment sold - net of purchases		36,771,129	11,131,042
Mark-up income on balances received		63,398,262	53,772,597
Capital expenditures	6 & 8	(5,141,813)	(792,011)
Dividend income		3,121,855	7,397,398
Proceeds from disposal of property and equipment	6.1	1,288,054	182,082
Net cash generated from investing activities		99,437,487	71,691,108
CASH FLOWS FROM FINANCING ACTIVITIES			
Down payment and other charges		-	(172,778)
Lease rentals paid		(14,594,482)	(13,489,237)
Net cash used in financing activities		(14,594,482)	(13,662,015)
Net increase in cash and cash equivalents		327,967,760	(37,510,393)
Cash and cash equivalents at beginning of the year		272,736,405	310,246,796
Cash and cash equivalents at end of the year	41	600,704,166	272,736,403

The annexed notes 1 to 46 and 'Annexure - I' form an integral part of these financial statements.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

Taurus Securities Limited (the Company) is a public unquoted company, incorporated in Pakistan on June 27, 1993 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Company is situated at 6th Floor, Progressive Plaza, Beaumont Road, Civil Lines, Karachi. It is a subsidiary of National Bank of Pakistan (the Holding Company), which holds 58.32% (2023: 58.32%) of the shareholding of the Company. The Company's principal activities are stock brokerage, investment counseling and fund placements. The Company holds a Trading Rights Entitlement Certificate (TREC) from Pakistan Stock Exchange Limited (PSEL) and it is trading and self clearing.

The Company has branches at the following locations:

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan, under lease arrangements in accordance with IFRS - 16 - "Lease", compliance of "Securities Brokers (Licensing and Operations) Regulations, 2016" and "Central Depository Company of Pakistan Limited" Regulations. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs), issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

The Act has also brought certain changes with regard to the preparation and presentation of these financial statements. These changes, amongst others, included change in nomenclature of primary statements. Further, the disclosure requirements contained in the Fourth Schedule of the Act have been revised, resulting in elimination of duplicative disclosure with the IFRSs disclosure requirements and incorporation of additional amended disclosures including, but not limited to, particulars of fixed assets disposed off during the year (note 6.1), change in threshold for identification of executives (note 30) and additional disclosure requirements for related parties (note 31).

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the recognition of certain financial instruments at fair value and liabilities in respect of defined benefit obligations at present value.

2.3 Functional and presentation currency

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

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2024

The following standards, amendments and interpretations are effective for the year ended December 31, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

Standards / Amendments / Interpretation	Effective from accounting period beginning on or after:
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

3.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

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

	Effective from accounting period beginning on or after:
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of	January 01, 2023
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2026

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

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

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

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

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements is in conformity with approved accounting standards requires the management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historic experiences and other factors including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

The preparation of financial statements in conformity with accounting and reporting standards requires the management to:

- exercise its judgement in process of applying the Company's accounting
- use of certain critical accounting estimates and assumptions concerning the

The areas involving critical accounting estimates and significant assumptions concerning the future are discussed below:

a) Income taxes

The Company takes into account relevant provisions of the current income tax laws while providing for current and deferred taxes as explained in the relevant note to these financial statements.

b) Property and equipment

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of property and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with corresponding effect on the depreciation charge and impairment loss.

c) Impairment other than non financial assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indications exist, the assets recoverable amount is estimated in order to determine the extent of impairment loss, if any.

d) Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

e) Determining the Lease Term of Contracts with Renewable Options

The Company determines the lease term based on the non-cancellable period of the lease, including any periods covered by renewal options where it is reasonably certain the option will be exercised. In assessing the likelihood of exercising renewal options, management considers factors such as the economic benefits of continuing the lease, the strategic importance of the leased asset, and historical experience. This assessment is reviewed upon significant changes in circumstances and directly impacts the measurement of lease liabilities and right-of-use assets.

f) Leases

The Company uses judgements and estimates in measurement of right of use assets and corresponding lease liabilities with respect to discount rates, lease terms including exercise of renewal and termination options etc., in accordance with IFRS 16.

5 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, unless otherwise stated.

5.1 Property and equipment

Owned assets

These are stated at cost less accumulated depreciation and accumulated impairment, if any.

Depreciation is charged applying the straight line method at the rates specified in note 6 to these financial statements, which are considered appropriate to write off the cost of the assets over their useful economic lives.

Proportionate depreciation is charged in respect of additions and disposals made during the year. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Maintenance and normal repairs are charged to the statement of profit or loss. Major renewals and improvements are capitalized.

Gains and losses on disposal of assets, if any, are determined by comparing the sale proceeds with the carrying values and are charged to the statement of profit or loss.

Capital work-in-progress

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

5.2 Right of use assets

Right-of-use assets are recognized 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 remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

5.3 Intangible assets

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

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

5.4 Finance Lease

The Company accounts for assets under lease arrangements in accordance with IFRS-16 "leases" whereby periodic lease payments for such assets are recognized as an expense in the statement of profit or loss on straight line basis over the lease term.

5.5 Taxation

Current and deferred tax is charged / (reversed) to the statement of profit or loss, except in case of items credited or charged to statement of comprehensive income, in which case it is included in statement of comprehensive income, or where applicable in equity.

Current

The charge for taxation is based on taxable income at current rates of taxation after taking into account tax credits and tax rebates available, if any.

Deferred

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

5.6 Levy

The Institute of Chartered Accountants of Pakistan has issued 'IAS 12' Application Guidance on Accounting for Minimum Taxes and Final Taxes, whereby the Company designates the amount calculated as tax on gross amount of revenue or other basis as a levy within the scope of IFRIC 21/IAS 37.

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

5.7 Trade debts

Trade debts are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of Expected Credit Loss (ECL).

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

5.8 Investments

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

Trade date

All the regular way purchases and sales and purchases and sales on derivative market are recognized/ derecognized using trade date accounting.

Investments at fair value through profit or loss

Investments which are acquired principally for the purposes of generating profit from short term fluctuations in price or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified under this category. After initial recognition, these are re-measured at fair value. Gains or losses on re-measurement of these investments are recognized in the statement of profit or loss currently.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity which the Company has the positive intent and ability to hold to maturity. After initial recognition, these are measured at amortized cost less any provision for impairment.

Available-for-sale

Investments which are not classified in any of the preceding categories are classified as available-for-sale investments. After initial recognition, these investments are re-measured at fair value. Surplus / deficit arising from re-measurement are taken to other comprehensive income until the investments are sold / disposed-off or until the investments are determined to be impaired, at which time, cumulative gain or loss previously reported in the other comprehensive income is included in the current year's the statement of profit or loss.

5.9 Impairment

Impairment of financial assets

Equity securities - measured at otherwise through the statement of profit or loss

The Company assesses at each reporting date whether there is objective evidence that the financial asset is impaired. In case of equity securities, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the security is impaired.

If any such evidence exists, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the statement of profit or loss is reclassified from other comprehensive income to the statement of profit or loss.

Debt securities

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated recoverable amount. The recoverable amount represents present value of expected future cash flows discounted at original rate of return. An impairment is recognized in the statement of profit or loss whenever the carrying value of asset exceeds its recoverable amount.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that assets except deferred tax assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

5.10 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value, using trade date accounting and are subsequently re-measured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative instruments is taken to the statement of profit or loss.

5.11 Securities under repurchase / reverse repurchase agreements

Transactions of repurchase / reverse repurchase of securities and arrangements under margin trading are entered into at contracted rates for specified periods of time. These are considered to be financing transaction instead of actual sale and purchase of securities and are accounted for as follows:

Repurchase agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognized in the Statement of financial position and are measured in accordance with accounting policies for investments. The counterparty liability for amounts received under these agreements is included in funds under repurchase agreements. The difference between sale and repurchase price is treated as mark-up on repo transactions of quoted investments and accrued over the life of the repo agreement.

Reverse repurchase agreements

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognized in the Statement of financial position as investments. Amounts paid under these agreements are recorded as 'Financing under reverse repo'. The difference between purchase and resale price is treated as mark-up on reverse repurchase transactions, as the case may be, and accrued over the life of the reverse repo agreement.

5.12 Cash and cash equivalents

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

5.13 Revenue recognition

The Company is in the business of rendering of brokerage services. Revenue from contracts with customers is recognized when services are rendered to the customer and thereby the performance obligation is satisfied, at amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

To determine whether to recognize revenue, the Company follows a 5-step process

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue is recognized either at a point in time or over time, when and as the Company satisfies performance obligations.

- Brokerage fee is recognized on trade date.
- Capital gains and losses on sale of investments are recorded on the date of sale.
- Dividend income is recognized when the right to receive the dividend is established.
- Mark-up / interest from margin trading, reverse repurchase transactions and term deposit receipts is recognized over time.

5.14 Provision, commitments and contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation of which reliable estimate can be made.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Commitments includes the estimated amount, so far as not provided for in the financial statements, of future contractual commitments.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

5.15 Fiduciary assets

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

5.16 Trade and other payables

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

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

5.17 Staff retirement benefits

Accounting policy of defined benefit plans is as follows:

Gratuity fund

The liability / asset recognized in the statement of financial position is the present value of defined benefit obligation at the reporting date less fair value of plan assets. The defined benefit obligation is calculated annually using Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income. While interest income and interest expense are recognized immediately in the statement of profit or loss.

Provident fund

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

5.18 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these are incurred, except to the extent that they are directly attributable to the acquisition or construction of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) in which case these are capitalized as part of the cost of that asset.

5.19 Related party transactions

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

5.20 Financial instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. Financial asset is derecognized when the Company loses control of the contractual rights that comprise the financial assets or portion of financial assets, while a financial liability or part of financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and liabilities is taken to the statement of profit or loss currently.

5.21 Fair value measurement

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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The Company measures the fair value using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

5.22 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

5.23 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segment has been identified as the board of directors that makes strategic decision. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

5.24 Reserves

Revenue Reserve

Retained earnings includes all current and prior period retained profits. Reserves also include other components of equity which includes remeasurement of net defined benefit liability – comprises the actuarial losses from changes in demographic and financial assumptions and the return on plan assets and reserves for unrealized gain on remeasurement of financial assets carried at fair value through OCI and cash flow hedges – comprises gains and losses relating to these types of financial instruments.

