

**Taurus Securities
Limited**

Financial Statements
For the year ended December 31, 2021

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, 2021, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of 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, 2021 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conduct our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' 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 Director's 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 these 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 the 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 going concern, disclosing, as applicable, matters related to 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.

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

Auditors' 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 auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of the 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 judgement and maintain professional skepticism throughout the audit. We also:

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

Other Matter

The annual financial statements of the Company for the year ended December 31, 2020 were audited by another firm of Chartered Accountants who vide their report March 22, 2021 expressed an unmodified opinion.

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



Chartered Accountants

Place: Karachi

Date: March 28, 2022

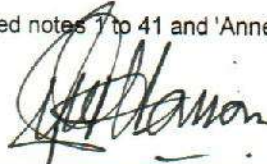
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TAURUS SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	Note	2021 (Rupees)	2020
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	14,146,470	8,341,890
Right of use assets	5	28,831,118	9,905,232
Intangible assets	6	550,548	246,537
Long term deposits and advances	7	3,669,518	4,666,556
Taxation - net	8	52,223,003	48,791,187
Deferred taxation - net	9	2,202,660	-
		101,623,317	71,951,402
CURRENT ASSETS			
Trade debts	10	411,085,584	40,742,559
Advances, deposits and prepayments	11	168,845,030	134,287,056
Other receivables	12	4,732,229	1,807,224
Investments	13	160,209,174	181,410,370
Cash and bank balances	14	482,941,062	313,227,314
		1,227,813,079	671,474,523
TOTAL ASSETS		1,329,436,396	743,425,925
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	15.1	400,000,000	400,000,000
Issued, subscribed and paid-up share capital	15.2	135,023,060	135,023,060
REVENUE RESERVES			
Unappropriated profits	16	162,074,718	154,516,601
Surplus on revaluation of investment at fair value through other comprehensive income	16	16,700,495	19,739,673
		178,775,213	174,256,274
TOTAL EQUITY		313,798,273	309,279,334
NON-CURRENT LIABILITIES			
Lease liabilities	17	16,255,327	6,654,185
CURRENT LIABILITIES			
Trade and other payables	18	813,957,580	347,142,312
Lease liabilities	17	10,425,216	5,350,094
Short term running finance	19	175,000,000	75,000,000
		999,382,796	427,492,406
TOTAL LIABILITIES		1,015,638,123	434,146,591
TOTAL EQUITY AND LIABILITIES		1,329,436,396	743,425,925
Contingencies and commitments	20		

The annexed notes 7 to 41 and 'Annexure - I' form an integral part of these financial statements.

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CHIEF FINANCIAL
OFFICER



CHIEF EXECUTIVE
OFFICER



DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2021

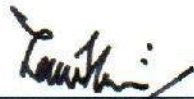
	Note	2021 ----- (Rupees) -----	2020 -----
Operating revenue	21	128,996,429	118,489,329
Other operating revenue	22	26,639,686	23,976,874
Total operating income		155,636,115	142,466,203
Surplus / (deficit) on revaluation of investments classified as fair value through profit or loss	13.2.1	287,410	(22,295)
Administrative expenses	23	(137,318,543)	(125,548,642)
Operating profit		18,604,982	16,895,266
Other income	24	190,123	1,000,890
Finance cost	25	(5,139,873)	(3,694,743)
PROFIT BEFORE TAXATION		13,655,232	14,201,413
Taxation	26	(2,637,642)	(4,044,017)
PROFIT FOR THE YEAR		11,017,590	10,157,396
Earnings per share - basic	27	0.82	0.75

The annexed notes 1 to 41 and 'Annexure - I' form an integral part of these financial statements.

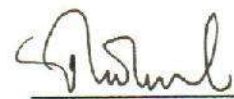
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CHIEF FINANCIAL
OFFICER



CHIEF EXECUTIVE
OFFICER



DIRECTOR

TAURUS SECURITIES LIMITED
 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
Note	(Rupees)	
Profit for the year	11,017,590	10,157,396
Other comprehensive income for the year - net of tax		
Items that will never be reclassified to the statement of profit or loss		
Remeasurements of investment classified as 'fair value through OCI'	13.1.2 (1,313,671)	4,035,526
Remeasurements of defined benefit asset	12.1.1.6 2,205,885	(2,472,431)
Related current tax charge	(639,707)	717,005
	1,566,178	(1,755,426)
Total comprehensive income for the year	11,270,097	12,437,496

The annexed notes 1 to 41 and 'Annexure - I' form an integral part of these financial statements.

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 CHIEF FINANCIAL
 OFFICER


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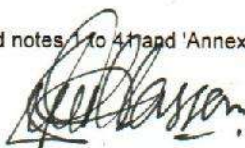

 DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

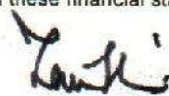
	Note	2021 ----- (Rupees)	2020 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		13,655,232	14,201,413
Adjustments for:			
Depreciation on property and equipment	4	3,982,071	3,363,429
Depreciation on right-of-use assets	5	6,816,544	4,043,356
Amortization on intangible assets	6	295,989	208,789
Gain on disposal of property and equipment	24	(13,003)	-
Ijarah charges	23	608,495	1,480,858
Finance cost	25	5,139,873	3,694,743
Mark-up income on bank deposits and cash margin	22	(11,227,731)	(10,642,581)
Defined benefit cost	12.1.1.5	1,668,365	988,404
Capital gain on sale of securities	22	(15,111,364)	(13,334,293)
(Surplus) / deficit on revaluation of investments classified as FVPL	13.2.1	(287,410)	22,295
		(8,128,171)	(10,175,000)
Net cash generated from operating activities before working capital changes		5,527,061	4,026,413
(Increase) / Decrease In working capital assets:			
Trade debts		(370,343,025)	10,119,202
Advances, deposits and prepayments		(11,118,438)	(2,311,193)
Other receivables		(2,925,004)	2,235,606
Deposit collected from / (paid) to National Clearing Company of Pakistan Limited (NCCPL) - net		(25,211,298)	13,872,897
		(409,597,765)	23,916,512
		(404,070,704)	27,942,925
Increase in working capital liabilities:			
Trade and other payables		465,824,991	166,804,405
Net cash flows generated from operations		61,754,287	194,747,330
Income tax paid	8	(8,911,825)	(8,031,602)
Income tax refund		-	10,304,616
Net receipt from / (payment) to gratuity fund	12.1.1.6	537,520	(3,460,836)
Financial charges paid		(4,149,595)	(4,230,284)
		(12,523,900)	(5,418,106)
Net cash generated from operating activities		49,230,387	189,329,224
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment sold - net of purchases		36,286,299	13,194,421
Mark-up income on balances received		11,227,731	12,081,502
Capital expenditures	4 & 6	(12,414,715)	(2,626,135)
Proceeds from disposal of property and equipment	4.1	2,041,069	-
Net cash generated from investing activities		36,140,384	22,649,788
CASH FLOWS FROM FINANCING ACTIVITIES			
Ijarah rentals paid		-	(3,093,258)
Dividend paid		(6,751,158)	-
Lease rentals paid		(8,905,865)	(4,293,568)
Net cash used in financing activities		(15,657,023)	(7,386,826)
Net increase in cash and cash equivalents		69,713,748	204,592,186
Cash and cash equivalents at beginning of the year		238,227,314	33,635,128
Cash and cash equivalents at end of the year		307,941,062	238,227,314
Cash and cash equivalents comprise			
Cash and bank balances	14	482,941,062	313,227,314
Short term running finance	19	(175,000,000)	(75,000,000)
		307,941,062	238,227,314

The annexed notes to 4 and 'Annexure - I' form an integral part of these financial statements.

