

Independent Auditor's Review Report on the Statement of Net Capital Balance

To the Chief Executive Officer of Taurus Securities Limited

Introduction

We have reviewed the accompanying Statement of Net Capital Balance of Taurus Securities Limited (the Securities Broker) as at June 30, 2021 and notes to the Statement of Net Capital Balance (here-in-after referred to as "the Statement"). Management is responsible for the preparation of the Statement in accordance with the requirements of the Schedule II of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with Rule 2(d) of the Securities and Exchange Commission Rules 1971 (SEC Rules 1971) issued by the Securities and Exchange Commission of Pakistan (SECP). Our responsibility is to express a conclusion on the statement based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Statement is not prepared, in all material respects, in accordance with requirements of Schedule II of the Regulations.

Other Matter

Our report is intended solely for Taurus Securities Limited, SECP, Pakistan Stock Exchange and National Clearing Company of Pakistan Limited and should not be distributed to any other parties. Our conclusion is not modified in respect of this matter.

The engagement partner on the engagement resulting in this independent auditor's review report is Nadeem Yousuf Adil.


Chartered Accountants



Place: Karachi

Date: September 14, 2021

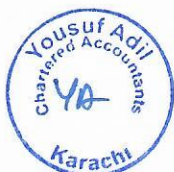
Taurus Securities Limited
Statement of Net Capital Balance
As at June 30, 2021

DESCRIPTION	VALUATION BASIS	Note	Sub Total ----- (Rupees) -----	Total
<u>CURRENT ASSETS</u>				
Cash in hand and bank balances	As per book value	2		322,632,277
Cash deposited as margin with National Clearing Company of Pakistan				87,722,663
Trade receivables	As per book value Less: Placement under margin trading Less: Overdue for more than 14 days	3	61,268,184 - (23,875,290)	37,392,894
Investment in listed securities in the name of broker, measured at fair value	As per book value Less: Securities not in exposure list	4	148,221,399 -	
Investment in unlisted debt securities			-	
	Less: 15% discount		148,221,399 (22,233,210)	125,988,189
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			5,501,198
Total Current Assets				579,237,221
<u>CURRENT LIABILITIES</u>				
Trade payables	As per book value Less: Overdue for more than 30 days	5	283,492,315 (131,595,603)	151,896,712
Other liabilities	As per book value	6		259,447,614
Total Current Liabilities				411,344,326
Net Capital Balance as at June 30, 2021				167,892,895

The annexed notes 1 to 7 form an integral part of the statement.


 Chief Executive Officer


 Chief Financial Officer



Taurus Securities Limited
Notes to the Statement of Net Capital Balance
As at June 30, 2021

The statement of net capital balance ("the Statement") has been prepared in accordance with requirements as contained in the Schedule II of the Securities Brokers (Licensing and Operations) Regulations, 2016 read with Rule 2(d) of the Securities and Exchange Commission Rules 1971 (SEC Rules 1971) and the guidebook issued by Securities and Exchange Commission of Pakistan (SECP) vide its letter dated September 08, 2016 ("the Regulations").

The statement is prepared specifically to meet the above mentioned requirements and for submission to the Pakistan Stock Exchange, National Clearing Company of Pakistan Limited or the Securities and Exchange Commission of Pakistan. As a result, the statement may not be suitable for another purpose.

2. CASH IN HAND AND BANK BALANCES

	2021 (Rupees)
These are stated at book value.	
Cash in hand	36,429
Bank balance pertaining to:	
- Brokerage house	31,129,132
- Clients (also refer to note 2.1)	291,466,716
	322,632,277

2.1 Trade payables balance for the purpose of Net Capital Balance in accordance with the clarification / guidelines issued by SECP as follows:

	2021 (Rupees)
Amounts identified as at balance sheet date	
- Due to clients against trading of securities	279,419,760
- Due to associated companies / persons against trading of securities	-
Add: Amounts identified subsequent to the balance sheet date	
- Unidentified deposits by client	1,658,659
- MTS / Markup on deposits attributable to clients	2,413,897
	4,072,555
Add : Unpaid purchase consideration due to T+2 transaction	7,974,401
	291,466,716

3. TRADE RECEIVABLES

These are valued at cost less bad and doubtful debts (if any) and debts outstanding for more than 14 days.

	2021 ------(Rupees)-----		
	Gross Amount	Provision for doubtful debts	Net Amount
Total Trade receivable	61,268,184	-	61,268,184
Less: Outstanding for more than 14 days	(23,875,290)	-	(23,875,290)
Balance generated within 14 days and/or not yet due	37,392,894	-	37,392,894

4. INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER

This includes investment in which following shares are pledged with Pakistan Stock Exchange Limited against margin requirement for ready market exposures. Listed securities which are not on the default counter of the stock exchange are valued at market rates prevailing as on June 30, 2021 less 15% discount as prescribed in the Regulations.

Shares	Pledged Qty
Pakistan Stock Exchange Limited	1,502,953
Sui Northern Gas Pipelines Limited	603,500
Pakistan State Oil Company Limited	289,000
Ghani Global Holdings Limited	207,500
Maple Leaf Cement Factory Limited	161,000
D.G. Khan Cement Company Limited	124,500
Pak Elektron Limited	91,000
International Industries Limited	63,500
Pakistan International Bulk Terminal	62,500
Engro Polymer & Chemicals Limited	35,500
Oil & Gas Development Company Limited	20,000
Fauji Fertilizer Bin Qasim Limited	4,500
The Hub Power Company Limited	1,500
Pakistan Petroleum Limited	1,500
Jahangir Siddiqui & Company Limited	-

5. TRADE PAYABLES

This represents balance payable against trading of shares less trade payable balances overdue for more than 30 days which have been included in other liabilities.

	2021 (Rupees)
Amounts identified as at balance sheet date	
- Due to clients against trading of securities	279,419,760
- Due to associated companies / persons against trading of securities	-
Add: Amounts identified subsequent to the balance sheet date	
- Unidentified deposits by client	1,658,659
- MTS / Markup on deposits attributable to clients	2,413,897
	4,072,555
	283,492,315
- Less: Overdue for more than 30 days	(131,595,603)
	<u>151,896,712</u>

6. OTHER LIABILITIES

These represents current liabilities, other than trade payable which are due with in 30 days. Other liabilities are stated at book value. The breakup is as follows:


	2021 (Rupees)
- Accrued expenses	41,399,481
- Payable to gratuity scheme	-
- Payable to NCCPL against T2 settlement	36,452,530
- Short term running finance	50,000,000
- Trade payables overdue for more than 30 days	131,595,603
	<u>259,447,614</u>

7. DATE OF ISSUANCE

This statement was authorised for issue on 14 SEP 2021



Chief Executive Officer



Chief Financial Officer