5.25 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the year in which these are approved.

5.26 Financial Instruments - Initial recognition and subsequent measurement

5.26.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortized cost as the case may be.

5.26.2 Classification of financial assets

The Company classifies its financial instruments in the following categories:

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

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

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

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

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

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

By default, all other financial assets are subsequently measured at FVPL.

5.26.3 Classification of financial liabilities

From January 01, 2019, the Company classified its financial liabilities in the following categories:

- at fair value through profit or loss ("FVPL"), or
- at amortized cost

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

5.26.4 Subsequent measurement

i) Financial assets at FVOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination. Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the in profit or loss. The Company designated all investments in equity instruments that are not held for trading as at FVOCI on initial recognition.

ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

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

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

5.26.5 Impairment of financial assets

From January 01, 2019, the Company have assessed on a forward looking basis, the expected credit losses associated with the debt instruments carried at amortized cost and FVOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determine to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determine to have low or there was no credit risk since initial recognition and at the reporting date:

- bank balances;
- long term deposits;
- trade deposits; and
- other receivables.

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

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the company expects to receive).

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

5.26.6 Derecognition

Financial assets

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

Financial liabilities

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

5.26.7 Off-setting of financial assets and liabilities

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

5.27 Leases

5.27.1 Right of use assets

Right-of-use assets are recognized 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 remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight- line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

5.27.2 Lease liabilities

At the commencement date of the lease, lease liabilities are recognized and measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

6 PROPERTY AND EQUIPMENT

Description	Note	Vehicles	Office Premises	Furniture and Fixtures	Office Equipment	Computer Equipment	Total
----- Rupees -----							
Net carrying value basis							
year ended December 31, 2024							
Opening net book value		4,587,034	476,649	1,644,518	1,027,370	609,456	8,345,027
Additions (at cost)		772,462	-	257,482	820,914	1,240,955	3,091,813
Transfer from ROUA		1,608,257	-	-	-	-	1,600,000
Disposal (NBV)		(1,238,054)	-	-	-	-	(1,238,054)
Depreciation charge for the year	25	(2,319,701)	(79,765)	(315,876)	(460,347)	(594,495)	(3,770,184)
Closing net book value		3,409,998	396,884	1,586,124	1,387,937	1,255,916	8,036,859
Gross carrying value basis							
year ended December 31, 2024							
Cost		13,326,605	1,591,000	7,829,128	9,887,184	15,694,267	48,328,184
Accumulated depreciation		(9,916,607)	(1,194,116)	(6,243,004)	(8,499,247)	(14,438,351)	(40,291,325)
Closing net book value		3,409,998	396,884	1,586,124	1,387,937	1,255,916	8,036,859
Net carrying value basis							
year ended December 31, 2023							
Opening net book value		6,863,120	556,196	1,957,747	1,203,193	747,418	11,327,674
Additions (at cost)		122,000	-	-	248,050	421,961	792,011
Disposal (NBV)		(121,838)	-	-	-	-	(121,838)
Depreciation charge for the year	25	(2,276,248)	(79,547)	(313,229)	(423,873)	(559,923)	(3,652,820)
Closing net book value		4,587,034	476,649	1,644,518	1,027,370	609,456	8,345,027
Gross carrying value basis							
year ended December 31, 2023							
Cost		12,183,940	1,591,000	7,571,646	9,066,270	14,453,312	44,866,168
Accumulated depreciation		(7,596,906)	(1,114,351)	(5,927,128)	(8,038,900)	(13,843,856)	(36,521,141)
Net book value		4,587,034	476,649	1,644,518	1,027,370	609,456	8,345,027
Depreciation rate							
(% per annum)							
		20%	5%	10%	20%	33%	

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

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Particulars of buyers	Mode of disposal
----- Rupees -----							
Office Equipment							
Cannon Copier	298,922	298,922	-	50,000	50,000	SUN International	Trade-in
Items below 100k	1,074,480	1,074,480					Negotiated
Computer Equipment							
Items below 100k	925,124	925,124	-	-	-	-	Negotiated
Furniture and Fixtures							
Scrap Items	3,012,826	3,012,826	-	-	-	-	Negotiated
Vehicles							
Kia Sportage	5,537,865	4,299,811	1,238,054	1,238,054	-	Asif Jan	Company's Policy
Corolla Altis	2,670,518	2,670,518	-	-	-	Khurram	Company's Policy
	<u>13,519,735</u>	<u>12,281,681</u>	<u>1,238,054</u>	<u>1,288,054</u>	<u>50,000</u>		

7 RIGHT OF USE ASSETS

Description	Note	Buildings	Vehicles	Total
		----- Rupees -----		

Cost

At 1 January 2023		26,588,244	29,289,962	55,878,206
Additions during the year		352,096	-	352,096
At 31 December 2023		26,940,340	29,289,962	56,230,302
Additions during the year		7,096,636	(1,608,257)	5,488,379
At 31 December 2024		34,036,976	27,681,705	61,718,681

Accumulated depreciation

At 1 January 2023		17,701,713	7,429,957	25,131,670
Charge for the year		446,375	5,857,992	6,304,367
At 31 December 2023		18,148,088	13,287,949	31,436,037
Charge for the year		7,362,783	5,409,770	12,772,553
At 31 December 2024		25,510,871	18,697,719	44,208,590

Carrying amount

At 31 December 2023		8,792,252	16,002,013	24,794,265
At 31 December 2024		8,526,105	8,983,986	17,510,091

Amounts recognized in profit or loss:	Note	2024 Rupees	2023 Rupees
Depreciation expense on Right of use asset	25	12,772,553	6,304,367
Interest	27	1,017,688	2,915,504

- 7.1 The Company has entered into lease agreements for its head office with a lease term from July 1, 2024, to June 30, 2027 for office number 605 and from February 1, 2023 to December 31, 2025 for office number 604 in Progressive Plaza, Karachi. Additionally, the Company has a branch office lease from July 1, 2022, to June 30, 2025 in Peshawar. The rental payments are determined based on a discount factor applied at the rate of one-month KIBOR + 2.5% per annum.

	Note	2024 Rupees	2023 Rupees
8. INTANGIBLE ASSETS			
Computer software			
Net carrying value basis			
Opening net book value		341,934	711,049
Additions		2,050,000	-
Amortization charge for the year		(838,382)	(369,115)
Closing net book value		<u>1,553,552</u>	<u>341,934</u>
Gross carrying value basis			
Cost		11,320,473	9,270,473
Accumulated amortization		<u>(9,766,921)</u>	<u>(8,928,539)</u>
Net book value		<u>1,553,552</u>	<u>341,934</u>
Amortization rate per annum		<u>33%</u>	<u>33%</u>

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

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

Security deposits against rental property		342,498	342,498
National Clearing Company of Pakistan Limited (NCCPL)	9.1	1,400,000	1,400,000
PMEX Membership		1,500,000	1,000,000
Advances to employees	9.2	420,725	-
Other deposits		53,448	53,448
		<u>3,716,671</u>	<u>2,795,946</u>

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

9.2 Advances to employees

Non-current portion		420,725	-
Current portion	13.1	<u>1,330,894</u>	<u>1,905,918</u>
	9.2.1	<u>1,751,619</u>	<u>1,905,918</u>

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

	Note	2024 Rupees	2023 Rupees
10. TAXATION - NET			
Opening balance		61,765,005	59,870,423
<u>Provision for taxation</u>			
- recognized in the statement of profit or loss	28	(27,952,000)	(15,412,697)
- recognized in other comprehensive income		-	-
Advance tax paid during the year		<u>23,172,898</u>	<u>17,307,279</u>
Closing balance		<u>56,985,903</u>	<u>61,765,005</u>

		2024 Rupees	2023 Rupees
11. DEFERRED TAXATION			
Deferred tax arising in respect of:			
Taxable temporary differences:			
Right of use assets		(5,077,926)	(7,190,337)
Deductible temporary differences:			
Allowance for expected credit loss		2,425,035	2,425,035
Lease Liabilities		3,034,538	4,913,784
Accelerated tax depreciation allowance		(518,120)	63,193
Accelerated tax amortization allowance		(2,787)	(2,089)
		4,938,666	7,399,923
		(139,260)	209,586
Remeasurements of defined benefit asset - OCI		-	2,447,186
Deferred tax (liability)/asset		(139,260)	2,656,772
12. TRADE DEBTS			
Secured, considered good			
Due from clients against trading of securities		65,113,229	16,310,704
Due from associated companies / persons against trading of securities	12.1	12,784,598	6,121,140
		77,897,827	22,431,844
Unsecured, considered good		24,894,985	29,495,186
Unsecured, considered doubtful		3,278,207	3,278,207
		28,173,192	32,773,393
		106,071,019	55,205,237
Secured, considered good			
Due from National Clearing Company of Pakistan Limited against trading		34,939,650	162,612,943
Trade debts - gross		141,010,669	217,818,180
Allowance for expected credit loss	12.6	(8,362,190)	(8,362,190)
Trade debts - net		132,648,479	209,455,990
12.1 Due from associated companies / persons against trading of securities			
CDC Trustee-NBP balanced fund		27,590	5,992
CDC Trustee-NBP Islamic			
Energy Fund		412,848	18,306
Saudi Pak Industrial & Agriculture Co.		-	247,864
CDC Trustee-NAFA Pension			
Fund Equity		65,994	13,565
CDC Trustee-NAFA Islamic Pension fund Equity		88,389	66,481
CDC Trustee-NBP Income Opportunity Fund		254,452	-
CDC Trustee-NBP			

	2024 Rupees	2023 Rupees
Financial Security Fund	39,662	14,105
CDC Trustee-NBP Stock Fund	1,702,825	230,174
CDC Trustee-NBP Islamic Stock Fund	260,789	199,206
CDC Trustee-National INV (unit)trust	186,996	115,023
Bank of Khyber Portfolio	6,869	14,695
National Bank of Pakistan.	9,738,184	5,067,080
Syed Zain Hussain	-	32,952
First Credit & Investment Bank limited	-	95,697
	<u>12,784,598</u>	<u>6,121,140</u>

12.2 This represents receivable from institutional delivery system (IDS) clients and non-IDS clients operating under Delivery versus payment (DVP) mode. Receivable from IDS Clients includes commission only, while receivable from non-IDS clients comprise of commission and trading receivable.