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CHIEF FINANCIAL
OFFICER



CHIEF EXECUTIVE
OFFICER



DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

	Revenue reserves			Total equity
	Share capital	Accumulated profits	Unrealized gain / (loss) on re-measurement of investment at fair value through OCI	
	----- (Rupees) -----			
Balance as at January 01, 2020	135,023,060	146,114,631	15,704,147	296,841,838
Total comprehensive income for the year				
Profit for the year ended December 31, 2020	-	10,157,396	-	10,157,396
Other comprehensive (loss) / income	-	(1,755,426)	4,035,526	2,280,100
	-	8,401,970	4,035,526	12,437,496
Balance as at December 31, 2020	135,023,060	154,516,601	19,739,673	309,279,334
Balance as at January 01, 2021	135,023,060	154,516,601	19,739,673	309,279,334
Total comprehensive income for the year				
Profit for the year ended December 31, 2021	-	11,017,590	-	11,017,590
Other comprehensive income / (loss)	-	1,566,178	(1,313,671)	252,507
	-	12,583,768	(1,313,671)	11,270,097
Gain realized on disposal of investments in equity instruments at FVOCI		1,725,607	(1,725,607)	-
Transactions with owners, recorded directly in equity				
Interim cash dividend paid @ Rs. 0.50 per share (5%)	-	(6,751,158)	-	(6,751,158)
Balance as at December 31, 2021	135,023,060	162,074,718	16,700,495	313,798,273

The annexed notes 1 to 41 and 'Annexure - I' form an integral part of these financial statements.

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 CHIEF FINANCIAL
 OFFICER



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 OFFICER



 DIRECTOR

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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% (2020: 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 ijarah arrangements in accordance with IFAS - 2 - "Ijarah", 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.

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.

2.2.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2021

The following standards, amendments and interpretations are effective for the year ended December 31, 2021. These standards, interpretations and the amendments 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.

Standards / Amendments / Interpretation	Effective from accounting period beginning on or after:
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions	June 01, 2020
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021

2.2.2 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, interpretations and the amendments 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:
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021

Effective from accounting
period beginning on or after:

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023

(Certain annual improvements have also been made to a number of IFRSs)

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

2.3 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and judgments, if any, are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the financial statements or where judgment was exercised in application of accounting policies are as follows:

- Classification and impairment of investment (note 3.24.2, 3.24.5, and 13)
- Depreciation rates of property, plant and equipment, right of use assets and intangible assets (note 4, 5 and 6)
- Provision for current and deferred tax (note 3.5, 9 and 26)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 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 4 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.

3.2 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.

3.3 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 6 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.

3.4 Ijarah

The Company accounts for assets under ijarah arrangements in accordance with IFAS-2 "Ijarah" whereby periodic ijarah payments for such assets are recognized as an expense in the statement of profit or loss on straight line basis over the ijarah term.

3.5 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.

3.6 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.

3.7 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.

3.8 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.

3.9 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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.

3.14 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.

3.15 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.

3.16 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.

3.17 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.

3.18 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.

3.19 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.

3.20 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.

3.21 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.

3.22 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.

3.23 Dividend and appropriation to reserves

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

3.24 Financial Instruments - Initial recognition and subsequent measurement

3.24.1 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.

3.24.2 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.

3.24.3 Classification of financial liabilities

From January 01, 2019, the Company classifies 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.

3.24.4 Subsequent measurement

i) Financial assets at FVOCI

Elected investments in equity instruments at FVOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income/(loss).

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.

3.24.5 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.

3.24.6 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.

3.24.7 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.

3.25 Leases

3.25.1 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.

3.25.2 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.

3.26 Presentation and functional currency

The financial statements have been presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3.27 General

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

4. PROPERTY AND EQUIPMENT

2021

OWNED					
Vehicles	Office Premises	Furniture and Fixtures	Office Equipment	Computer equipment	Total

(Rupees)

Cost

As at January 01, 2021	11,151,225	1,591,000	6,634,931	8,085,282	13,496,721	40,959,159
Additions	9,456,930	-	703,802	828,050	825,933	11,814,715
Disposals	(8,498,877)	-	-	(212,923)	-	(8,711,800)
As at December 31, 2021	12,109,278	1,591,000	7,338,733	8,700,409	14,322,654	44,062,074

Accumulated depreciation

As at January 01, 2021	(6,690,601)	(875,704)	(5,158,126)	(7,254,947)	(12,637,891)	(32,617,269)
Depreciation for the year	(2,701,249)	(79,550)	(262,639)	(403,332)	(535,301)	(3,982,071)
Disposals	6,475,645	-	-	208,091	-	6,683,736
As at December 31, 2021	(2,916,205)	(955,254)	(5,420,765)	(7,450,188)	(13,173,192)	(29,915,604)
Net Book Value	9,193,073	635,746	1,917,968	1,250,221	1,149,462	14,146,470
Rate of depreciation (%)	20	5	10	20	33	

2020

OWNED					
Vehicles	Office Premises	Furniture and fixtures	Office equipment	Computer equipment	Total

(Rupees)

Cost

As at January 1, 2020	11,056,581	1,591,000	6,084,818	7,617,721	12,655,886	39,006,006
Additions	641,044	-	550,113	467,561	840,835	2,499,553
Disposals	(546,400)	-	-	-	-	(546,400)
As at December 31, 2020	11,151,225	1,591,000	6,634,931	8,085,282	13,496,721	40,959,159

Accumulated depreciation

As at January 1, 2020	(4,899,319)	(795,936)	(4,954,953)	(6,837,683)	(12,312,349)	(29,800,240)
Depreciation for the year	(2,337,682)	(79,768)	(203,173)	(417,264)	(325,542)	(3,363,429)
Disposals	546,400	-	-	-	-	546,400
As at December 31, 2020	(6,690,601)	(875,704)	(5,158,126)	(7,254,947)	(12,637,891)	(32,617,269)
Net Book Value	4,460,624	715,296	1,476,805	830,335	858,830	8,341,890
Rate of depreciation (%)	20	5	10	20	33	

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

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (Loss)	Particulars of buyer	Mode of disposal
----- (Rupees) -----							
Vehicles							
Toyota Revo	4,878,522	4,201,696	476,826	476,826	-	Zain Hussain	Company's policy
Corolla Gli	2,252,600	1,315,765	936,835	936,835	-	Aaliya K.Dossa	Company's policy
Corolla Altis	409,800	205,461	204,339	204,339	-	Syed Waqar	Company's policy
Corolla Xli	352,800	176,883	175,917	175,917	-	Syed Waqar	Company's policy
Honda City	336,400	336,400	-	-	-	Mustafa Mustansir	Company's policy
Suzuki Cultus	203,800	203,800	-	-	-	Asim Ali Khan	Company's policy
Honda 100cc	100,155	16,134	84,021	87,100	3,079	New Jubilee General Insurance	Insurance Claim
Honda CD-70	82,400	14,629	67,771	60,000	(7,771)	New Jubilee General Insurance	Insurance Claim
Honda CD-70	82,400	4,875	77,525	68,552	(8,973)	New Jubilee General Insurance	Insurance Claim
Office Equipment							
Split AC 2-TON	73,500	73,500	-	10,000	10,000	Azmat	Negotiation
Split AC 2-TON	59,402	59,402	-	10,000	10,000	Azmat	Negotiation
Split AC 1.5-TON	64,921	64,921	-	10,000	10,000	Azmat	Negotiation
Microwave Oven	15,100	10,268	4,832	1,500	(3,332)	Azmat	Negotiation
	8,711,800	6,683,734	2,028,066	2,041,069	13,003		

5. RIGHT OF USE ASSETS	Note	2021	2020
		----- (Rupees) -----	
As at January 01,			
Cost		17,680,751	12,355,798
Accumulated depreciation		(7,775,519)	(3,732,163)
Net book value		<u>9,905,232</u>	<u>8,623,635</u>
Year ended December 31,			
Opening net book value		9,905,232	8,623,635
Additions	5.1 & 5.2	25,742,430	5,324,953
Depreciation charge		(6,816,544)	(4,043,356)
Closing net book value		<u>28,831,118</u>	<u>9,905,232</u>
As at December 31,			
Cost		43,423,181	17,680,751
Accumulated depreciation		(14,592,063)	(7,775,519)
Net book value		<u>28,831,118</u>	<u>9,905,232</u>

- 5.1 The Company has entered into lease agreements for its head office having lease term from February 01, 2020 to January 31, 2023 and from July 01, 2021 to June 30, 2023 for various floors in Progressive Plaza, Karachi and its branch offices from July 01, 2021 to June 30, 2023 and from July 01, 2021 to June 30, 2023 in Peshawar and Karachi. The rentals payments are determined on the basis of discount factor applied at the rate of three months KIBOR+2.5% per annum.
- 5.2 The company has entered into lease agreement with MCB Leasing Limited for leased vehicles. Lease rentals are payable in monthly installments. Financial charges included in lease rentals are determined on the basis of discount rate implicit in the lease. At the end of the lease term, the ownership of the assets shall be transferred to the company on the settlement of the residual value against lease key money.

6. INTANGIBLE ASSETS

6.1 Computer software

2021							
Cost			Rate	Accumulated amortization			Net Book Value
Opening	Additions/ (Deletions)	Closing		Opening	Charge for the year	Closing	
(Rupees)			(Rupees)				
8,216,473	600,000	8,816,473	33%	7,969,936	295,989	8,265,925	550,548

2020							
Cost			Rate	Accumulated amortization			Net Book Value
Opening	Additions/ (Deletions)	Closing		Opening	Charge for the year	Closing	
(Rupees)			(Rupees)				
8,089,891	126,582	8,216,473	33%	7,761,147	208,789	7,969,936	246,537

7. LONG TERM DEPOSITS AND ADVANCES

	Note	2021 (Rupees)	2020 (Rupees)
Security deposits against rental property		342,498	342,498
National Clearing Company of Pakistan Limited (NCCPL)	7.1	1,400,000	1,400,000
Advances to employees	7.2	1,771,762	-
Security deposits - against asset acquired under lease agreement		-	2,768,800
Other deposits		155,258	155,258
		<u>3,669,518</u>	<u>4,666,556</u>

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

7.2 Advances to employees

Non-current portion	1,771,762	-
Current portion	3,614,268	2,438,195
	<u>5,386,030</u>	<u>2,438,195</u>

7.2.1 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.

8. TAXATION - NET

	Note	2021 (Rupees)	2020 (Rupees)
Opening balance		48,791,187	54,391,213
Less: tax refunds received		-	(10,304,616)
Provision for taxation		(4,840,302)	(4,044,017)
- recognized in the statement of profit or loss		(639,707)	717,005
- recognized in other comprehensive income	26	8,911,825	8,031,602
Advance tax paid during the year		52,223,003	48,791,187
Closing balance		<u>52,223,003</u>	<u>48,791,187</u>

8.1 Workers Welfare Fund is not applicable since the Company is not an industrial establishment as defined under 'Sindh Workers Welfare Fund Act, 2014.

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

	Note	2021 ----- (Rupees) -----	2020 -----
Due from NCCPL against unsettled trades		373,236,276	-
Due from clients against trades of last 5 days		17,836,037	27,579,466
		391,072,313	27,579,466
Due from clients, outstanding for more than 5 days: - against trading	10.4.1	28,375,461	21,525,284
Trade debts - gross		419,447,774	49,104,750

10.4.1 This comprises of secured receivables of Rs. 13,439,404 (2020: Rs. 4,870,907) and unsecured receivables of Rs. 14,936,057 (2020: Rs. 16,654,377).

10.4.2 Gross amount of receivables overdue by more than 14 days amounts to Rs. 25,590,267 (2020: Rs. 18,228,782). The Company holds securities having value of Rs. 11,484,187 (2020: Rs. 3,763,358) against these receivables.

	Note	2021 ----- (Rupees) -----	2020 -----
10.5 Movement in allowance for expected credit loss			
Allowance as at January 01, Charge / (Reversal) for the year	10.5.2	8,362,190 -	9,363,080 (1,000,890)
Allowance as at December 31,	10.5.1	8,362,190	8,362,190

10.5.1 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.

10.5.2 This represents benefit of collateral taken into account against the secured balances.

	Note	2021 ----- (Rupees) -----	2020 -----
11. ADVANCES, DEPOSITS AND PREPAYMENTS			
Current portion of advances to employees	7.2	3,614,268	2,438,195
Prepayments	11.1	2,111,504	2,820,206
Advance against acquisition of vehicles		3,170,279	285,900
Deposit - Pakistan Stock Exchange Limited	11.2	15,794,926	11,100,000
Deposit - National Clearing Company of Pakistan Limited (NCCPL)	11.3	144,154,053	117,642,755
		168,845,030	134,287,056

11.1 This includes prepaid insurance and prepaid against repairs and maintenance amounting to Rs. 846,720 (2020: 2,091,776) and Rs. 810,174 (2020: 616,424) respectively.

11.2 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.

11.3 This represents deposits maintained with NCCPL in respect of future, ready and margin trading transactions.

	Note	2021 ----- (Rupees) -----	2020 -----
12. OTHER RECEIVABLES			
Accrued interest income on savings accounts		377,000	377,000
Receivable under gratuity scheme	12.1 & 12.1.1.2	3,245,197	1,038,739
Receivable under provident fund scheme		-	224,729
Derivative asset		991,500	-
Others		118,532	166,756
		4,732,229	1,807,224

12.1 EMPLOYEE BENEFITS

12.1.1 Gratuity fund

As disclosed in note 3.15 to these financial statements, the Company operates an approved gratuity fund for its permanent employees who have completed their minimum qualifying period of service with the Company. The Company determines the defined obligation through actuarial valuations carried out under the projected unit credit method. The latest actuarial valuation was carried out as at December 31, 2021. The following notes from 12.1.1.1 to 12.1.1.9 are based on the information included in that actuarial report.

		2021	2020
12.1.1.1 Actuarial assumptions			
Financial assumptions			
Discount rate		11.75%	9.75%
Expected rate of increase in salaries		6%	6%
Demographic assumptions			
Mortality rates (for death in service)		LIC 94-96, Rated down 3 years for females	LIC 94-96, Rated down 3 years for females
Rates of employee turnover		2% per annum upto age 40, Nil thereafter 2021	2% per annum upto age 40, Nil thereafter 2020
	Note	----- (Rupees) -----	
12.1.1.2 Reconciliation of (receivable) / payable to defined benefit plan			
Present value of defined benefit obligation	12.1.1.3	21,851,703	21,126,383
Fair value of plan assets	12.1.1.4	(25,096,900)	(22,165,695)
Net asset		<u>(3,245,197)</u>	<u>(1,039,312)</u>
12.1.1.3 Movement in present value of defined benefit obligation			
Opening obligation		21,126,383	16,042,733
Expense for the year		3,910,578	3,258,261
Benefits paid during the year		(351,463)	(313,407)
Actuarial (gain) / loss on remeasurement of defined benefit obligation		(2,833,795)	2,138,796
Closing obligation		<u>21,851,703</u>	<u>21,126,383</u>
12.1.1.4 Movement in fair value of plan assets			
Fair value of plan assets at beginning of the year		22,165,695	19,553,910
Expected return on plan assets		2,242,213	2,269,857
Actual contribution by employer		1,668,365	988,970
Actuarial loss on remeasurement of fair value of plan assets		(627,910)	(333,635)
Actual benefits paid during the year		(351,463)	(313,407)
Fair value of plan assets at end of the year		<u>25,096,900</u>	<u>22,165,695</u>
12.1.1.5 Movement in net defined benefit asset			
Net assets at beginning of the year		(1,039,312)	(3,511,177)
Net periodic benefit cost for the year		1,668,365	988,404
Employer's contribution during the year		(1,668,365)	(988,970)
Remeasurement recognized in other comprehensive (income) / loss	12.1.1.6	(2,205,885)	2,472,431
Net assets at end of the year		<u>(3,245,197)</u>	<u>(1,039,312)</u>