12.3 Gross receivable under settlement date basis is Rs. 106,071,019 (2023: Rs. 55,205,237), whereas gross receivable under trade date basis is Rs. 141,010,669 (2023: Rs. 217,818,180). The Company updates ledger balance of the client once it receives the amount from NCCPL. The Company however provides in ordinary course of business trading limits based on the value of ledger balance adjusted for collaterals sold and securities held by its clients.

The Company holds securities having value of Rs. 446,150,194 (2023: Rs. 1,120,264,644) in its sub-accounts for its clients within the Central Depository System of the Central Depository Company of Pakistan Limited.

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

Due from NCCPL against unsettled trades	34,939,650	162,612,943
Due from clients against trades of last 5 days	65,996,486	26,573,369
	100,936,136	189,186,312
Due from clients, outstanding for more than 5 days:		
- against trading	12.4.1 40,074,534	28,631,869
Trade debts - gross	12.4.2 <u>141,010,670</u>	<u>217,818,181</u>

12.4.1 This comprises of secured receivables of Rs. 12,717,649 (2023 Rs. 5,816,257) and unsecured receivables of Rs. 27,356,885 (2023: Rs. 22,815,610).

12.4.2 Gross amount of receivables overdue by more than 14 days amounts to Rs. 34,897,313 (2023: Rs. 24,768,575). The Company holds securities having value of Rs. 12,784,192 (2023: Rs. 4,300,163) against these receivables.

		2024 Rupees	2023 Rupees
12.5	The aging of related party balances at the reporting date is as follows:		
	Past due from 1-30 days	2,862,732	5,100,032
	Past due from 31-90 days	9,912,913	1,021,108
	Past due from 91-180 days	8,954	-
	Past due from 181 days onward	-	-
		<u>12,784,599</u>	<u>6,121,140</u>
12.6	Movement in allowance for expected credit loss		
	Adjusted allowance as at January 01,	8,362,190	8,362,190
	Allowance as at December 31, 12.6.1	<u>8,362,190</u>	<u>8,362,190</u>
12.6.1	The Company assessed on a forward looking basis, the expected credit losses (ECLs) associated with trade debts and measured loss allowance for trade debts at an amount equal to life time ECLs.		
13.	ADVANCES, DEPOSITS AND PREPAYMENTS		
	Current portion of advances to employees 13.1	1,330,894	1,905,918
	Prepayments 13.2	2,097,901	3,752,130
	Deposit - Pakistan Stock Exchange Limited 13.3	32,494,926	16,794,926
	Deposit - National Clearing Company of Pakistan Limited (NCCPL) 13.4	401,642,738	276,027,463
		<u>437,566,459</u>	<u>298,480,437</u>
13.1	This represents interest free loans to executives and employees. The facility is secured against retirement benefits of the respective executives and employees.		
13.2	This includes prepaid insurance and prepaid against software maintenance amounting to Rs. 922,321 (2023: 2,696,859) and Rs. 477,201 (2023: 464,320) respectively.		
13.3	This represents deposit maintained by the Company against Base Minimum Capital, as a broker, with the PSX for its eligibility to trade through the Exchange Trading Systems to be calculated / prescribed as per Schedule I to Chapter 19 of the PSX Rule Book.		
13.4	This represents deposits maintained with NCCPL in respect of future, ready and margin trading transactions.		
		2024 Rupees	2023 Rupees
14.	OTHER RECEIVABLES		
	Accrued interest income on savings accounts	5,249,950	2,380,114
	Receivable under provident fund scheme	147,890	-
	Others	81,586	257,786
		<u>5,479,426</u>	<u>2,637,900</u>

14.1 EMPLOYEE BENEFITS

14.1.1 Gratuity fund

The company discontinued the approved gratuity scheme for future service w.e.f December 31,2023.Therefore, as of the reporting date, there are no plan assets and related obligations.

	2024 Rupees	2023 Rupees
14.1.1.2 Movement in present value of defined benefit obligation		
Opening obligation	-	19,675,828
Expense for the year	-	8,856,549
Benefits paid during the year	-	(41,385,791)
Actuarial loss on remeasurement of defined benefit obligation	-	12,853,414
Closing obligation	-	-
14.1.1.3 Movement in fair value of plan assets		
Fair value of plan assets at beginning of the year	-	28,114,402
Actual contribution by employer	-	8,856,549
Actuarial loss on remeasurement of fair value of plan ass	-	4,414,840
Actual benefits paid during the year	-	(41,385,791)
Fair value of plan assets at end of the year	-	-
14.1.1.4 Movement in net defined benefit asset		
Net assets at beginning of the year	-	(8,438,574)
Net periodic benefit cost for the year	-	8,856,549
Employer's contribution during the year	-	(8,856,549)
Remeasurement recognized in other comprehensive loss	14.1.1.5	8,438,574
Net assets at end of the year	-	-
14.1.1.5 Defined benefit cost for the year		
Cost recognized in the statement of profit or loss for the year:		
Interest cost on defined benefit obligation	-	8,856,549
Remeasurements recognized in other comprehensive income during the year:		
Acturial Loss due to change in experience adjustments	-	12,853,414
Re-measurements: Net return on plan assets over interest income:		
Actual return on plan assets	-	(4,414,840)
Actuarial loss on plan assets	-	(4,414,840)
	-	8,438,574
Total defined benefit loss for the year	-	17,295,123

- 16.1** Saving accounts carry profit rate 17% to 20% per annum (2023: 15.77% to 20.50% per annum).
- 16.2** Saving accounts include Rs. 712,563,109 (2023: 351,048,065) pertaining to the clients of the Company for which the Company has maintained separate accounts with various schedule banks.
- 16.3** Balances held with associated undertakings in current and savings accounts amount to Rs. 2,978,565 (2023: Rs. 1,767,713) and Rs. 96,883,249 (2023: Rs. 37,101,759) respectively.

17. SHARE CAPITAL

17.1 Authorized share capital

2024 ----- (Number of shares) -----	2023	Note	2024 Rupees	2023 Rupees
<u>40,000,000</u>	<u>40,000,000</u>	Ordinary shares of Rs. 10 each	<u>400,000,000</u>	<u>400,000,000</u>

17.2 Issued, subscribed and paid-up share capital

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

17.3 Pattern of shareholding of the Company is as follows:

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

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

18. RESERVES	2024 Rupees	2023 Rupees
Revenue reserves		
Unappropriated profits	225,333,142	166,896,083
Remeasurement reserve on investment at fair value through other comprehensive income	-	11,179,721
	<u>225,333,142</u>	<u>178,075,804</u>

19. LEASE LIABILITIES

As of the end of the reporting period, the undiscounted maturity analysis of lease liabilities is as follows:

	2024 Rupees	2023 Rupees
Within one year	8,662,425	14,515,333
From the second to fifth year	2,906,563	6,111,065
After five years	-	-
	11,568,988	20,626,398
Less: Interest expense for future periods	(1,105,064)	(3,682,316)
	<u>10,463,924</u>	<u>16,944,082</u>
Current	7,766,024	11,541,284
Non-Current	2,697,900	5,402,798
	<u>10,463,924</u>	<u>16,944,082</u>

19.1 Movement:

Opening balance	16,944,082	27,338,497
Additions during the year	7,096,636	352,096
Finance cost during the year	1,017,688	2,742,726
Repayment during the year	(14,594,482)	(13,489,237)
Closing balance	<u>10,463,924</u>	<u>16,944,082</u>

20. TRADE AND OTHER PAYABLES

Trade creditors		
Due to clients against trading of securities	755,251,591	336,694,719
Due to associated companies / persons against trading of securities	9,032,333	2,822,148
Due to clients against unsettled trades	92,154,298	176,365,909
Due to unidentified clients	6,103,964	11,531,198
	862,542,186	527,413,974
Accrued and other liabilities	21,295,002	23,796,113
Payable under gratuity scheme	-	8,618,580
Salaries, benefits and allowances payable	6,345,234	8,099,965
Accrued markup	3,047,232	1,384,767
	<u>893,229,654</u>	<u>569,313,399</u>

- 20.1** This amount includes profit received in customers bank account which is actually payable to customers. TSL reclassifies this amount subsequently in corresponding customer accounts.
- 20.2** These balances have been reported under trade date basis while the balance under settlement date basis amounting to Rs. 764,283,924 (2023: Rs. 339,516,867). Trade creditors outstanding for more than 30 days amounts to Rs. 151,870,755 (2023: Rs. 108,049,171). The Company updates ledger balance of the client once it receives the amount from NCCPL. The Company, however, provides in ordinary course of business trading limits based on the value of ledger balance adjusted for collaterals sold and securities held by its clients.

	Note	2024 Rupees	2023 Rupees
21. SHORT TERM RUNNING FINANCE			
Short term running finance	21.1	<u>235,000,000</u>	<u>100,000,000</u>

- 21.1** The Company has a running finance facility upto Rs. 240 million (2023: Rs. 240 million) obtained from National Bank of Pakistan (Holding company) which is secured against first pari passu charge by way of hypothecation over all present and future receivables, books debts, claims and rights of the Company. The mark-up on the facility is payable quarterly and mark-up structure of the facility is on floating rate which is 3 months KIBOR plus 2.5% (based on timely payment rebate ranges from 0.5% to 0.1%) per annum [2023: 3 months KIBOR plus 2.5% (based on timely payment rebate ranges from 0.5% to 0.1%) per annum].

22. CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

Tax Department issued notice alleging non-payment of Federal Excise Duty [FED] on Company's services under Federal Excise Act, 2005 for tax years 2010 to 2013. In response thereto, an extension request was filed. The Department however issued an order raising demand of Rs. 18.603 million. The said demand represents duplicate levy of FED on services on which sales tax has already been paid under the Sindh Sales Tax on Services Act, 2011. An appeal / stay application has already been filed before Commissioner Inland Revenue - Appeals [CIR(A)], which has been decided on March 22, 2016, where the CIR(A) has upheld the order of the DCIR presuming that if the Sindh Revenue Board has started charging sales tax on the same services, the provision for charging FED is to be treated as redundant or superfluous; these are two separate and distinct taxes be imposed by two different legislative bodies. Appeal against same has been decided in favour of the Company by the ATIR vide its order bearing No. FEA No.29/KB of 2016, dated November 16, 2020. Further, the Company has challenged the order on constitutional grounds before the Sindh High Court (SHC) along with Stockbrokers' Association wherein the SHC has strike down levy of FED on constitutional grounds.