	2021	2020
	(Rupees)	
12.1.1.6 Defined benefit cost for the year		
Cost recognized in the statement of profit or loss for the year:		
Current service cost	1,662,730	1,274,894
Interest cost on defined benefit obligation	2,247,848	1,983,367
Interest income on plan assets	(2,242,213)	(2,269,857)
Net interest cost	5,635	(286,490)
	<u>1,668,365</u>	<u>988,404</u>
Remeasurements recognized in other comprehensive income during the year:		
Re-measurements: Actuarial (gain) / loss on obligation (Gain) / loss due to change in experience adjustments	<u>(2,833,795)</u>	<u>2,138,796</u>
Actuarial (gain) / loss on obligation	(2,833,795)	2,138,796
Re-measurements: Net return on plan assets over interest income:		
Actual return on plan assets	(1,614,303)	(1,936,222)
Interest income on plan assets	2,242,213	2,269,857
Actuarial loss on plan assets	627,910	333,635
	<u>(2,205,885)</u>	<u>2,472,431</u>
Total defined benefit (income) / loss for the year	<u>(537,520)</u>	<u>3,460,835</u>

12.1.1.7 Composition of fair value of plan assets

Cash and cash equivalents	<u>25,096,900</u>	<u>22,165,695</u>
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12.1.1.8 Maturity profile of the defined benefit obligation

	-----Years-----	
Weighted average duration of the defined benefit obligation	9.88	11.00

	----Percent per annum----	
Distribution of timing of benefit payments (in years)		

1	8.5	7.7
2	1	0.7
3	1	0.8
4	4.5	0.8
5	2.9	4
6-10	53.4	40
11-15	15.3	22.4
16-20	7.4	19.9
20+	4	3.5

12.1.1.9 Trends in asset and liabilities

Following table shows, for the last five years, the Projected Benefit Obligation at each valuation date and the proportion thereof resulting from experience loss during the year leading up to the valuation date. Similarly, it shows scheme assets at each valuation date and the proportion resulting from experience gain during the year leading up to the valuation date:

Actuarial Valuation Date	Projected Benefit Obligation	Fair Value of Assets	Surplus / (Deficit)	Loss / (Gain) on Obligation	Gain / (Loss) on Scheme Assets
--------------------------	------------------------------	----------------------	---------------------	-----------------------------	--------------------------------

(Rupees)					
December 31, 2021	21,851,703	25,096,900	3,245,196	-13%	-3%
December 31, 2020	21,126,383	22,165,695	1,039,312	10%	-2%
December 31, 2019	16,042,167	19,553,910	3,511,742	9%	-7%
December 31, 2018	13,375,731	19,706,919	6,331,188	-54%	-4%
December 31, 2017	16,976,111	13,172,024	(3,804,088)	17%	-7%

12.1.2 Provident fund

Net assets of the fund

Cost of investments

Cost of investment / net assets of the fund

Fair value of investments

Break-up of investments of provident fund

Cash at bank balances

2021
(Unaudited)
----- (Rupees) -----

2020
(Unaudited)
----- (Rupees) -----

11,297,476	11,420,158
11,053,996	10,998,610
97.84%	96.31%
11,053,996	10,998,610
11,053,996	10,998,610

Investments out of provident fund have been made in accordance with the provisions of the section 218 of Companies Act, 2017 and the rules formulated for this purpose.

12.1.2.1 Number of members

The number of members of the fund as at December 31, 2021 are 59 (2020: 57).

13. INVESTMENTS

Fair value through OCI - in shares
Fair value through profit or loss - in shares

Note	2021 ----- (Rupees) -----	2020 ----- (Rupees) -----
13.1	20,880,004	24,193,675
13.2	139,329,170	157,216,695
	160,209,174	181,410,370

13.1 Fair value through OCI

13.1.1 Details of investment in listed shares

2021 Number of Shares	2020 Number of Shares	Name of investee	2021 ----- (Rupees) -----		2020 ----- (Rupees) -----	
			Cost	Market Value	Cost	Market Value
INVESTMENT COMPANY						
13,400	13,400	Jahangir Siddiqui & Company Limited	752,426	214,400	752,426	437,912
1,502,953	1,602,953	Pakistan Stock Exchange Limited	4,125,507	20,665,604	4,400,000	23,755,763
			4,877,933	20,880,004	5,152,426	24,193,675
		Provision for impairment in value of investments	(698,424)	-	(698,424)	-
		Surplus on re-measurement of investments	16,700,495	-	19,739,673	-
		Carrying value	20,880,004	20,880,004	24,193,675	24,193,675

13.1.2 Movement in unrealized gain / (loss) on FVOCI - net

	2021 ----- (Rupees) -----	2020 -----
Opening balance	19,739,673	15,704,147
(Deficit) / surplus on remeasurement of investment	(1,313,671)	4,035,526
Gain realized on disposal of investments in equity instruments at FVOCI	(1,725,507)	-
Closing balance	<u>16,700,495</u>	<u>19,739,673</u>

13.2 Fair value through profit or loss

2021 Number of shares	2020 Number of shares	Name of investee	2021		2020
			Cost	Market value	Market value
			----- (Rupees) -----		
-	138,000	TEXTILE COMPOSITE Nishat Mills Limited	-	-	14,044,260
5,000	-	FOOD & PERSONAL CARE PRODUCTS Treet Corporation Limited	213,275	208,450	-
1,500	-	REFINERY National Refinery	406,500	426,885	-
66,000	-	Pak Refinery	920,175	951,720	-
66,000	-	Attock Refinery Limited	9,410,177	9,505,980	-
-	40,000	AUTOMOBILE ASSEMBLER Gandhara Industries Limited	-	-	13,056,800
9,500	-	CABLE & ELECTRICAL GOODS Pak Elektron Limited	212,585	213,940	-
328,500	-	TECHNOLOGY & COMMUNICATION Avanceon Limited	30,808,940	29,932,920	-
169,500	-	TRG Pakistan Limited	20,521,452	19,984,050	-
-	6,000	CEMENT Lucky Cement Company Limited	-	-	4,176,540
218,500	130,000	Maple Leaf Cement Factory Limited	7,472,985	7,855,075	5,851,300
-	192,500	Pioneer Cement Limited	-	-	19,885,250
66,000	392,000	D. G. Khan Cement Company Ltd	5,439,081	5,474,040	44,915,360
10,500	-	POWER GENERATION & DISTRIBUTION Hub Power Company Limited	747,885	749,070	-
81,500	39,000	OIL AND GAS EXPLORATION COMPANIES Pak Petroleum Limited	6,414,250	6,441,760	3,522,870
43,000	22,500	Oil & Gas Development Company Ltd	3,682,493	3,706,600	2,334,825
162,500	-	OIL AND GAS MARKETING Pakistan State Oil Limited	29,459,051	29,557,125	-
109,500	209,000	Sui Northern Gas Pipelines Ltd	3,695,116	3,662,775	9,283,780
-	95,000	PHARMACEUTICALS The Searle Co	-	-	23,676,850
856,500	-	CHEMICAL Ghani Global Holdings Ltd	20,619,125	20,658,780	-
-	124,500	BANK Habib Bank Limited	-	-	16,468,860
			<u>140,023,090</u>	<u>139,329,170</u>	<u>157,216,695</u>
Surplus on re-measurement to fair value			(693,920)		
Carrying value			<u>139,329,170</u>		

15.3.1 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. The Holding Company also handles treasury transactions for the Government of Pakistan (GoP) as an agent of State Bank of Pakistan (SBP). The Holding Company also provides services in respect of Endowment Fund for student loans scheme.

16. RESERVES	Note	2021 ----- (Rupees) -----	2020 -----
Revenue reserves			
Unappropriated profits		162,074,718	154,516,601
Surplus on revaluation of investment at fair value through other comprehensive income		16,700,495	19,739,673
		<u>178,775,213</u>	<u>174,256,274</u>
17. LEASE LIABILITIES			
As of the end of the reporting period, the undiscounted maturity analysis of lease liabilities is as follows:			
	Note	2021 ----- (Rupees) -----	2020 -----
Within one year		11,008,586	5,985,691
In the second to fifth year		18,413,401	7,012,647
After five years		-	-
		29,421,987	12,998,338
Less: Interest expense for future periods		(2,741,444)	(994,059)
		<u>26,680,543</u>	<u>12,004,279</u>
Amounts due for settlement within 12 months (shown under current liabilities)		10,425,216	5,350,094
Amount due for settlement after 12 months		16,255,327	6,654,185
	5.1 & 5.2	<u>26,680,543</u>	<u>12,004,279</u>
17.1 Movement:			
Opening balance		12,004,279	10,972,894
Additions during the year		21,633,377	4,001,084
Finance cost during the year		1,948,752	1,323,869
Repayment during the year		(8,905,865)	(4,293,568)
		<u>26,680,543</u>	<u>12,004,279</u>
18. TRADE AND OTHER PAYABLES			
Trade creditors			
Due to clients against trading of securities		445,285,521	277,270,958
Due to associated companies / persons against trading of securities		2,703,201	4,091,056
Due to clients against unsettled trades		333,532,848	4,270,154
Due to unidentified clients		5,102,518	3,664,386
	18.1	<u>786,624,088</u>	<u>289,296,554</u>
Accrued and other liabilities		22,781,914	8,779,584
Derivative liability		-	4,113,545
Salaries, benefits and allowances payable		3,526,741	7,414,862
National Clearing Company of Pakistan Limited against trading		-	15,952,374
Income and sales taxes payable		-	21,550,834
Accrued markup		1,012,991	22,713
Dividend payable		11,846	11,846
		<u>813,957,580</u>	<u>347,142,312</u>

18.1 The above balance of Rs. 786,624,088 (2020: Rs. 289,296,554) has been reported under trade date basis while the balance under settlement date basis amounting to Rs. 447,988,722 (2020: Rs. 281,362,014). Trade creditors outstanding for more than 30 days amounts to Rs. 234,244,474 (2020: Rs. 112,070,681). 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.

19. SHORT TERM RUNNING FINANCE

The Company has a running finance facility upto Rs. 240 million (2020: 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 [2020: 3 months KIBOR plus 2.5% (based on timely payment rebate ranges from 0.5% to 0.1%) per annum].

20. CONTINGENCIES AND COMMITMENTS

20.1 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 Honourable Sindh High Court (SHC) along with Stockbrokers' Association wherein the Honourable SHC has strike down levy of FED on constitutional grounds.

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

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 against the said order in the Appellate Tribunal of SECP.

	Note	2021 ----- (Rupees) -----	2020 -----
20.2	Commitments		
20.2.1	For sale of quoted securities under future contracts against counter commitments	<u>141,102,210</u>	<u>154,795,000</u>
21.	OPERATING REVENUE		
	Brokerage and commission		
	From corporate clients	81,526,158	79,181,719
	From individuals clients	47,470,271	39,307,610
	21.1	<u>128,996,429</u>	<u>118,489,329</u>
21.1	Brokerage and Commission is exclusive of Sindh sales tax on services amounting to Rs. 16,151,492 (2020: Rs. 15,018,436).		
	Note	2021 ----- (Rupees) -----	2020 -----
22.	OTHER OPERATING REVENUE		
	Capital gain on sale of securities	15,111,364	13,334,293
	Dividend Income	300,591	-
	Income from financial assets		
	Mark-up income on bank PLS deposits	10,175,179	7,713,043
	Profit on cash margin with National Clearing Company of Pakistan Limited	1,052,552	2,929,538
		<u>26,639,686</u>	<u>23,976,874</u>
22.1	This includes income amounting to Rs. 538 (2020: Rs. 1,200) received from related party.		

	Note	2021 ----- (Rupees) -----	2020 -----
23. ADMINISTRATIVE EXPENSES			
Salaries, benefits and allowances		76,331,867	73,910,945
Pakistan Stock Exchange Limited service charges		10,696,719	8,288,076
Depreciation on property and equipment	5	3,982,071	3,363,429
Depreciation on right-of-use assets	6	6,816,544	4,043,356
Staff retirement benefits	23.1	6,344,785	5,154,777
Repairs and maintenance		3,864,373	3,858,175
Vehicle running expenses		4,391,413	3,156,638
Telephone and fax		3,247,856	2,995,232
Insurance		2,729,546	2,452,254
Legal and professional		2,122,477	2,366,432
CDC charges		1,702,842	1,883,557
Electricity and utilities		2,211,370	1,881,548
Entertainment		2,074,930	1,626,180
Office supplies		1,183,594	1,566,122
Ijarah charges		608,495	1,480,858
Printing and stationery		1,540,035	1,441,870
Postage / courier		1,776,949	1,373,319
Subscriptions		1,018,328	1,096,049
Auditors' remuneration	23.2	1,257,204	1,130,901
Umrah facility to employees		900,000	844,800
SECP transactions fees		558,323	599,014
Amortization on intangible assets	6	295,989	208,789
Professional tax		202,443	202,186
Computer expenses		101,248	159,490
Seminar and training		179,100	136,500
Travelling and conveyance		398,762	135,711
Advertising and business promotion		483,414	87,740
Rent		273,876	81,619
Library and periodicals		23,990	23,075
		<u>137,318,543</u>	<u>125,548,642</u>

23.1 This includes charge for defined benefit plan of Rs. 1,668,365 (2020: Rs. 988,970), contribution to staff provident fund amounting to Rs. 3,568,176 (2020: Rs. 3,235,559) and contribution to E.O.B.I. and S.E.S.S.I amounting to Rs. 958,116 (2020: Rs. 871,580).