Being aggrieved, the Department has challenged on July 31, 2015 the said order before Supreme court hearing of which is not fixed till to date.

22.2 Securities & Exchange Commission of Pakistan (SECP) imposed a penalty of Rs 400,000 for contravening the provisions of Anti Money Laundering Regulations vide its order dated December 23, 2020. The management of the Company has filed an appeal on January 22, 2021 against the said order in the Appellate Tribunal of SECP.

22.3 In an order issued under section 170(4) of the Ordinance, the DCIR disallowed tax deductions totaling Rs. 2,508,206 for the tax year 2015. Furthermore, the DCIR disallowed certain expenses due to incorrect expense allocation. This resulted in a reduction in the refund claimed in the tax return of 2015 from Rs. 6,090,692 to Rs. 579,558. In this case, an appeal has been filed on September 23, 2020 with CIR(A) and decision is pending in this regard.

22.4 During the financial year 2022 the Assistant / Deputy Commissioner Inland Revenue ("DCIR") has issued an order under section 221 dated June 15, 2022. The order reduced the company's tax refundable for the subject tax year from Rs. 11,327,125 to Rs. 7,115,728 by disallowing taxes claimed in the tax return of 2018 amounting Rs. 4,211,397. The Company has filed an appeal on July 4, 2022 with CIRA against the Order, which is currently being adjudicated. Hearing is fixed and the order is still pending in this regard.

23.	REVENUE FROM CONTRACT WITH CUSTOMER	2024 Rupees	2023 Rupees
	Brokerage and commission		
	Corporate clients	101,639,721	55,330,162
	Individuals clients	74,507,305	43,332,480
	23.1	<u>176,147,026</u>	<u>98,662,642</u>

23.1 Brokerage and Commission is exclusive of Sindh sales tax on services amounting to Rs. 26,410,972 (2023: Rs. 12,826,143).

24. OTHER OPERATING REVENUE

Capital gain on sale of securities	276,439	494,560
Capital gain on redemption of units of mutual funds	6,137,282	10,636,482
Dividend income	3,121,855	7,397,398
Income from financial assets		
Mark-up income on bank PLS deposits	43,682,250	47,199,119
Profit on cash margin with National Clearing Company of Pakistan Limited	22,585,848	7,073,478
	<u>75,803,674</u>	<u>72,801,037</u>

24.1 This includes income amounting to Rs. 129,384 (2023: Rs. 2,210) received from related party.

	Note	2024 Rupees	2023 Rupees
25. ADMINISTRATIVE EXPENSES			
Salaries, benefits and allowances		103,733,335	72,143,224
Pakistan Stock Exchange Limited service charges		13,118,574	7,255,189
Depreciation on property and equipment	4	3,770,184	3,652,820
Depreciation on right-of-use assets	5	12,772,553	6,304,367
Staff retirement benefits	25.1	5,327,443	13,371,928
Repairs and maintenance		7,790,503	4,891,759
Vehicle running expenses		7,272,753	5,150,707
Telephone and fax		3,748,136	3,884,213
Insurance		2,595,373	2,499,069
Legal and professional		2,742,246	4,226,561
CDC charges		2,222,801	1,898,248
Electricity and utilities		3,363,525	2,637,185
Entertainment		2,641,875	1,376,647
Office supplies		1,245,737	1,034,350
Printing and stationery		1,072,159	856,474
Postage / courier		499,737	464,285
Subscriptions		894,810	905,564
Auditors' remuneration	25.2	1,376,249	920,400
Umrah facility to employees		900,000	900,000
SECP transactions fees		750,236	409,186
Amortization on intangible assets	8	838,382	369,115
Professional tax		352,428	236,304
Computer expenses		195,050	374,229
Seminar and training		210,000	552,625
Travelling and conveyance		445,965	6,200
Advertising and business promotion		136,050	4,300
Rent		324,260	259,405
Library and periodicals		16,900	11,090
		<u>180,357,264</u>	<u>136,595,444</u>

25.1 This includes charge for defined benefit plan of Rs. Nil (2023: Rs. 8,856,549), contribution to staff provident fund amounting to Rs. 3,952,761 (2023: Rs. 3,343,950) and contribution to E.O.B.I. and S.E.S.S.I amounting to Rs. 1,336,182 (2023: Rs. 1,054,829).

		2024	2023
	Note	Rupees	Rupees
25.2 Auditors' remuneration			
Statutory Audit			
Annual audit fee		480,700	418,000
Other certifications		251,850	219,000
Out-of-pocket expenses		126,755	110,222
Sindh sales tax		68,744	59,778
System audit fee / IBTS Audit		448,200	113,400
		<u>1,376,249</u>	<u>920,400</u>
26. OTHER INCOME			
Income from assets other than financial assets			
Gain on disposal of property and equipment		50,000	60,244
Miscellaneous income		-	100,000
		<u>50,000</u>	<u>160,244</u>
27. FINANCE COST			
Mark-up on short term running finance		7,228,354	1,651,814
Finance charges on finance lease obligation		1,017,688	2,915,504
Bank charges		538,092	397,083
		<u>8,784,134</u>	<u>4,964,401</u>
28. TAXATION			
For the year			
Current		27,952,000	15,412,697
Deferred	11	2,796,032	(768,361)
		<u>30,748,032</u>	<u>14,644,336</u>
28.1 Relationship between income tax expense and accounting profit			
Profit before taxation		<u>62,859,302</u>	<u>30,064,078</u>
Tax at applicable tax rate of 29%		14,722,440	-
Tax on turnover for minimum tax under section 233		6,668,441	3,707,411
Tax effect of lower tax rate on capital gain / dividend		2,070,149	3,892,370
Tax effect of prior years taxation		7,287,002	7,044,555
		<u>30,748,032</u>	<u>14,644,336</u>
28.2 Status of tax assessments			

The income tax assessments upto assessment year / tax year 2024 corresponding to the accounting year December 31, 2023 have been finalized.

	Note	2024 Rupees	2023 Rupees
29. EARNINGS PER SHARE - BASIC			
Profit for the year		<u>32,111,270</u>	<u>15,419,742</u>
		(Number of shares)	
Weighted average number of ordinary shares outstanding during the year		<u>13,502,306</u>	<u>13,502,306</u>
Earnings per share - Basic		<u>2.38</u>	<u>1.14</u>

There being no potentially diluted shares outstanding as at the year ended December 31, 2024 and December 31, 2023, therefore, there is no dilutive effect on the earnings per share of the Company.

30. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Chairman & Directors		Executives		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	(Rupees)							
Managerial remuneration	10,230,000	8,400,000	-	-	19,297,080	19,655,000	29,527,080	28,055,000
Other benefits	-	-	3,520,000	1,785,000	-	-	3,520,000	1,785,000
Provident Fund	620,000	509,091	-	-	1,169,520	1,191,212	1,789,520	1,700,303
Charge of Gratuity Fund	-	424,242	-	-	-	979,091	-	1,403,333
Commission	-	-	-	-	-	-	-	-
	<u>10,850,000</u>	<u>9,333,333</u>	<u>3,520,000</u>	<u>1,785,000</u>	<u>20,466,600</u>	<u>21,825,303</u>	<u>34,836,600</u>	<u>32,943,636</u>
Number of persons	<u>1</u>	<u>1</u>	<u>7</u>	<u>7</u>	<u>4</u>	<u>6</u>	<u>12</u>	<u>14</u>

- 30.1** The chief executive officer and certain executives are provided with free use of the Company's cars / cash in lieu of cars and mobile phones (subject to limits authorized by the Company) in accordance with the terms of employment.

31. TRANSACTIONS WITH RELATED PARTIES

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

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

The related parties and associated undertakings comprise parent company, its subsidiaries and associated companies, directors and their related concerns and key management personnel. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions. Transactions with the key management personnel are made under the terms of employment / entitlements. Contributions to the employee retirement benefits are made in accordance with the terms of employee retirement benefit schemes and actuarial advice. Details of transactions and balances with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	Note	2024 Rupees	2023 Rupees
31.1 Holding Company			
National Bank of Pakistan (NBP)			
Transactions during the year			
Brokerage earned		21,708,735	9,646,805
Running finance - net		135,000,000	90,000,000
Financial charges on running finance	27	7,228,354	1,651,814
Balances			
Trade debts		9,738,184	5,067,080
Short term running finance		235,000,000	100,000,000
Bank balances		20,112,585	6,235,201
Accrued mark-up	20	3,047,232	1,384,767

31.2 Associated Companies

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

Transactions during the year

NBP Pakistan Employees Pension Fund	167,775	-
First Credit and Investment Bank Limited	77,635	115,062
Bank of Khyber Portfolio Account	8,618	48,198
NAFA Islamic Pension fund	217,913	81,008
NAFA Pension Fund Equity	129,185	65,868
National Investment Trust	285,278	192,867
NBP Balanced Fund	82,833	70,485
NBP Financial Security Fund	170,392	54,052

	Note	2024 Rupees	2023 Rupees
NBP Islamic Active Allocation Equity Fund		-	25,632
NBP Islamic Sarmaya Izafa Fund		64,448	176,094
NBP Islamic Energy Fund		774,632	141,451
NBP Islamic Stock Fund		633,025	589,767
NBP Sarmaya Izafa Fund		134,677	53,796
NBP Stock Fund		4,063,791	983,200
Saudi Pak Industrial & Agriculture Co		349,416	219,349
NBP Income Opportunity Fund		221,263	-
Brokerage earned		<u>7,380,882</u>	<u>2,816,829</u>
Balances			
Trade debts		<u>3,046,414</u>	<u>1,021,108</u>
Trade payable		<u>39,117</u>	<u>35,413</u>
Bank balance		<u>79,749,229</u>	<u>32,634,271</u>

31.3 Chairman / Directors and Chief Executive Officer

Transactions during the year

Brokerage earned	<u>992,862</u>	<u>1,464,420</u>
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Balances