	Note	2021 ----- (Rupees) -----	2020 -----
23.2 Auditors' remuneration			
Statutory Audit			
Annual audit fee		418,000	418,000
Other certifications		244,000	368,131
Out-of-pocket expenses		122,000	135,000
Sindh sales tax		62,720	73,690
System audit fee		378,800	126,000
Others		31,684	10,080
		<u>1,257,204</u>	<u>1,130,901</u>

	Note	2021 (Rupees)	2020
24. OTHER INCOME			
Income from assets other than financial assets			
Gain on disposal of property and equipment		13,003	-
Reversal of allowance for expected credit losses during the year		-	1,000,890
Miscellaneous income		177,120	-
		<u>190,123</u>	<u>1,000,890</u>
25. FINANCE COST			
Mark-up on short term running finance		2,730,841	1,947,562
Finance charges on finance lease obligation		1,948,752	1,323,869
Bank charges		460,280	423,312
		<u>5,139,873</u>	<u>3,694,743</u>
26. TAXATION			
Current		4,840,302	4,044,017
- for the year	9	(2,202,660)	-
Deferred		<u>2,637,642</u>	<u>4,044,017</u>

26.1 Status of tax assessments

The income tax assessments upto assessment year / tax year 2021 corresponding to the accounting year December 31, 2020 have been finalized.

	2021 (Rupees)	2020
27. EARNINGS PER SHARE - BASIC		
Profit for the year	<u>11,017,590</u>	<u>10,157,396</u>
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the year	<u>13,502,306</u>	<u>13,502,306</u>
	(Rupees)	
Earnings per share - Basic	<u>0.82</u>	<u>0.75</u>

There being no potentially diluted shares outstanding as at the year ended December 31, 2021 and December 31, 2020, therefore, there is no dilutive effect on the earnings per share of the Company.

28. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		Chairman & Directors		Executives		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	(Rupees)							
Managerial remuneration	8,400,000	6,600,000	-	-	21,347,750	19,076,750	29,747,750	25,676,750
Other benefits	-	1,800,000	1,750,000	840,000	1,453,294	4,550,160	3,203,294	7,190,160
Retirement benefits	933,333	733,333	-	-	2,503,348	2,148,015	3,436,681	2,879,348
Commission	-	-	-	-	2,461,477	2,012,269	2,461,477	2,012,269
	<u>9,333,333</u>	<u>9,133,333</u>	<u>1,750,000</u>	<u>840,000</u>	<u>27,765,869</u>	<u>27,785,194</u>	<u>38,849,202</u>	<u>37,758,527</u>
Number of persons	<u>1</u>	<u>1</u>	<u>7</u>	<u>7</u>	<u>6</u>	<u>5</u>	<u>14</u>	<u>13</u>

28.1 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.

29. 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	2021 ----- (Rupees) -----	2020 -----
29.1 Holding Company			
National Bank of Pakistan (NBP)			
<i>Transactions during the year</i>			
Brokerage earned		<u>5,323,077</u>	<u>4,661,296</u>
Running finance - net		<u>100,000,000</u>	<u>55,000,000</u>
Financial charges on running finance	25	<u>2,730,841</u>	<u>1,947,562</u>
Balances			
Trade debts		<u>283,185</u>	<u>746,108</u>
Trade payable		<u>-</u>	<u>15</u>
Short term running finance		<u>175,000,000</u>	<u>75,000,000</u>
Bank balances		<u>21,086,148</u>	<u>6,014,482</u>
Accrued mark-up	18	<u>1,012,991</u>	<u>22,713</u>
29.2 Associated Companies			
The Bank of Khyber, First Credit Investment Bank Limited and First National Bank Modaraba, NBP Funds			
<i>Transactions during the year</i>			
Brokerage earned		<u>4,986,745</u>	<u>4,942,192</u>
Balances			
Trade debts		<u>1,094,639</u>	<u>866,320</u>
Trade payable		<u>14,268</u>	<u>14,268</u>
Bank balance		<u>62,591,293</u>	<u>45,553,641</u>
29.3 Chairman / Directors and Chief Executive Officer			
<i>Transactions during the year</i>			
Brokerage earned		<u>529,103</u>	<u>1,751,453</u>
Balances			
Payable to related party		<u>2,688,933</u>	<u>4,076,773</u>
29.4 Key Managerial Personnel			
Brokerage earned		<u>62,098</u>	<u>22,591</u>
Trade payable		<u>55,405</u>	<u>96,948</u>

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

The Company's operational cash flows and financial conditions could also be negatively affected by the following:

- a) If employees are quarantined as the result of exposure to COVID-19, this could result in disruption of operations and impact economic activity.
- b) Similarly, operational issues resulting from the rapid spread of COVID-19 in Pakistan may have a material effect on our business and results of operations.

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.

31. 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.

31.1 Risk management framework

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

31.2 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	2021 ----- (Rupees) -----	2020 -----
Long term deposits and advances		3,669,518	4,666,556
Trade debts	31.2.1	411,085,584	40,742,559
Advances, Deposits and Prepayments		163,563,247	131,466,850
Other receivables		3,245,197	1,263,468
Accrued income		377,000	377,000
Cash and bank balances	31.2.2	482,897,446	313,187,141
		<u>1,064,837,992</u>	<u>491,703,574</u>

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

	2021					Amount secured
	Carrying amount		Provision held	Total	Amount un-secured - net of provision	
	Amount outstanding	Impaired				
(Rupees)						
Not yet due*	373,236,276	-	-	373,236,276	-	373,236,276
Upto 3 months*	34,156,795	-	-	34,156,795	24,278,194	9,878,601
3 to 6 months	4,800,318	-	-	4,800,318	1,467,544	3,332,774
More than 6 months	7,254,385	3,278,207	(3,278,207)	3,976,178	1,910,357	2,065,821
	<u>419,447,774</u>	<u>3,278,207</u>	<u>(3,278,207)</u>	<u>416,169,567</u>	<u>27,656,095</u>	<u>388,513,472</u>

* Not yet due represents an amount of Rs. 373,236,276 (2020: Nil) 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.

	2020					Amount secured
	Carrying amount		Provision held	Total	Amount un-secured - net of provision	
	Amount outstanding	Impaired				
(Rupees)						
Not yet due*	21,504,884	-	-	21,504,884	-	21,504,884
Upto 3 months*	18,237,438	-	-	18,237,438	11,913,502	6,323,936
3 to 6 months	3,087,266	-	-	3,087,266	-	3,087,266
More than 6 months	6,275,227	3,278,207	(3,278,207)	2,997,020	-	2,997,020
	<u>49,104,815</u>	<u>3,278,207</u>	<u>(3,278,207)</u>	<u>45,826,608</u>	<u>11,913,502</u>	<u>33,913,106</u>

31.2.2 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		2021	2020
					(Rupees)
MCB Bank Limited	A1+	AAA	PACRA	177,668,496	190,382,958
Bank Alfalah Limited	A1+	AA+	PACRA	86,414,251	22,271,053
Bank of Khyber Limited	A1	A	PACRA	62,591,293	45,553,641
Habib Bank Limited	A1+	AAA	PACRA	78,724,563	16,471,297
Habib Metropolitan Limited	A1+	AA+	PACRA	35,137,589	25,301,900
United Bank Limited	A1+	AAA	JCR-VIS	21,275,106	7,027,748
National Bank of Pakistan	A1+	AAA	PACRA	21,086,148	6,014,482
MCB Islamic (MIB) Bank Limited	A1	A	PACRA	-	184,062
Total				482,897,446	313,187,141

31.3 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:

	2021					2020						
	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	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
												(Rupees)
On Statement of financial position												
Trade and other payables	813,957,580	813,957,580	813,957,580	724,843	9,362,814	-	-	-	-	-	-	16,255,327
Lease liabilities	26,680,543	29,421,987	337,559	-	-	-	-	-	-	-	-	-
Short term running finance	175,000,000	175,000,000	175,000,000	-	-	-	-	-	-	-	-	-
	1,015,638,123	1,018,379,567	989,295,139	724,843	9,362,814	724,843	724,843	724,843	724,843	9,362,814	9,362,814	16,255,327
On Statement of financial position												
Trade and other payables	347,142,312	347,142,312	347,142,312	723,898	5,270,497	-	-	-	-	-	-	6,654,185
Lease liabilities	12,004,279	12,998,338	361,949	-	-	-	-	-	-	-	-	-
Short term running finance	75,000,000	75,000,000	75,000,000	-	-	-	-	-	-	-	-	-
	434,146,591	435,140,650	422,504,261	723,898	5,270,497	723,898	723,898	723,898	723,898	5,270,497	5,270,497	6,654,185