Trade debts	<u>-</u>	<u>32,952</u>
Payable to related party	<u>6,960,172</u>	<u>2,436,761</u>

31.4 Key Managerial Personnel

Brokerage earned	<u>188,533</u>	<u>120,008</u>
Trade payable	<u>2,033,043</u>	<u>349,974</u>

32. OPERATIONAL RISK MANAGEMENT

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

Operational risks arise from all of the Company's activities. The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors. The primary responsibility for the development and implementation of controls over operational risk rests with management. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and
- requirements for the reconciliation and monitoring of

- compliance with regulatory and other legal
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is

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

33. FINANCIAL RISK MANAGEMENT

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

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

33.1 Risk management framework

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

33.2 Credit risk

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

	Note	2024 Rupees	2023 Rupees
Long term deposits and advances		3,716,671	2,795,946
Trade debts	33.2.1	132,648,479	209,455,990
Advances, deposits and prepayments		435,468,558	294,728,307
Accrued income		5,249,950	2,380,114
Bank balances	33.2.2	835,692,316	372,696,805
		<u>1,412,775,974</u>	<u>882,057,162</u>

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

2024					
Carrying amount		Provision held	Total	Amount un-secured - net of provision	Amount secured
Amount outstanding	Impaired				
----- (Rupees) -----					
Not yet due*	34,939,650	-	-	34,939,650	-
Upto 3 months*	97,276,674	-	-	97,276,674	22,262,125
3 to 6 months	698,142	-	-	698,142	577,609
More than 6 months	8,096,204	3,278,207	(3,278,207)	4,817,997	2,055,251
	141,010,670	3,278,207	(3,278,207)	137,732,463	24,894,985
2023					
Carrying amount		Provision held	Total	Amount un-secured - net of provision	Amount secured
Amount outstanding	Impaired				
----- (Rupees) -----					
Not yet due*	162,612,943	-	-	162,612,943	-
Upto 3 months*	45,793,472	-	-	45,793,472	26,972,920
3 to 6 months	2,025,550	-	-	2,025,550	1,712,252
More than 6 months	7,386,215	3,278,207	(3,278,207)	4,108,008	810,014
	217,818,180	3,278,207	(3,278,207)	214,539,973	29,495,186
					185,044,787

* Not yet due represents an amount of Rs. 34,939,650 (2023: Rs. 162,612,943) due from National Clearing Company of Pakistan Limited against unsettled trades, which is considered secured. Further, subsequent to the year-end, the Company has collected significant portion of the amount presented as un-secured in the upto 3 months' category.

33.2.2 Bank balances

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

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

	Rating		Rating agency	As at December 31,	
	Short-term	Long-term		2024	2023
				Rupees	Rupees
MCB Bank Limited	A1+	AAA	PACRA	515,052,452	278,438,987
Bank Alfalah Limited	A1+	AA+	PACRA	46,426,509	13,311,012
Bank of Khyber Limited	A1	A	PACRA	79,749,229	32,634,271
Bank of Panjab Limited	A1+	AA+	PACRA	21,576,242	-
Bank Al Habib Limited	A1+	AAA	PACRA	57,826,561	-
Habib Bank Limited	A1+	AAA	PACRA	49,498,534	20,764,480
Habib Metropolitan Limited	A1+	AA+	PACRA	38,961,011	14,123,462
United Bank Limited	A1+	AAA	JCR-VIS	6,489,193	7,189,391
National Bank of Pakistan	A1+	AAA	PACRA	20,112,585	6,235,201
Total				<u>835,692,316</u>	<u>372,696,804</u>

33.3 Liquidity risk

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

The following are the contractual maturities of financial liabilities:

	Carrying Amount	Contractual cash flows	Maturity not later than one month	Maturity later than one month and not later than three months	Maturity later than three months and not later than one year	Maturity later than one year and not later than five years
2024						
	----- (Rupees) -----					
On Statement of financial position						
Trade and other payables	893,229,654	893,229,654	893,229,654	-	-	-
Lease liabilities	10,463,924	11,568,988	470,923	798,641	2,475,752	2,697,900
Short term running finance	235,000,000	235,000,000	235,000,000	-	-	-
	<u>1,138,693,578</u>	<u>1,139,798,642</u>	<u>1,128,700,577</u>	<u>798,641</u>	<u>2,475,752</u>	<u>2,697,900</u>
2023						
On Statement of financial position						
Trade and other payables	560,707,385	560,707,385	560,707,385	-	-	-
Lease liabilities	16,944,083	20,626,398	1,466,886	1,715,626	8,358,772	5,402,798
Short term running finance	100,000,000	100,000,000	100,000,000	-	-	-
	<u>677,651,467</u>	<u>681,333,782</u>	<u>662,174,271</u>	<u>1,715,626</u>	<u>8,358,772</u>	<u>5,402,798</u>

33.4 Market risk

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

33.4.1 Interest rate risk

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

		Carrying Amount	
	Note	2024	2023
		----- (Rupees) -----	
Fixed rate investments	14 & 23	<u>766,321,246</u>	<u>369,195,620</u>
Variable rate investments	15	<u>-</u>	<u>15,359,230</u>

Sensitivity analysis for variable rate instr

The Company disposed off its entire investments in PSX and JSCL which exposed the Company to cash flow interest rate risk.

For cash flow sensitivity analysis of variable rate instruments, a hypothetical change of 100 basis points in interest rates during the year would have decreased / increased profit for the year by the amounts shown below. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risk. Actual results might differ from those reflected in the details specified below. The analysis assumes that all other variables remain constant.

	Impact on profit before tax	
	100 bp increase	100 bp decrease
----- (Rupees) -----		
As at December 31, 2024		
Cash flow sensitivity - variable rate instruments	<u>-</u>	<u>-</u>
As at December 31, 2023		
Cash flow sensitivity - variable rate instruments	<u>153,592</u>	<u>(153,592)</u>

Sensitivity analysis for fixed rate instruments

As at December 31, 2024, the Company held no fixed rate financial instruments.

2024							
	Effective yield / interest rate percent	Interest / mark-up bearing				Non interest / mark-up bearing	Total
		Maturity not later than one month	Maturity later than one month and not later than three months	Maturity later than three months and not later than one year	Maturity later than one year and not later than five years		
On Statement of financial position assets		----- (Rupees) -----					
Financial Assets							
Long term deposits and advances		-	-	-	-	3,716,671	3,716,671
Trade debts		-	-	-	-	132,648,479	132,648,479
Advances, Deposits and Prepayments containing profit margin		-	-	-	-	434,137,664	434,137,664
Advances, Deposits and Prepayments not containing profit margin		-	-	-	-	1,330,894	1,330,894
Other receivables		-	-	-	-	229,476	229,476
Accrued interest income		-	-	-	-	5,249,950	5,249,950
Investments		-	-	-	-	-	-
Bank balances	17% to 20%	766,321,246	-	-	-	69,382,920	835,704,166
		766,321,246	-	-	-	646,696,054	1,413,017,300
Financial Liabilities							
Trade and other payables		-	-	-	-	893,229,654	893,229,654
Lease Liabilities		470,923	798,641	2,475,752	2,697,900	-	6,443,216
Short term running finance	KIBOR + 2.5%	235,000,000	-	-	-	-	235,000,000
On Statement of financial position gap		530,850,323	(798,641)	(2,475,752)	(2,697,900)	(246,533,600)	278,344,430
Non-financial net assets							82,011,772
Total net assets							360,356,202

2023							
	Effective yield / interest rate percent	Interest / mark-up bearing				Non interest / mark-up bearing	Total
		Maturity not later than one month	Maturity later than one month and not later than three months	Maturity later than three months and not later than one year	Maturity later than one year and not later than five years		
On Statement of financial position assets		----- (Rupees) -----					
Financial Assets							
Long term deposits and advances		-	-	-	-	2,795,946	2,795,946
Trade debts		-	-	-	-	209,455,990	209,455,990
Advances, Deposits and Prepayments containing profit margin		-	-	-	-	292,822,389	292,822,389
Advances, Deposits and Prepayments not containing profit margin		-	-	-	-	1,905,918	1,905,918
Other receivables						(119,214)	(119,214)
Accrued interest income		-	-	-	-	2,380,114	2,380,114
Investments		-	-	-	-	15,359,230	15,359,230
Cash and bank balances	15.77% to 20.50%	369,195,620	-	-	-	3,540,785	372,736,405
		369,195,620	-	-	-	528,141,159	897,336,778
Financial Liabilities							
Trade and other payables		-	-	-	-	560,707,385	560,707,385
Lease Liabilities		1,466,886	1,715,626	8,358,772	5,402,798	-	16,944,082
Short term running finance	KIBOR + 2.5%	100,000,000	-	-	-	-	100,000,000
On Statement of financial position gap		267,728,734	(1,715,626)	(8,358,772)	(5,402,798)	(32,566,226)	219,685,311
Non-financial net assets							93,413,553
Total net assets							313,098,864

33.4.2 Price risk

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

The Company's investments in quoted equity securities amount to Rs. 12.28 million (2023: Rs 160.2 million) at the reporting date. The carrying value of investments subject to equity price risk are, in almost all instances, based on quoted market prices as of the reporting date. Market prices are subject to fluctuation. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions.

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

	As at December 31,	
	2024	2023
	----- (Rupees) -----	
Effect on other comprehensive income - net of tax	-	1,535,923
Effect on investments	-	1,535,923

33.4.3 Currency risk

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

34. FAIR VALUE AND CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

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

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

On Statement of financial position financial instruments

				December 31, 2024				
				Carrying Amount		Fair value		
	Fair value through OCI	Fair value through P/L	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees) -----								
Financial assets measured at fair value								
Investments								
Securities at fair value through OCI	-	-	-	-	-	-	-	-
Securities at fair value through profit or loss	-	-	-	-	-	-	-	-
Unrealized gain on futures	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Financial assets not measured at fair value **								
Long term deposits and advances	-	-	3,716,671	3,716,671				
Trade debts	-	-	132,648,479	132,648,479				
Advances, Deposits and Prepayments	-	-	435,468,558	435,468,558				
Other receivable	-	-	229,476	229,476				
Accrued income	-	-	5,249,950	5,249,950				
Cash and bank balances	-	-	835,704,166	835,704,166				
	-	-	1,413,017,300	1,413,017,300				
Financial liabilities not measured at fair value **								
Trade and other payables	-	-	(893,242,220)	(893,242,220)				
Lease liabilities	-	-	(10,463,924)	(10,463,924)				
Short term running finance	-	-	(235,000,000)	(235,000,000)				
	-	-	(1,138,706,144)	(1,138,706,144)				
	-	-	274,311,156	274,311,156				

** The Company has not disclosed the fair values for these financial assets and liabilities, however it believes that their carrying amounts are reasonable approximation of fair value.

On Statement of financial position financial instruments

	December 31, 2023							
	Carrying Amount			Fair value				
	Fair value through OCI	Fair value through P/L	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----							
Financial assets measured at fair value								
Investments								
Securities at fair value through OCI	15,359,230	-	-	15,359,230	15,359,230	-	-	15,359,230
Securities at fair value through profit or loss	-	-	-	-	-	-	-	-
Unrealized gain on futures	-	-	-	-	-	-	-	-
	15,359,230	-	-	15,359,230	15,359,230	-	-	15,359,230
Financial assets not measured at fair value **								
Long term deposits and advances	-	-	2,795,946	2,795,946				
Trade debts	-	-	209,455,990	209,455,990				
Advances, Deposits and Prepayments	-	-	294,728,307	294,728,307				
Other receivable	-	-	257,786	257,786				
Accrued interest income	-	-	2,380,114	2,380,114				
Cash and bank balances	-	-	372,736,405	372,736,405				
	-	-	882,354,548	882,354,548				
Financial liabilities not measured at fair value **								
Trade and other payables	-	-	(560,707,385)	(560,707,385)				
Lease liabilities	-	-	(16,944,082)	(16,944,082)				
Short term running finance	-	-	(100,000,000)	(100,000,000)				
	-	-	(677,651,467)	(677,651,467)				
	15,359,230	-	204,703,081	220,062,311				

** The Company has not disclosed the fair values for these financial assets and liabilities, however it believes that their carrying amounts are reasonable approximation of fair value.

35. CAPITAL RISK MANAGEMENT

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

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

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

36. USE OF COLLATERAL AND TRADING SECURITIES

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

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

37. OPERATING SEGMENTS

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

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

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

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

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

	December 31, 2023			
	Equity Brokerage	Investment and treasury	Other operations	Total
	----- (Rupees) -----			
Segment revenues *	98,662,642	72,801,037	160,244	171,623,923
Administrative and operating expenses **	(132,573,509)	-	-	(132,573,509)
Depreciation	(2,103,333)	(1,549,487)	-	(3,652,820)
Amortization	(212,540)	(156,575)	-	(369,115)
Finance cost	(4,964,401)	-	-	(4,964,401)
	<u>(41,191,141)</u>	<u>71,094,975</u>	<u>160,244</u>	<u>30,064,078</u>
Other income - unallocated				-
Other expenses - unallocated				-
Taxation				(14,644,336)
Profit after tax				<u>15,419,742</u>
Segment assets	<u>575,447,281</u>	<u>423,921,630</u>	<u>-</u>	<u>999,368,911</u>
Segment liabilities	<u>395,161,615</u>	<u>291,108,432</u>	<u>-</u>	<u>686,270,047</u>

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

	As at December 31, 2023 (Rupees)
Total segment revenue	171,623,923
Less - Revenue from Investment & treasury	(72,801,037)
Less - Revenue from other operations	(160,244)
	<u>98,662,642</u>

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

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

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

	As at December 31, 2024 (Rupees)
Total assets as per Statement of financial position	1,499,201,606
Notional value of TRE certificate at year-end as determined by PSX vide notice PSX/N-7178 dated November 10, 2017	2,500,000
Total assets including notional value of TRE certificate	1,501,701,606
Less: Total liabilities as per Statement of financial position	(1,138,845,404)
Less: Revaluation reserves (created upon revaluation of fixed assets)	-
Capital adequacy level	<u>362,856,202</u>

39. NET CAPITAL BALANCE

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

		As at December 31, 2024 (Rupees)	
<u>CURRENT ASSETS</u>	Note		
Cash in hand or in bank	As per book value	16	835,704,166
Cash deposited as margin with National Clearing Company of Pakistan		13.4	401,642,738
<u>CURRENT ASSETS</u>	Note	(Rupees)	
Trade debts - gross	As per book value	12	141,010,669
	Less: Overdue for more than 14 days		(34,897,313)
Securities purchased for client	(Value of shares appearing in clients respective sub account to the extent of overdue balance for more than 14 days or value of securities, whichever is less)	12.4.2	12,784,192
Total Current Assets			1,356,244,452
<u>CURRENT LIABILITIES</u>			
Trade payables	As per book value	20	862,542,186
	Less: Overdue for more than 30 days		(151,870,756)
Other liabilities	As per book value	18 & 19	710,671,430
Total current liabilities			425,336,814
Net Capital Balance as at December 31, 2024			(1,136,008,244)
			220,236,208

40. LIQUID CAPITAL BALANCE

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

S. No.	Head of Account	Note	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets					
1.1	Property & Equipment	6& 7	25,546,950	100%	-
1.2	Intangible Assets	8	1,553,552	100%	-
1.3	Investment in Govt. Securities		-	-	-
1.4	Investment in Debt. Securities				
	If listed than:				
	i. 5% of the balance sheet value in the case of tenure upto 1 year		-	5%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years		-	8%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years		-	10%	-
	If unlisted than:				
	i. 10% of the balance sheet value in the case of tenure upto 1 year		-	10%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years		-	12.5%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years		-	15%	-
1.5	Investment in Equity Securities				
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital.	15	-	-	-
	ii. If unlisted, 100% of carrying value			100%	-
1.6	Investment in subsidiaries		-	100%	-
1.7	Investment in associated companies / undertaking				
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher		-	-	-
	ii. If unlisted, 100% of net value		-	100%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC	13.2	32,494,926	100%	-
1.9	Margin deposits with exchange and clearing house	13.3	401,642,738	-	401,642,738
1.10	Deposit with authorized intermediary against borrowed securities under SLB		-	-	-
1.11	Other deposits and prepayments	9,10,& 11	62,800,475	100%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc	14	5,249,950	-	5,249,950
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties		-	100%	-
1.13	Dividends receivables		-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments</i>)			-	-
	Advances and receivables other than trade Receivables				

S. No.	Head of Account	Note	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.15	i. No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	13	1,330,894	-	1,330,894
	ii. No haircut may be applied to the advance tax to the extent it is netted with provision of taxation .				
	iii. In all other cases 100% of net value	14	229,475	100%	-
1.16	Receivables from clearing house or securities exchange(s)				
	i) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MTM gains		-	100%	-
	ii) Receivable on entitlements against trading of securities in all markets including MTM gains	12.3	34,939,650	-	34,939,650
1.17	Receivables from customers				
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut		-		-
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>		-	5%	-
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>		-	-	-
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	10	65,742,034	-	65,742,034
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. <i>v. Lower of net balance sheet value or value determined through adjustments</i>	10	19,182,198	16,202,733	2,979,465
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. <i>vi. Lower of net balance sheet value or value determined through adjustments</i>	10	12,784,598	As per slabs	9,992,636
1.18	Cash and Bank balances				
	i. Bank Balance-proprietary accounts	14	65,304,429	-	65,304,429
	ii. Bank balance-customer accounts	14	770,387,887	-	770,387,887
	iii. Cash in hand	14	11,850	-	11,850
1.19	Subscription money against investment in IPO/ offer for sale (asset)				
	Balance sheet value				
1.20	Total Assets		1,499,201,606		1,357,581,533

2. Liabilities

S. No.	Head of Account	Note	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2.1	Trade Payables				
	i. Payable to exchanges and clearing house		-	-	-
	ii. Payable against leveraged market products		-	-	-
	iii. Payable to customers	18	862,542,186	-	862,542,186
2.2	Current Liabilities				
	i. Statutory and regulatory dues		-	-	-
	ii. Accruals and other payables	18	30,700,034	-	30,700,034
	iii. Short-term borrowings	19	235,000,000	-	235,000,000
	iv. Current portion of subordinated loans		-	-	-
	v. Current portion of long term liabilities	17	7,766,024	-	7,766,024
	vi. Deferred Liabilities		-	-	-
	vii. Provision for taxation		-	-	-
	viii. Other liabilities as per accounting principles and included in the financial statements.		-	-	-
2.3	Non-Current Liabilities				
	i. Long-Term financing		2,697,900	-	2,697,900
	ii. Staff retirement benefits		-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements.	17	139,260	100%	139,260
2.4	Subordinated Loans		-	-	-
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted		-	-	-
2.5	Total Liabilities		1,138,845,404		1,138,845,404
3. Ranking Liabilities Relating to :					
3.1	Concentration in Margin Financing				
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.		-	-	-
3.2	Concentration in securities lending and borrowing				
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed		-	-	-
3.3	Net underwriting Commitments				
	(a) in the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting		-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments		-	-	-
3.4	Negative equity of subsidiary				
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary		-	-	-
3.5	Foreign exchange agreements and foreign currency positions				

S. No.	Head of Account	Note	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency		-	-	-
3.6	Amount Payable under REPO		-	-	-
3.7	Repo adjustment				
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.		-	-	-
3.8	Concentrated proprietary positions				
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security		-	-	-
3.9	Opening Positions in futures and options				
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts		-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met		-	-	-
3.10	Short sell positions				
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts		-	-	-
	ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.		-	-	-
3.11	Total Ranking Liabilities		-	-	-
			<u>360,356,202</u>	Liquid Capital	<u>218,736,129</u>

40.1 CALCULATIONS SUMMARY OF LIQUID CAPITAL

(i) Adjusted value of Assets (serial number 1.20)	1,357,581,533
(ii) Less: Adjusted value of liabilities (serial number 2.5)	(1,138,845,404)
(iii) Less: Total ranking liabilities (series number 3.11)	-
	<u>218,736,129</u>

	Note	2024 Rupees	2023 Rupees
41. CASH AND CASH EQUIVALENTS			
Cash and bank balances	16	835,704,166	372,736,405
Short term running finance	21	(235,000,000)	(100,000,000)
		<u>600,704,166</u>	<u>272,736,405</u>

42. NUMBER OF EMPLOYEES

The details of number of employees are as follows:

- Average number of employees during the year	<u>51</u>	<u>50</u>
- Number of employees at year end	<u>53</u>	<u>50</u>

43. SUBSEQUENT EVENT

The Board of Directors of the Company in its 126th meeting held on March 27, 2025 has approved the following appropriation:

	Note	2024 Rupees	2023 Rupees
- Cash dividend - Rs. Nil (2023: Nil) per share of Rs. 10 each		<u>-</u>	<u>-</u>
- Issue of bonus shares Nil % (2023: Nil) in the ratio of ____ (2023: Nil) shares for every 100 shares held		<u>-</u>	<u>-</u>

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

44. DATE OF AUTHORIZATION

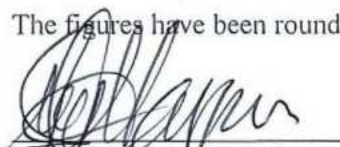
These financial statements were authorized for issue by the Board of Directors of the Company in their 126th meeting held on March 27, 2025.

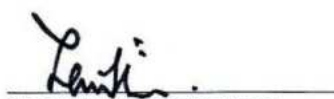
45. CORRESPONDING FIGURE

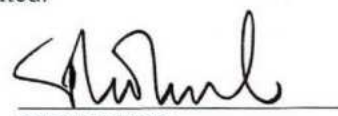
Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation.

46. GENERAL

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


CHIEF FINANCIAL


CHIEF EXECUTIVE


DIRECTOR

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of Taurus Securities Limited (the Company) for the year ended December 31, 2024.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the 'Statement of Compliance' does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Rules as applicable to the Company for the year ended December 31, 2024.

KARACHI

DATED: APRIL 14, 2025

UDIN: CR202410067oDcM6Ng8b


CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

**STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES
(CORPORATE GOVERNANCE) RULES, 2013**

Name of Company: Taurus Securities Limited
Name of Line Ministry: Not Applicable
For the year ended: December 31, 2024

I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "The Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance.

II. The Company has complied with the provisions of the Rules in the following manner:

S. No.	Provision of the Rules	Rule No.	Y	N																						
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																							
2.	The Board has at least one-third of its total members as independent directors. At present the Board includes: <table><tr><th>Category</th><th>Names</th><th>Date of appointment</th></tr><tr><td rowspan="3">Independent Directors</td><td>Saeed Iqbal</td><td>23-12-2024</td></tr><tr><td>Mushtaq Ali Khan</td><td>23-12-2024</td></tr><tr><td>Murium Hadi</td><td>23-12-2024</td></tr><tr><td>Executive Director</td><td>Zain Hussain</td><td>23-12-2024</td></tr><tr><td rowspan="4">Non-Executive Directors</td><td>Muhammad Ismail Usuf</td><td>23-12-2024</td></tr><tr><td>Abdul Rahim</td><td>23-12-2024</td></tr><tr><td>Irfan Saleem Awan</td><td>23-12-2024</td></tr><tr><td>Soofi Saifullah Akber</td><td>23-12-2024</td></tr></table>	Category	Names	Date of appointment	Independent Directors	Saeed Iqbal	23-12-2024	Mushtaq Ali Khan	23-12-2024	Murium Hadi	23-12-2024	Executive Director	Zain Hussain	23-12-2024	Non-Executive Directors	Muhammad Ismail Usuf	23-12-2024	Abdul Rahim	23-12-2024	Irfan Saleem Awan	23-12-2024	Soofi Saifullah Akber	23-12-2024	3(2)	✓	
Category	Names	Date of appointment																								
Independent Directors	Saeed Iqbal	23-12-2024																								
	Mushtaq Ali Khan	23-12-2024																								
	Murium Hadi	23-12-2024																								
Executive Director	Zain Hussain	23-12-2024																								
Non-Executive Directors	Muhammad Ismail Usuf	23-12-2024																								
	Abdul Rahim	23-12-2024																								
	Irfan Saleem Awan	23-12-2024																								
	Soofi Saifullah Akber	23-12-2024																								
3.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓																							
4.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the rules in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	✓																							
5.	The Chairman of the Board is working separately from the Chief Executive of the Company.	4(1)	✓																							

S. No.	Provision of the Rules	Rule No.	Y	N
6.	The Chairman has been elected by the Board of Directors except where Chairman of the Board has been appointed by the Government.	4(4)	✓	
7.	The Board has appointed the CEO on the basis of fit & proper criteria as well as guidelines specified by the Commission as per letter CLD/CCD/CG/Exemptions/2014 dated December 16, 2014.	5(2)	✓	
8.	(a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures, including posting the same on the company's website www.taurus-sec.com (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓ ✓ ✓	
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b) (ii)	✓	
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Company.	5(5)(b) (vi)	✓	
12.	(a) The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	✓	

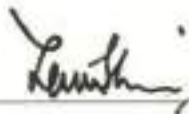
S. No.	Provision of the Rules	Rule No.	Y	N
13.	The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tendering, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c) (iii)	✓	
14.	The Board has developed a vision or mission statement, corporate strategy of the Company.	5(6)	✓	
15.	The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.	5(7)	✓	
16.	No goods sold by the Company as a public service obligation.	5(8)	✓	
17.	The Board has ensured compliance with policy directions requirements received from the respected authorities.	5(11)	✓	
18.	(a) The Board has met at least four times during the year.	6(1)	✓	
	(b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	✓	
	(c) The minutes of the meetings were appropriately recorded and circulated.	6(3)	✓	
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓	
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓	
21.	The Board has approved the profit and loss account and balance sheet as at the end of, the first, second and third quarter of the year as well as the financial year end, and has placed the annual financial statements on the company's website. Monthly accounts were also prepared and circulated amongst the Board members.	10	✓	

S. No.	Provision of the Rules	Rule No.	Y	N												
22.	All the Board members underwent an orientation course arranged by the Company to apprise them of the material developments and information as specified in the Rules.	11	✓													
23.	(a) The Board has formed the requisite committees, as specified in the Rules. (b) The committees were provided with written terms of reference defining their duties, authority and composition. (c) The minutes of the meetings of the committees were circulated to all the Board members. (d) The committees were chaired by the following non – executive directors: <table><tr><th>Committee</th><th>Number of members</th><th>Name of chair</th></tr><tr><td>Audit Committee</td><td>Four</td><td>Mr. Muhammed Farhan Malik</td></tr><tr><td>Risk Management Committee</td><td>Five</td><td>Mr. Muhammed Farhan Malik</td></tr><tr><td>Human Resources Committee</td><td>Four</td><td>Mr. Saeed Iqbal</td></tr></table> The Company has been granted exemption from formation of Procurement Committee and Nomination Committee by Securities and Exchange Commission of Pakistan vide their letter CLD/CCD/CG/Exemptions/2014 dated December 16, 2014.	Committee	Number of members	Name of chair	Audit Committee	Four	Mr. Muhammed Farhan Malik	Risk Management Committee	Five	Mr. Muhammed Farhan Malik	Human Resources Committee	Four	Mr. Saeed Iqbal	12	✓ ✓	
Committee	Number of members	Name of chair														
Audit Committee	Four	Mr. Muhammed Farhan Malik														
Risk Management Committee	Five	Mr. Muhammed Farhan Malik														
Human Resources Committee	Four	Mr. Saeed Iqbal														
24.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called with their remuneration and terms and conditions of employment.	13	✓													
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	✓													
26.	The Company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓													

IAORUS SECURITIES LIMITED

S. No.	Provision of the Rules	Rule No.	Y	N															
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	✓																
28.	The directors, CEO and executives or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.	18	✓																
29.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. (b) The annual report of the Company contains criteria and details of remuneration of each director.	19	✓ ✓																
30.	The financial statements of the Company were duly endorsed by the Chief Executive and Chief Financial Officer, before consideration and approval of the Audit Committee and the Board.	20	✓																
31.	The Board has formed an Audit Committee, with defined and written terms of reference, and having the following members: <table><tr><th>Name of Member</th><th>Category</th><th>Professional Background</th></tr><tr><td>Muhammed Farhan Malik</td><td>Non-Executive / Independent</td><td>BSC (Business Administration & Finance) and experience in the field of Financial Market.</td></tr><tr><td>Abdul Rahim</td><td>Non-Executive</td><td>FCA, ACMA and experience in the field of Banking.</td></tr><tr><td>Saeed Iqbal</td><td>Non-Executive / Independent</td><td>BSC/MA and experience in the field of banking.</td></tr><tr><td>Murium Hadi</td><td>Non-Executive / Independent</td><td>MBA/MS and experience in innovation and research in digital financial inclusion.</td></tr></table> The Chief Executive and Chairman of the Board are not members of the Audit Committee.	Name of Member	Category	Professional Background	Muhammed Farhan Malik	Non-Executive / Independent	BSC (Business Administration & Finance) and experience in the field of Financial Market.	Abdul Rahim	Non-Executive	FCA, ACMA and experience in the field of Banking.	Saeed Iqbal	Non-Executive / Independent	BSC/MA and experience in the field of banking.	Murium Hadi	Non-Executive / Independent	MBA/MS and experience in innovation and research in digital financial inclusion.	21(1) and 21(2)	✓ ✓	
Name of Member	Category	Professional Background																	
Muhammed Farhan Malik	Non-Executive / Independent	BSC (Business Administration & Finance) and experience in the field of Financial Market.																	
Abdul Rahim	Non-Executive	FCA, ACMA and experience in the field of Banking.																	
Saeed Iqbal	Non-Executive / Independent	BSC/MA and experience in the field of banking.																	
Murium Hadi	Non-Executive / Independent	MBA/MS and experience in innovation and research in digital financial inclusion.																	
32.	(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.	21(3)	✓																

S. No.	Provision of the Rules	Rule No.	Y	N
	(b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.	21(3)	✓	
	(c) The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of the chief financial officer and the external auditors.		✓	
33.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.	22	✓	
	(b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.		✓	
	(c) The internal audit reports have been provided to the external auditors for their review.		✓	
34.	The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓	
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓	



Chief Executive Officer



Chairman of the Board

Directors Report to the Shareholders
For the year ended December 31, 2024

The Directors of your Company are pleased to present the Annual Report with the Audited Financial Statements of the Company for the year ended December 31, 2024 along with the Auditor's Report thereon.

Economic Review:

Macroeconomic indicators continued to show recovery as Pakistan's GDP grew modestly by 2.5% for FY24 compared to negative GDP growth of 0.2% in FY23. Wherein, the Agriculture sector grew 6.4% in FY24 as against a growth of 2.2% in FY23 reflecting strong performance during the year. Industrial sector contracted 1.1% compared to a drop of ~4% in FY23. Services sector grew 2.2%YoY. GDP growth for FY25 is forecasted to be around 3%.

Headline inflation has fallen to a multi-year low and is projected to average ~6.5% for FY25 on the back of stable food prices and receding core inflation, complemented by marginal uptick in utility tariffs, lower fuel prices and a stable Rupee. Resultantly, real-interest rates in Pakistan have been significantly positive on a forward looking basis. Hence, the SBP cut its benchmark policy rate by 900bps during the year to 13.00% as of Dec'24 close.

Moreover, the external sector showcased robust performance throughout the year. Wherein, the CA deficit for FY24 clocked-in at ~0.3% of GDP only. With the 1HFY25 current account posting a surplus of USD 1.2Bn compared to a deficit of ~USD 1.4Bn SPLY (despite 13%YoY growth in trade deficit), on the back of 33%YoY growth in workers' remittances and 7%YoY growth in exports during the period. Meanwhile, SBP's foreign exchange reserves stood at USD 11.7Bn as of Dec'24 close, up 42% during the year, taking the country's total liquid foreign exchange reserves to ~USD 16.4Bn by the year end – providing the bedrock for a stable Rupee.

In addition, in Aug'24 Moody's upgraded Pakistan's local and foreign currency issuer and senior unsecured debt ratings from Caa2 to Caa3, highlighting reduction in Pakistan's default risk; also upgrading its outlook to positive. Further, following successful completion of the SBA, staff level agreement was reached between Pakistan and the IMF on July 12, 2024 for a 37-month USD 7Bn Extended Fund Facility (EFF). The approval for which also came through by the end of Sep'24. The EFF lays down the roadmap for future economic policy and targets, translating into economic stability and sustainable economic growth, going forward.

Nevertheless, on the fiscal side, challenges remain with the FBR's tax collection during 1HFY25 clocking-in at PKR 5.6Trn, depicting a shortfall of PKR 386Bn. However, Jul-Nov, fiscal balance recorded a surplus of PKR 495Bn (0.5% of GDP), along with a primary surplus of PKR 3.1Trn.

PSX Review:

The KSE-100 index has posted a return of 84% (up 52,676 points) for the year closing at 115,127 points, driven by strong bullish sentiment amid improving external position including a stable Rupee, falling inflation, commencement of monetary easing, and overall attractive valuations. Wherein, average all share daily volume traded was 567.9Mn shares during CY24 compared to 322.5Mn shares last year, up an incredible 76%YoY. Similarly, average all share daily value traded clocked-in at ~PKR 22.4Bn as against ~PKR 10.1Bn registered in the corresponding period last year, up 1.2xYoY.

In terms of sector-wise performance, Pharmaceutical, Fertilizer, E&Ps, OMCs and Autos posted the highest returns of 1.8x, 1.3x, 1.1x, 88% and 69%, respectively. Food and Chemical were the worst performing sectors, yield negative 1% and 2% in returns for the year. Nevertheless, earnings for the KSE-100 index were down 7% during 9MCY24 as against the SPLY.

Foreign portfolio investments depicted an outflow of ~USD 117Mn during the year compared to an inflow of USD 73.5Mn last year. Among locals, Mutual Funds and Insurance Companies were the biggest buyers with a net buying of USD 186.8Mn and USD 61.2Mn, respectively followed by Companies buying USD 9.9Mn worth of shares. Banks were the biggest sellers with a net sale of USD 69.5Mn worth of shares.

We expect market activity to remain healthy going forward driven by strong positive sentiment with the commencement of the new IMF program amid still attractive valuations and gradually improving fundamentals. This is likely to bode well for revenues of the brokerage industry. Future monetary easing may also trigger more interest in equities. However, the magnitude of the rate cuts will be strictly subject to the forward inflation expectations.

Future Outlook:

Aggregate demand continues to remain subdued, which can be inferred by the flattish demand outlook for most cyclical sectors and a negative Large-scale Manufacturing Index FYTD. Wherein, the full impact of the rate cuts is likely to take longer to reflect in terms of stimulating demand. Another challenge for the incumbent Government will be to meet the revenue collection short-fall and also comply with the IMF structural benchmarks as per the committed deadlines – progress here has been far from anything worthwhile. This will be critical in order to ensure continued disbursements of tranches by the IMF.

The positives are that demand will recover eventually albeit gradually. Moreover, inflation expectations also remain within the SBP's target range, and the external sector outlook remains highly positive. Pakistan may also float panda bonds in the near-term. The latter coupled with the EFF is likely to ensure that external financing requirements are fully met over the medium-term. Additionally, despite the pressures emanating from the reform under the IMF umbrella, long-term effects of these reforms are expected to be positive – boding well for the stock market too.

The Directors are pleased to confirm that:

- The Financial Statements prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity;
- Proper Books of Accounts of the Company have been maintained;
- Appropriate Accounting Policies have been consistently applied in preparation of Financial Statements and the Accounting Estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of the Financial Statements and there has been no departure from them.
- The system of Internal/Financial Control is adequate, sound and has been effectively implemented and monitored.
- The principal risks and associated uncertainties have been managed by the Company. The market volumes are beyond the control of the Company and the business model of the Company is based on a daily average market traded value of twelve billion rupees.
- The Board has complied with the relevant principles of Corporate Governance.
- The appointment of Chairman and other members of the Board and the terms of their appointment along with the remuneration policy adopted are in the best interest of the Public Sector Company as well as in line with the best practices.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- The Company closed its financial year with an operating profit of 71.59 million and is focused to improve its market share through increase in retail clientele in both segments online and corporate accounts. Moreover, the Company is also focused on consolidation during the next year.
- The Management is acutely monitoring its resources to maximize returns for shareholders.
- The company has obtained commodities license (gold only) from Pakistan Mercantile Exchange Limited during the year.

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

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

S. No.	Name of Director	Date of Appointment/Re-appointment	No. of Meetings Attended
1	Mr. Muhammad Ismail Usuf	December 23, 2024	05
2	Mr. Abdul Rahim	December 23, 2024	05
3	Mr. Muhammed Farhan Malik	December 23, 2021	05
4	Mr. Saeed Iqbal	December 23, 2024	04
5	Mr. Mushtaq Ali Khan	December 23, 2024	05
6	Murium Hadi	December 23, 2024	05
7	Mr. Muhammad Faisal Israr	December 23, 2021	05
9	Zain Hussain	December 23, 2024	05

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

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

The Pattern of Shareholdings of the Company is hereunder;

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

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

The Company operates an approved Provident Fund scheme for all Eligible Employees. The value of Investment as per latest Audited Financial Statements of the fund for the year ended June 30, 2024 was as follows;

---- (Rupees) ----

Provident Fund 16,832,494/-

Financial Highlights of the Company

	December-31		Amount in Rupees	
	2024	2023	Variance	
			Amount	%
Brokerage Income	176,147,026	98,662,642	77,484,384	79
Mark-up income	66,268,098	54,272,597	11,995,501	22
Capital Gain on Shares (Arbitrage)	276,439	494,560	(218,121)	(44)
Capital Gain on Mutual Funds	6,137,282	10,636,482	(4,499,200)	(42)
Dividend Income	3,121,855	7,397,398	(4,275,543)	(58)
	251,950,700	171,463,679	80,487,021	47
Operating and Administrative Expenses	(180,357,264)	(136,595,444)	(43,761,820)	32
Operating Profit	71,593,436	34,868,235	36,725,201	
Other Income	50,000	160,244	(110,244)	(69)
Financial Charges	(8,784,134)	(4,964,401)	3,819,733	77
Profit / (loss) before Taxation	62,859,302	30,064,078	32,795,224	(109)
Taxation	(30,748,032)	(14,644,336)	16,103,696	110
Profit / (loss) after Taxation	32,111,270	15,419,742	16,691,528	(108)

Credit Rating

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

Key Financial and Operating Data of Six Years*(Rupees in thousands)*

	December 2024	December 2023	December 2022	December 2021	December 2020	December 2019
Paid-up Capital	135,023	135,023	135,023	135,023	135,023	135,023
Accumulated Profit/ (Loss)	225,333	178,076	165,569	178,775	174,256	161,819
Liability	1,138,845	686,270	1,001,411	1,015,638	434,147	321,846
Total Equity & Liability	1,499,201	999,369	1,302,003	1,329,436	743,426	618,688
Fixed Assets	27,101	33,481	42,785	43,528	16,494	16,156
Other Assets	1,472,101	965,888	1,259,218	1,285,908	724,932	600,530
Total Assets	1,499,202	999,369	1,302,003	1,329,436	743,426	618,688
Total Income	252,001	171,624	125,019	156,114	143,445	105,561
Operating Expenses	180,357	136,595	119,657	137,319	125,549	103,269
Financial Charges	6,764	4,964	6,902	5,140	3,695	3,294
Taxation	30,748	14,644	6,754	2,838	4,044	(1,588)
Net Profit / (Loss)	32,112	15,421	(8,294)	11,017	10,157	596

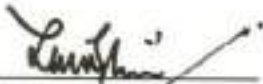
Statutory Auditors

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

Acknowledgement

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

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



Zain Hussain
Chief Executive Officer



Muhammad Ismail Usuf
Chairman of the Board

TAURUS

SECURITIES LIMITED

A Subsidiary of National Bank of Pakistan

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

I, Syed Zain Hussain, Chief Executive Officer of Taurus Securities Limited, hereby confirm that there have been no transactions entered into by Taurus Securities Limited during the year ended December 31, 2024, which are fraudulent, illegal, or in violation of any securities market laws.



Syed Zain Hussain
Chief Executive Officer

Dated: 27th March 2025

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

Corporate Office

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Branch Offices

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