2020

Interest / mark-up bearing

Effective yield / interest rate percent	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	

(Rupees)

On Statement of financial position assets

Financial Assets

Long term deposits and advances	-	-	-	-	4,666,556	4,666,556
Trade debts	-	-	-	-	40,742,559	40,742,559
Advances, Deposits and Prepayments	-	-	-	-	131,466,850	131,466,850
Other receivables	-	-	-	-	1,430,224	1,430,224
Accrued interest income	-	-	-	-	377,000	377,000
Investments	309,402,932	-	-	-	181,410,370	181,410,370
Cash and bank balances	309,402,932	-	-	-	3,784,209	313,187,141
	309,402,932	-	-	-	363,877,768	673,280,700

Financial Liabilities

Trade and other payables	-	-	-	-	347,142,312	347,142,312
Lease Liabilities	361,949	723,898	5,270,497	6,654,185	-	13,010,529
Short term running finance	75,000,000	-	-	-	-	75,000,000
	234,040,983	(723,898)	(5,270,497)	(6,654,185)	16,735,456	238,127,859

On Statement of financial position gap

Non-financial net assets

Total net assets

	234,040,983	(723,898)	(5,270,497)	(6,654,185)	16,735,456	238,127,859
					71,151,475	71,151,475
					309,279,334	309,279,334

31.4.2 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 no 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. 160.2 million (2020: Rs 181.41 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,	
	2021	2020
	----- (Rupees) -----	
Effect on other comprehensive income - net of tax	<u>1,774,800</u>	<u>2,058,462</u>
Effect on investments	<u>2,088,000</u>	<u>2,419,368</u>

31.4.3 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.

32. 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, 2020

	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	24,193,675	-	-	24,193,675	24,193,675	-	-	24,193,675
Securities at fair value through profit or loss	-	157,216,695	-	157,216,695	157,216,695	-	-	157,216,695
Unrealized gain on futures	-	-	-	-	-	-	-	-
	24,193,675	157,216,695	-	181,410,370	181,410,370	-	-	181,410,370

Financial assets not measured at fair value **

Long term deposits and advances	-	-	4,666,556	4,666,556
Trade debits	-	-	40,742,559	40,742,559
Deposits	-	-	131,180,950	131,180,950
Other receivable	-	-	1,430,224	1,430,224
Accrued interest income	-	-	377,000	377,000
Cash and bank balances	-	-	313,227,314	313,227,314
	-	-	491,624,603	491,624,603

Financial liabilities not measured at fair value **

Trade and other payables	-	-	(347,142,312)	(347,142,312)
Lease liabilities	-	-	(12,004,279)	(12,004,279)
Short term running finance	-	-	(75,000,000)	(75,000,000)
	-	-	(434,146,591)	(434,146,591)

	24,193,675	157,216,695	57,478,012	238,888,382
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** 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.

33. 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. 35 million and that for base minimum capital is Rs. 28 million, however Company's capital and base minimum capital is Rs. 135 million and Rs. 34.82 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.

34. 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.

35. 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, 2021			Total
	Equity brokerage	Investment and treasury	Other operations	
	(Rupees)			
Segment revenues *	128,996,429	26,639,686	-	155,636,115
Administrative and operating expenses **	(133,040,483)	-	-	(133,040,483)
Depreciation	(3,300,474)	(681,597)	-	(3,982,071)
Amortization	(245,326)	(50,663)	-	(295,989)
Finance cost	(5,139,873)	-	-	(5,139,873)
	<u>(12,729,727)</u>	<u>25,907,426</u>	<u>-</u>	<u>13,177,699</u>
Other income - unallocated				-
Other expenses - unallocated				-
Taxation				(2,637,642)
Profit after tax				<u>10,540,057</u>
Segment assets	<u>1,101,881,447</u>	<u>227,554,949</u>	<u>-</u>	<u>1,329,436,396</u>
Segment liabilities	<u>841,794,920</u>	<u>173,843,203</u>	<u>-</u>	<u>1,015,638,123</u>

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

	As at December 31, 2021 (Rupees)
Total segment revenue	155,636,115
Less - Revenue from Investment & treasury	(26,639,686)
Less - Revenue from other operations	-
	<u>128,996,429</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, 2020			Total
	Equity Brokerage	Investment and treasury	Other operations	
	(Rupees)			
Segment revenues *	118,489,329	24,955,469	-	143,444,798
Administrative and operating expenses **	(117,933,068)	-	-	(117,933,068)
Depreciation	(6,118,207)	(1,288,578)	-	(7,406,785)
Amortization	(172,465)	(36,324)	-	(208,789)
Finance cost	(3,694,743)	-	-	(3,694,743)
	<u>(9,429,154)</u>	<u>23,630,567</u>	<u>-</u>	<u>14,201,413</u>
Other income - unallocated				-
Other expenses - unallocated				-
Taxation				(4,044,017)
Profit after tax				<u>10,157,396</u>
Segment assets	<u>614,090,160</u>	<u>129,335,765</u>	<u>-</u>	<u>743,425,925</u>
Segment liabilities	<u>353,120,427</u>	<u>74,371,979</u>	<u>-</u>	<u>427,492,406</u>

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

	As at December 31, 2020 (Rupees)
Total segment revenue	143,444,798
Less - Revenue from Investment & treasury	(24,955,469)
Less - Revenue from other operations	-
	<u>118,489,329</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.

The Company has received the commission of Rs. 59,576,817 (50% of total brokerage) from 19 major clients with commission income from each client exceeding Rs. 1 million.

36. **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, 2021 (Rupees)
Total assets as per Statement of financial position	1,329,436,396
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	1,331,936,396
Less: Total liabilities as per Statement of financial position	(1,015,638,123)
Capital adequacy level	316,298,273

37. **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, 2021 (Rupees)
<u>CURRENT ASSETS</u>				
Cash in hand or in bank	As per book value	14		482,941,062
Cash deposited as margin with National Clearing Company of Pakistan		11.3		144,154,053
Trade debts - gross	As per book value	10	419,447,774	
	Less: Overdue for more than 14 days		(25,590,267)	393,857,507
Investment in listed securities	As per book value	13	139,543,570	
	Less: 15% discount		(20,931,536)	118,612,034
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)			11,484,188
Total Current Assets				1,151,048,844
<u>CURRENT LIABILITIES</u>				
Trade payables	As per book value	18	786,624,088	
	Less: Overdue for more than 30 days		(234,244,474)	552,379,614
Other liabilities	As per book value	18 & 19		447,003,182
Total current liabilities				(999,382,796)
Net Capital Balance as at December 31, 2021				151,666,048

38. 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	4 & 5	42,977,588	100%	-
1.2	Intangible Assets	6	550,548	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	13	160,209,174	42,413,122	117,796,052
	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	7 & 11	17,194,926	100%	-
1.9	Margin deposits with exchange and clearing house	11	144,154,053	-	144,154,053
1.10	Deposit with authorized intermediary against borrowed securities under SLB		-	-	-
1.11	Other deposits and prepayments	7, 8, 9 & 11	60,205,202	100%	-

S. No.	Head of Account	Note	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc	12	377,000	-	377,000
	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. (Securities purchased under repo arrangement shall not be included in the investments)			-	-
	i. Short Term Loan to Employees: Loans are Secured and Due for repayment within 12 months	11	3,614,268	-	3,614,268
1.15	ii. Receivables other than trade receivables	7 & 12	6,126,991	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	10	373,236,276	-	373,236,276
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. In case receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut		-	5%	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haircut		-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	10	17,467,200	-	17,467,200
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. v. Lower of net balance sheet value or value determined through adjustments	10	19,004,284	5,699,695	13,304,589
	vi. 100% haircut in the case of amount receivable form related parties.	10	1,377,824	100%	-

S. No.	Head of Account	Note	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.18	Cash and Bank balances				
	i. Bank Balance-proprietary accounts	14	29,806,206	-	29,806,206
	ii. Bank balance-customer accounts	14	453,091,240	-	453,091,240
	iii. Cash in hand	14	43,616	-	43,616
1.19	Subscription money against investment in IPO/ offer for sale (asset)				
	Balance sheet value				
1.20	Total Assets		1,329,436,396		1,152,890,500
2. Liabilities					
2.1	Trade Payables				
	i. Payable to exchanges and clearing house		-	-	-
	ii. Payable against leveraged market products		-	-	-
	iii. Payable to customers	18	786,624,088	-	786,624,088
2.2	Current Liabilities				
	i. Statutory and regulatory dues		-	-	-
	ii. Accruals and other payables	18	27,333,492	-	27,333,492
	iii. Short-term borrowings	19	175,000,000	-	175,000,000
	iv. Current portion of subordinated loans		-	-	-
	v. Current portion of long term liabilities	17	10,425,218	-	10,425,218
	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		-	-	-
	ii. Staff retirement benefits		-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements.	17	16,255,327	100%	-
2.4	Subordinated Loans				
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted		-	-	-
2.5	Total Liabilities		1,015,638,123		999,382,796
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		-	-	-

S. No.	Head of Account	Note	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
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				
	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 financer/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		-	-	-

S. No.	Head of Account	Note	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3.10	Short sell positions				
	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts		-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.		-	-	-
3.11	Total Ranking Liabilities		-	-	-
			313,798,273	Liquid Capital	153,507,704

38.1 CALCULATIONS SUMMARY OF LIQUID CAPITAL

(i) Adjusted value of Assets (serial number 1.20)	1,152,890,500
(ii) Less: Adjusted value of liabilities (serial number 2.5)	(999,382,796)
(iii) Less: Total ranking liabilities (series number 3.11)	-
	<u>153,507,704</u>

2021

2020

39. NUMBER OF EMPLOYEES

The details of number of employees are as follows:

- Average number of employees during the year

59

57

- Number of employees at year end

59

58

40. SUBSEQUENT EVENT

The Board of Directors of the Company in the 112th meeting held on March 21, 2022 has approved the following appropriation:

2021

2020

----- (Rupees) -----

- Cash dividend - Rs. ✓ (2020: Nil) per share of Rs. 10 each

- Issue of bonus shares ✓ % (2020: Nil) in the ratio of ✓
(2020: Nil) shares for every 100 shares held

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

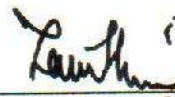
41. DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors of the Company in their 112th meeting held on March 21, 2022.

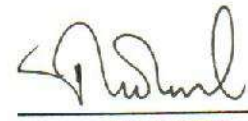
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CHIEF FINANCIAL
OFFICER



CHIEF EXECUTIVE
OFFICER



DIRECTOR

TAURUS SECURITIES LIMITED
ANNEXURE 'I' OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Annexure - I

- I.I Followings shares held by Company in its sub-account No. 21 (Client account) under CDS which is blocked by the Central Depository Company of Pakistan Limited.

Symbol	Security Name	Number of shares	
		2021	2020
AGIC	Askari General Insurance Company Limited	418	418
AKZO	Akzo Nobel Pakistan Limited	14	14
ATLH	Atlas Honda Limited	721	721
BCL	Bolan Castings Limited	174	174
CFL	Crescent Fibers Limited	3,360	3,360
DNCC	Dandot Cement Company Limited	1,000	1,000
DSFL	Dewan Salman Fiber Limited	2,027	2,027
DWSM	Dewan Sugar Mills Limited	100	100
FABL	Faysal Bank Limited	16,285	16,285
FANM	First Alnoor Modaraba	500	500
FASL	Faisal Spinning Mills Limited	500	500
FECM	First Elite Capital Mobaraba	10,500	10,500
FRSM	Faran Sugar Mills Limited	78	78
FTSM	First Tri Star Modaraba	100	100
ENGL	English Leasing Limited	500	500
HAJT	Hajra Textile Mills Limited	500	500
HCAR	Honda Atlas Cars (Pakistan) Limited	127	127
HUBC	The Hub Power Company Limited	200	200
HUSI	Hussein Industries Limited	130	130
ICI	Ici Pakistan Limited	27	27
IDRT	Idrees Textile Limited	220	220
JSBL	Js Bank Limited	2,792	2,792
KTML	Kohinoor Textile Mills Limited	3,822	3,822
LOTCEM	Lotte Chemical Pakistan Limited	42	42
LUCK	Lucky Cement Limited	150	150
MCB	Mcb Bank Limited	81	81
MLCF	Maple Leaf Cement Factory Limited	2,801	2,801
MSCL	Metropolitan Steel Corporation Limited	2,500	2,500
NBP	National Bank Of Pakistan	71	71
NCL	Nishat(Chunian) Limited	50	50
NICL	Nimir Industrial Chemicals Limited	2,000	2,000
NML	Nishat Mills Limited	834	834
NRSL	Nimir Resins Limited	510	1,020
OGDC	Oil And Gas Development Company Limited	8	8
OTSU	Otsuka Pakistan Limited	481	481
PAKMI	First Pak Mobaraba	51	51
HIFA	Hbl Investment Fund - Class A	1,189	1,189
PSO	Pakistan State Oil Company Limited	93	93
PTC	Pakistan Telecommunication Company Limited	900	900
SCBPL	Standard Chartered Bank (Pakistan) Limited	37	37
SCM	Orix Modaraba (Standard Chartered Modaraba)	679	679
SNBL	Soneri Bank Limited	2,988	2,988
SNGP	Sui Northern Gas Pipelines Limited	350	350
HIFB	Hbl Investment Fund - Class B Segment	1,189	1,189
SSGC	Sui Southern Gas Company Limited	117	117
SSML	Saritow Spinning Mills Limited	5,491	5,491
PPL	Pakistan Petroleum Limited	1,981	1,981
TRIBL	Trust Investment Bank Limited	537	537
TSMF	Tri Star Mutual Fund Limited	500	500
ZELP	Zeal Pak Cement Factory Limited	148	148
		<u>69,873</u>	<u>70,383</u>

I.ii Followings shares held by Company in its sub-account No. 54 (House account) under CDS.

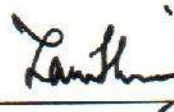
Symbol	Security Name	Number of shares	
		2021	2020
BAWS	Bawany Sugar Mills Limited	500	500
IDSML	Ideal Spinning Mills Limited	1,000	1,000
IVBL	Innovative Investment Bank Limited	15	15
NBP	National Bank Of Pakistan	11,404	11,404
SNGP	Sui Northern Gas Pipelines Limited	73	73
		<u>12,992</u>	<u>12,992</u>

I.iii There have been no change except bonus in these shares/details since last year. Cash dividend received on shares held in account number 21 and 54 is Rs. 454,772.

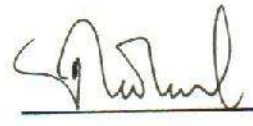
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CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR