



**FINANCIAL STATEMENTS
OF
TAURUS SECURITIES LIMITED
FOR THE YEAR ENDED
DECEMBER 31, 2023**

BDO Ebrahim & Co. Chartered Accountants

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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, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, 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, 2023 and of the profit and other comprehensive income, the changes in equity, its cash flows for the year then ended.

Basis for Opinion

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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Other Matter

The annual financial statements of the Company for the year ended December 31, 2022 were audited by another firm of chartered accountants whose audit report dated March 20, 2023 expressed an unmodified opinion.

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

KARACHI

DATED: 02 APR 2024

UDIN: AR202310067hRMCOZVD9

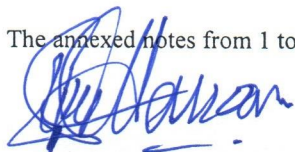


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

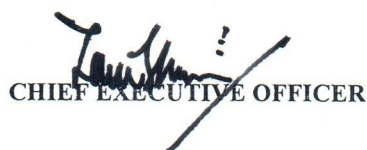
TAURUS SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	6	8,345,027	11,327,674
Right of use assets	7	24,794,265	30,746,536
Intangible assets	8	341,934	711,049
Long term deposits and advances	9	2,795,946	2,453,175
Taxation - net	10	61,765,005	59,870,423
Deferred taxation - net	11	2,656,772	-
		100,698,949	105,108,857
CURRENT ASSETS			
Trade debts	12	209,455,990	669,418,261
Advances, deposits and prepayments	13	298,480,437	184,378,410
Other receivables	14	2,637,900	10,570,474
Investments	15	15,359,230	12,280,942
Cash and bank balances	16	372,736,405	320,246,796
		898,669,962	1,196,894,883
TOTAL ASSETS		999,368,911	1,302,003,740
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	17.1	400,000,000	400,000,000
Issued, subscribed and paid up share capital	17.2	135,023,060	135,023,060
Unappropriated profits	18	166,896,083	157,467,729
Profit on revaluation of investment at fair value through other comprehensive income	18	11,179,721	8,101,433
		313,098,864	300,592,222
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities	19	5,402,798	16,751,720
Deferred taxation - net	11	-	558,774
		5,402,798	17,310,494
CURRENT LIABILITIES			
Trade and other payables	20	569,325,965	963,514,247
Lease liabilities	19	11,541,284	10,586,777
Short term running finance	21	100,000,000	10,000,000
		680,867,249	984,101,024
TOTAL LIABILITIES		686,270,047	1,001,411,518
TOTAL EQUITY AND LIABILITIES		999,368,911	1,302,003,740
CONTINGENCIES AND COMMITMENTS	22		

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

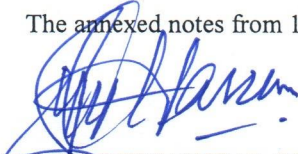


DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023 Rupees	2022 Rupees
Operating revenue	23	98,662,642	77,712,236
Other operating revenue	24	72,801,037	47,234,706
Total operating income		171,463,679	124,946,942
Administrative expenses	25	(136,595,444)	(119,656,669)
Operating profit		34,868,235	5,290,273
Other income	26	160,244	72,500
Finance cost	27	(4,964,401)	(6,902,329)
Profit/ (loss) before taxation		30,064,078	(1,539,556)
Taxation	28	(14,644,336)	(6,754,731)
Profit/ (loss) for the year		15,419,742	(8,294,287)
Earnings/ (loss) per share - basic	29	1.14	(0.61)

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

		2023 Rupees	2022 Rupees
Profit / (loss) for the year		15,419,742	(8,294,287)
Other comprehensive income - net of tax		-	-
Items that will never be reclassified to the statement of profit or loss			
Remeasurements of investments classified as fair value through OCI	15.1.2	3,078,288	(8,599,062)
Remeasurement of defined benefit asset	14.1.1.6	(8,438,574)	5,193,377
Related current tax charge		2,447,186	(1,506,079)
		(5,991,388)	3,687,298
Total comprehensive income/ (loss) for the year		<u>12,506,642</u>	<u>(13,206,051)</u>

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

CHIEF FINANCIAL OFFICER

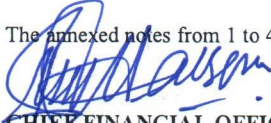
CHIEF EXECUTIVE OFFICER

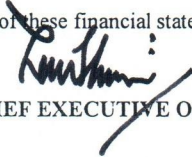
DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

Share capital	Reserves	Unrealized gain / (loss) on re-measurement of investment at fair value through OCI	Total	
Rupees				
Balance as at January 01, 2022	135,023,060	162,074,718	16,700,495	313,798,273
Total comprehensive loss for the year				
Loss for the year	-	(8,294,287)	-	(8,294,287)
Other comprehensive income/ (loss)	-	3,687,298	(8,599,062)	(4,911,764)
	-	(4,606,989)	(8,599,062)	(13,206,051)
Balance as at December 31, 2022	135,023,060	157,467,729	8,101,433	300,592,222
Balance as at January 01, 2023	135,023,060	157,467,729	8,101,433	300,592,222
Total comprehensive income for the year				
Profit for the year	-	15,419,742	-	15,419,742
Other comprehensive (loss)/ income	-	(5,991,388)	3,078,288	(2,913,100)
	-	9,428,354	3,078,288	12,506,642
Balance as at December 31, 2023	135,023,060	166,896,083	11,179,721	313,098,864

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


CHIEF FINANCIAL OFFICER

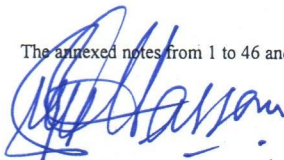

CHIEF EXECUTIVE OFFICER


DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/ (loss) before taxation		30,064,078	(1,539,556)
Adjustment for:			
Depreciation on property and equipment	6	3,652,820	3,850,944
Depreciation on right-of-use assets	7	6,304,367	10,539,607
Amortization on intangible assets	8	369,115	293,499
Gain on disposal of property and equipment	26	(60,244)	(72,500)
Finance cost	27	4,964,401	6,902,329
Mark-up income on bank deposits and cash margin	24	(54,272,597)	(32,600,072)
Defined benefit cost	14.1.1.5	-	1,248,694
Capital gain on sale of securities	24	(494,560)	(3,158,711)
Capital gain on redemption of mutual funds units	24	(10,636,482)	(3,018,647)
		(50,173,180)	(16,014,857)
Net cash used in operating activities before working capital changes		(20,109,102)	(17,554,413)
Decrease / (increase) in current assets			
Trade debts		459,962,271	(258,332,677)
Advances, deposits and prepayments		1,123,006	688,569
Other receivables		8,432,574	(4,335,131)
Deposit paid to National Clearing Company of Pakistan Limited - net		(115,567,804)	(15,005,606)
		353,950,047	(276,984,845)
(Decrease) / increase in current liabilities			
Trade and other payables		(403,449,191)	149,827,220
Net cash flows used in operations		(69,608,246)	(144,712,038)
Income tax paid	10	(17,307,279)	(13,146,796)
Net receipt from gratuity fund	14.1.1.6	180,006	3,944,683
Financial charges paid		(1,406,569)	(3,156,530)
Net cash flows used in operating activities		(88,142,088)	(157,070,681)
CASH FLOW FROM INVESTING ACTIVITIES			
Investment sold/ redeemed - net of purchases		11,131,042	145,506,528
Mark-up income on balances received		53,772,597	31,096,958
Acquisition of property and equipment	6	(792,011)	(1,032,148)
Acquisition of intangible assets	8	-	(454,000)
Proceeds from disposal of property and equipment	6.1	182,082	72,500
Net cash generated from investing activities		64,293,710	175,189,838
CASH FLOWS FROM FINANCING ACTIVITIES			
Down payment and other charges		(172,778)	(2,623,166)
Lease rentals paid	19.1	(13,489,237)	(13,190,257)
Net cash used in financing activities		(13,662,015)	(15,813,423)
Net (decrease)/ increase in cash and cash equivalents		(37,510,393)	2,305,734
Cash and cash equivalents at the beginning of the year		310,246,796	307,941,062
Cash and cash equivalents at the end of the year	41	272,736,403	310,246,796

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


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1 STATUS AND NATURE OF BUSINESS

1.1 Taurus Securities Limited (the Company) is a public unquoted company, incorporated in Pakistan on June 27, 1993 under the repealed Companies Ordinance, 1984 which now has been replaced by the Companies Act, 2017 ("the Act"). 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% (2022: 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.

1.2 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 PRESENTATION

2.1 Statement of compliance

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

-Securities Brokers (Licensing and Operations) Regulations, 2016;

-Central Depository Company of Pakistan Limited Regulations;

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

-Provisions of and directives issued under the Act.

Where the Securities Brokers (Licensing and Operations) Regulations, 2016, Central Depository Company of Pakistan Limited Regulations and 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 unless otherwise stated.

2.3 Functional and presentation currency

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

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO THE PUBLISHED ACCOUNTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended December 31, 2023

The following standards, amendments and interpretations are effective for the year ended December 31, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
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
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

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

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

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

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

IFRS 1 standard has been issued by IASB effective from 01, July 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

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

4 ACCOUNTING 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:

-Depreciation rates of property and equipment, right of use assets and intangible assets (note 6, 7 and 8)

-Classification and impairment of investment (note 5.17.2, 5.17.5, and 15)

-Provision for current and deferred tax (note 5.3, 11 and 28)

-Classification and impairment of trade debts (note 5.17 and 12)

-Contingencies (note 5.8 and 22)

5 MATERIAL ACCOUNTING POLICY INFORMATION

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

5.1 Property and equipment

Owned assets

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

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

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

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

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

Capital work-in-progress

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

5.2 Intangible assets

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

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

5.3 Taxation

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

Current

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

Deferred

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

5.4 Trade debts

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

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

5.5 Trade and other payables

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

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

5.5 Securities under repurchase / reverse repurchase agreements

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

Repurchase agreements

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

Reverse repurchase agreements

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

5.6 Cash and cash equivalents

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

5.7 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 and commission income is recognized as and when such services are provided, ie: on trade debt.

Capital gains and losses on sale of investments are included in the profit and loss account in the period in which they arise.

Dividend income is recognized when the right to receive dividend is established i.e. on the date of book closure of the investee company / institution declaring the dividend.

Mark-up/ interest income from margin trading, reverse repurchase transaction and term deposit receipts is recognized on a time proportion basis.

5.8 Provision, commitments and contingencies

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

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

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

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

5.9 Fiduciary assets

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

5.10 Staff retirement benefits

Accounting policy of defined benefit plans is as follows:

Gratuity fund

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

Provident fund

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

5.11 Related party transactions

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

5.12 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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

5.13 Operating segments

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

5.14 Reserves

Revenue reserve

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

5.15 Dividend and appropriation to reserves

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

5.16 Financial instruments

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

5.17 Financial Instruments - Initial recognition and subsequent measurement

5.17.1 Initial recognition

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

5.17.2 Classification of financial assets

The Company classifies its financial instruments in the following categories:

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

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

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

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

5.17.3 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.

5.17.4 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.

5.17.5 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 and advances;
- trade deposits; and
- other receivables.

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

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

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

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

5.17.6 Derecognition

Financial assets

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

Financial liabilities

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

5.17.7 Off-setting of financial assets and liabilities

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

5.18 Impairment of non-financial assets

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

5.19 Leases

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

5.19.1 Right of use assets

Right-of-use assets are recognized at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

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

5.19.2 Lease liabilities

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

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

6 PROPERTY AND EQUIPMENT

Description	Note	Vehicles	Office Premises	Furniture and Fixtures	Office Equipment	Computer Equipment	Total
		----- Rupees -----					
Net carrying value basis							
year ended December 31, 2023							
Opening net book value		6,863,120	556,196	1,957,747	1,203,193	747,418	11,327,674
Additions (at cost)		122,000	-	-	248,050	421,961	792,011
Disposal (NBV)		(121,838)	-	-	-	-	(121,838)
Depreciation charge for the year	25	(2,276,248)	(79,547)	(313,229)	(423,873)	(559,923)	(3,652,820)
Closing net book value		4,587,034	476,649	1,644,518	1,027,370	609,456	8,345,027
Gross carrying value basis							
year ended December 31, 2023							
Cost		12,183,940	1,591,000	7,571,646	9,066,270	14,453,312	44,866,168
Accumulated depreciation		(7,596,906)	(1,114,351)	(5,927,128)	(8,038,900)	(13,843,856)	(36,521,141)
Closing net book value		4,587,034	476,649	1,644,518	1,027,370	609,456	8,345,027
Net carrying value basis							
year ended December 31, 2022							
Opening net book value		9,193,073	635,746	1,917,968	1,250,221	1,149,462	14,146,470
Additions (at cost)		74,500	-	343,830	362,235	251,583	1,032,148
Disposal (NBV)		-	-	-	-	-	-
Depreciation charge for the year	25	(2,404,453)	(79,550)	(304,051)	(409,263)	(653,627)	(3,850,944)
Closing net book value		6,863,120	556,196	1,957,747	1,203,193	747,418	11,327,674
Gross carrying value basis							
year ended December 31, 2022							
Cost		12,183,778	1,591,000	7,571,646	8,818,220	14,031,351	44,195,995
Accumulated depreciation		(5,320,658)	(1,034,804)	(5,613,899)	(7,615,027)	(13,283,933)	(32,868,321)
Net book value		6,863,120	556,196	1,957,747	1,203,193	747,418	11,327,674
Depreciation rate							
(% per annum)							
		20%	5%	10%	20%	33%	

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

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain/ (loss)	Particulars of buyers	Mode of disposal
	----- Rupees -----						
Office Equipment							
Samsung Mobile	28,700	28,700	-	-	-	-	Snatched
Computer Equipment							
Laser Printer 1010	10,900	10,900	-	7,000	7,000	ZA Enterprise	Trade-in
Vehicles							
Honda CG-125 KNU-4860	120,578	58,340	62,238	113,432	51,194	NJI	Insurance Claim
CD-70 KPL-7362	74,500	14,900	59,600	61,650	2,050	NJI	Insurance Claim
Corolla GLI BKJ-476	393,800	393,800	-	-	-	M.Owais	Company's Policy
	<u>628,478</u>	<u>506,640</u>	<u>121,838</u>	<u>182,082</u>	<u>60,244</u>		

7 RIGHT OF USE ASSETS

As at January 01,

Cost
Accumulated depreciation
Net book value

	<u>2023</u>	<u>2022</u>
	<u>Rupees</u>	<u>Rupees</u>
Cost	55,878,206	43,423,181
Accumulated depreciation	(25,131,670)	(14,592,063)
Net book value	<u>30,746,536</u>	<u>28,831,118</u>

	Note	2023			2022		
		Buildings	Vehicles	Total	Buildings	Vehicles	Total
Year ended December 31,		----- Rupees -----					
Opening net book value	7.1	8,886,531	21,860,005	30,746,536	11,541,486	17,289,632	28,831,118
Additions	7.2	352,096	-	352,096	2,428,985	10,026,040	12,455,025
Depreciation charge	25	(446,375)	(5,857,992)	(6,304,367)	(5,083,940)	(5,455,667)	(10,539,607)
Closing net book value		<u>8,792,252</u>	<u>16,002,013</u>	<u>24,794,265</u>	<u>8,886,531</u>	<u>21,860,005</u>	<u>30,746,536</u>
Depreciation rate (% per annum)		<u>20%</u>			<u>20%</u>		

As at December 31,

	2023	2022
	Rupees	Rupees
Cost	56,230,302	55,878,206
Accumulated depreciation	(31,436,037)	(25,131,670)
Net book value	<u>24,794,265</u>	<u>30,746,536</u>

- 7.1 The Company has a 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.
- 7.2 The Company has entered into lease agreements for its head office having lease term from February 01, 2023 to December 31, 2025 and from July 01, 2023 to June 30, 2024 and from July 01, 2023 to June 30, 2025 for various floors in Progressive Plaza, Karachi and its branch office from July 01, 2022 to June 30, 2025 in Peshawar. The rentals payments are determined on the basis of discount factor applied at the rate of one month KIBOR+2.5% per annum.

	Note	2023 Rupees	2022 Rupees
8 INTANGIBLE ASSETS			
Computer software			
Net carrying value basis			
Opening net book value		711,049	550,548
Additions		-	454,000
Amortization charge for the year	25	(369,115)	(293,499)
Closing net book value		<u>341,934</u>	<u>711,049</u>
Gross carrying value basis			
Cost		9,270,473	9,270,473
Accumulated amortization		(8,928,539)	(8,559,424)
Net book value		<u>341,934</u>	<u>711,049</u>
Amortization rate per annum		<u>33%</u>	<u>33%</u>

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

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

Security deposits against rental property		342,498	342,498
National Clearing Company of Pakistan Limited (NCCPL)	9.1	1,400,000	1,400,000
PMEX membership	9.2	1,000,000	-
Advances to employees	9.3	-	555,419
Other deposits		53,448	155,258
		<u>2,795,946</u>	<u>2,453,175</u>

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

9.2 This represents a one-time cost paid to PMEX for acquiring a Trading Right Entitlement Certificate (TREC) to become a commodity broker in the Gold category.

9.3 Advances to employees

Non-current portion		-	555,419
Current portion	13	1,905,918	3,446,412
	9.3.1	<u>1,905,918</u>	<u>4,001,831</u>

9.3.1 This represents interest free loans to executives and employees whose recovery is made in 12 equal monthly installments (2022: 24 equal monthly installments). The facility is secured against retirement benefits of the respective executives and employees.

		2023	2022
	Note	Rupees	Rupees
10 TAXATION - NET			
Opening balance		59,870,423	52,223,003
Provision for taxation			
- recognized in the statement of profit or loss	28	(15,412,697)	(5,499,376)
Advance tax paid during the year		17,307,279	13,146,796
		<u>61,765,005</u>	<u>59,870,423</u>

11 DEFERRED TAXATION

Deferred tax arising in respect of:

Taxable temporary differences:			
Right of use assets		(7,190,337)	(9,051,546)
Revaluation of investment at fair value		-	-
		(7,190,337)	(9,051,546)
Deductible temporary differences:			
Allowance for expected credit loss		2,425,035	2,425,035
Lease obligation		4,913,784	8,041,528
Accelerated tax depreciation allowance		63,193	(524,996)
Accelerated tax amortization allowance		(2,089)	57,284
		<u>7,399,923</u>	<u>9,998,851</u>
		209,586	947,305
Remeasurements of defined benefit asset - OCI		2,447,186	(1,506,079)
Deferred tax asset / (liability)		<u>2,656,772</u>	<u>(558,774)</u>

12 TRADE DEBTS

Secured, considered good

Due from clients against trading of securities		16,310,704	6,325,853
Due from associated companies / persons against trading of securities	12.4	6,121,140	1,076,414
		22,431,844	7,402,267

	Note	2023 Rupees	2022 Rupees
Unsecured, considered good		29,495,186	7,345,870
Unsecured, considered doubtful		3,278,207	3,278,207
		32,773,393	10,624,077
	12.1 & 12.2	55,205,237	18,026,344
Due from National Clearing Company of Pakistan Limited against trading		162,612,943	659,754,107
Trade debts - gross	12.2 & 12.3	217,818,180	677,780,451
Allowance for expected credit loss	12.5	(8,362,190)	(8,362,190)
Trade debts - net		209,455,990	669,418,261

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

12.2 Gross receivable under settlement date basis is Rs. 55,205,237 (2022: Rs. 18,026,344), whereas gross receivable under trade date basis is Rs. 217,818,180 (2022: Rs. 677,780,451). The Company updates ledger balance of the client once it receives the amount from NCCPL. The Company however provides in ordinary course of business trading limits based on the value of ledger balance adjusted for collaterals sold and securities held by its clients.

The Company holds securities having value of Rs. 1,120,264,644 (2022: Rs. 796,493,084) in its sub-accounts for its clients within the Central Depository System of the Central Depository Company of Pakistan Limited.

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

	Note	2023 Rupees	2022 Rupees
Due from NCCPL against unsettled trades		162,612,943	659,754,107
Due from clients against trades of last 5 days		26,573,369	3,351,669
		189,186,312	663,105,776
Due from clients, outstanding for more than 5 days against trading	12.3.1	28,631,869	14,674,675
Trade debts - gross	12.3.2	217,818,181	677,780,451

12.3.1 This comprises of secured receivables of Rs. 5,816,257 (2022: Rs. 4,698,248) and unsecured receivables of Rs. 22,815,610 (2022: Rs. 9,976,426).

12.3.2 Gross amount of receivables overdue by more than 14 days amounts to Rs. 24,768,575 (2022: Rs. 13,181,940). The Company holds securities having value of Rs. 4,300,163 (2022: Rs. 4,474,192) against these receivables.

12.4 The aging of related party balances at the reporting date is as follows:

Past due from 1-30 days	5,100,032	1,028,725
Past due from 31-60 days	1,021,108	33,941
Past due from 61-90 days	-	13,031
Past due from 91-180 days	-	-
Past due from 181 days onward	-	716
	6,121,140	1,076,414

The maximum amount due from related parties at the end of any month during the year was Rs. 5.067 million (2022: Rs. 0.665 million).

12.5 **Movement in allowance for expected credit loss**

Allowance as at January 01,	8,362,190	8,362,190
Allowance as at December 31,	8,362,190	8,362,190

12.5.1 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.

	Note	2023 Rupees	2022 Rupees
13 ADVANCES, DEPOSITS AND PREPAYMENTS			
Current portion of advances to employees	9.3	1,905,918	3,446,412
Prepayments	13.1	3,752,130	3,677,413
Deposit - Pakistan Stock Exchange Limited	13.2	16,794,926	16,794,926
Deposit - National Clearing Company of Pakistan Limited (NCCPL)	13.3	<u>276,027,463</u>	<u>160,459,659</u>
		<u><u>298,480,437</u></u>	<u><u>184,378,410</u></u>

13.1 This includes prepaid insurance and prepaid against software maintenance amounting to Rs. 2,696,859 (2022: 2,418,183) and Rs. 464,320 (2022: 892,800) respectively.

13.2 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.

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

14 OTHER RECEIVABLES

Accrued interest income on savings accounts		2,380,114	1,880,114
Receivable under gratuity scheme		-	8,438,574
Others	14.1	<u>257,786</u>	<u>251,786</u>
		<u><u>2,637,900</u></u>	<u><u>10,570,474</u></u>

14.1 EMPLOYEE BENEFITS

14.1.1 Gratuity fund

The Company has discontinued the approved gratuity scheme for future service w.e.f December 31, 2023. The latest actuarial valuation was carried out as at December 31, 2022. The following notes from 14.1.1.1 to 14.1.1.8 are based on the information included in that actuarial report.

		2023	2022
14.1.1.1 Actuarial assumptions			
Financial assumptions			
Discount rate		Nil	14.50%
Expected rate of increase in salaries		Nil	6%
Demographic assumptions			
Mortality rates (for death in service)		Nil	LIC 94-96, Rated down 3 years for females
Rates of employee turnover		Nil	2% per annum upto age 40, Nil thereafter
		2023	2022
	Note	Rupees	Rupees
14.1.1.2 Reconciliation of (receivable) / payable to defined benefit plan			
Present value of defined benefit obligation	14.1.1.3	-	19,675,828
Fair value of plan assets	14.1.1.4	-	(28,114,402)
Net asset	14.1.1.5	-	(8,438,574)
14.1.1.3 Movement in present value of defined benefit obligation			
Opening obligation		19,675,828	21,851,703
Expense for the year		8,856,549	4,284,268
Benefits paid during the year		(41,385,791)	(652,670)
Actuarial (gain) / loss on remeasurement of defined benefit obligation		12,853,414	(5,807,473)
Closing obligation		-	19,675,828
14.1.1.4 Movement in fair value of plan assets			
Fair value of plan assets at beginning of the year		28,114,402	25,096,900
Expected return on plan assets		-	3,035,574
Actual contribution by employer		8,856,549	1,248,694
Actuarial loss on remeasurement of fair value of plan assets		4,414,840	(614,096)
Actual benefits paid during the year		(41,385,791)	(652,670)
Fair value of plan assets at end of the year		-	28,114,402

	Note	2023 Rupees	2022 Rupees
14.1.1.5 Movement in net defined benefit asset			
Net assets at beginning of the year		(8,438,574)	(3,245,197)
Net periodic benefit cost for the year		8,856,549	1,248,694
Employer's contribution during the year		(8,856,549)	(1,248,694)
Remeasurement recognized in other comprehensive (income) / loss	14.1.1.6	8,438,574	(5,193,377)
Net assets at end of the year		<u>-</u>	<u>(8,438,574)</u>

14.1.1.6 Defined benefit cost for the year

Cost recognized in the statement of profit or loss for the year:

Current service cost	-	1,475,554
Interest cost on defined benefit obligation	8,856,549	2,808,714
Interest income on plan assets	-	(3,035,574)
Net interest cost	8,856,549	(226,860)
	8,856,549	1,248,694

Remeasurements recognized in other comprehensive income during the year:

Re-measurements: Actuarial loss/ (gain) on obligation		
Loss/ (gain) due to change in experience adjustments	12,853,414	(5,807,473)
Actuarial loss/ (gain) on obligation	<u>12,853,414</u>	<u>(5,807,473)</u>

Re-measurements: Net return on plan assets over interest income:

Actual return on plan assets	(4,414,840)	(2,421,478)
Interest income on plan assets	-	3,035,574
Actuarial (income)/ loss on plan assets	(4,414,840)	614,096
	8,438,574	(5,193,377)
Total defined benefit loss/ (income) for the year	<u>17,295,123</u>	<u>(3,944,683)</u>

14.1.1.7 Composition of fair value of plan assets

Cash and cash equivalents	-	<u>28,114,402</u>
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14.1.1.8 Sensitivity Analysis on significant Actuarial Assumptions:

(i)	Discount rate 0.5%	-	-3.20%
(ii)	Discount rate -0.5%	-	3.40%
(iii)	Long Term salary increase 0.5%	-	3.40%
(iv)	Long Term salary decrease -0.50%	-	-3.50%
(v)	Withdrawal rates Light	-	-0.70%
(vi)	Withdrawal rates heavy	-	1.90%

	Note	2023 Rupees	2022 Rupees
15 INVESTMENTS			
Fair value through OCI - in shares	15.1	<u>15,359,230</u>	<u>12,280,942</u>

15.1 Fair value through OCI

15.1.1 Details of investment in listed shares

	2023		Name of investee	2023		2022	
	Number of Shares	2022		Cost	Market Value	Cost	Market Value
INVESTMENT COMPANY							
13,400	13,400	Jahangir Siddiqui & Company Limited	752,426	194,434	752,426	137,082	
1,502,953	1,502,953	Pakistan Stock Exchange Limited	4,125,507	15,164,796	4,125,507	12,143,860	
			4,877,933	15,359,230	4,877,933	12,280,942	
		Provision for impairment in value of investments	(698,424)	-	(698,424)	-	
		Surplus on re-measurement of investments	11,179,721	-	8,101,433	-	
		Carrying value	<u>15,359,230</u>	<u>15,359,230</u>	<u>12,280,942</u>	<u>12,280,942</u>	

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

Opening balance	8,101,433	16,700,495
Surplus/ (deficit) on remeasurement of investment	3,078,288	(8,599,062)
	<u>11,179,721</u>	<u>8,101,433</u>

	Note	2023 Rupees	2022 Rupees
16 CASH AND BANK BALANCES			
Cash at bank			
Saving accounts	16.1-16.3	369,195,620	317,161,703
Current accounts	16.3	3,501,185	3,073,513
		372,696,805	320,235,216
Cash in hand		39,600	11,580
		372,736,405	320,246,796

16.1 Saving accounts carry profit rate 15.77% to 20.50% per annum (2022: 10.54% to 15.77% per annum).

16.2 Saving accounts include Rs. 351,048,065 (2022: 296,993,696) pertaining to the clients of the Company for which the Company has maintained separate accounts with various schedule banks.

16.3 Balances held with associated undertakings in current and savings accounts amount to Rs. 1,767,713 (2022: Rs. 2,473,622) and Rs. 37,101,759 (2022: Rs. 61,158,986) respectively.

17 SHARE CAPITAL

2023	2022
Number of shares	

17.1 Authorized share capital

<u>40,000,000</u>	<u>40,000,000</u>	Ordinary shares of Rs. 10 each	<u>400,000,000</u>	<u>400,000,000</u>
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17.2 Issued, subscribed and paid-up share capital

<u>13,502,306</u>	<u>13,502,306</u>	Ordinary shares of Rs. 10 each fully paid in cash	<u>135,023,060</u>	<u>135,023,060</u>
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17.3 Pattern of shareholding of the Company is as follows:

		Number of shares	Percentage of holding (%)
National Bank of Pakistan (the Holding Company)	17.3.1	7,875,002	58.32%
The Bank of Khyber (Associated Company)		4,050,374	30.00%
Saudi Pak Industrial and Agricultural Investment Company Limited		1,125,001	8.33%
The Bank of Khyber - Employees Gratuity Fund		449,627	3.33%
Other shareholders		2,302	0.02%
		13,502,306	100%

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

	2023 Rupees	2022 Rupees
18 RESERVES		
Revenue reserves		
Unappropriated profits	166,896,083	157,467,729
Surplus on revaluation of investment at fair value through other comprehensive income	11,179,721	8,101,433
	178,075,804	165,569,162

19 LEASE LIABILITIES

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

Within one year	14,515,333	13,657,166
In the second to fifth year	6,111,065	18,361,027
	20,626,398	32,018,193

	Note	2023 Rupees	2022 Rupees
Less: Interest expense for future periods		(3,682,316)	(4,679,696)
		<u>16,944,082</u>	<u>27,338,497</u>
Amounts due for settlement within 12 months		11,541,284	10,586,777
Amount due for settlement after 12 months		5,402,798	16,751,720
		<u>16,944,082</u>	<u>27,338,497</u>
19.1 Movement:			
Opening balance		27,338,497	26,680,543
Additions during the year		352,096	9,831,859
Finance cost during the year		2,742,726	4,016,352
Repayment during the year		(13,489,237)	(13,190,257)
		<u>16,944,082</u>	<u>27,338,497</u>

20 TRADE AND OTHER PAYABLES

Due to clients against trading of securities		336,694,719	284,527,110
Due to associated companies / persons against trading of securities		2,822,148	6,184,712
Due to clients against unsettled trades		176,365,909	650,142,339
Due to unidentified clients	20.1	11,531,198	6,281,874
	20.2	527,413,974	947,136,035
Accrued and other liabilities		23,796,113	15,623,208
Payable under gratuity scheme		8,618,580	-
Salaries, benefits and allowances payable		8,099,965	-
Accrued markup		1,384,767	742,438
Dividend payable		12,566	12,566
		<u>569,325,965</u>	<u>963,514,247</u>

20.1 This amount includes profit received in customers bank account which is actually payable to customers. TSL reclassifies this amount subsequently in corresponding customer accounts.

20.2 The above balance of Rs. 527,413,974 (2022: Rs. 947,136,035) has been reported under trade date basis while the balance under settlement date basis amounting to Rs. 339,516,867 (2022: Rs. 290,711,822). Trade creditors outstanding for more than 30 days amounts to Rs. 108,049,171 (2022: Rs. 232,815,130). The Company updates ledger balance of the client once it receives the amount from NCCPL. The Company however provides in ordinary course of business trading limits based on the value of ledger balance adjusted for collaterals sold and securities held by its clients.

	Note	2023 Rupees	2022 Rupees
21	SHORT TERM RUNNING FINANCE		
	21.1	100,000,000	10,000,000

21.1 The Company has a running finance facility upto Rs. 240 million (2022: Rs. 240 million) obtained from National Bank of Pakistan (the 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 [2022: 3 months KIBOR plus 2.5% (based on timely payment rebate ranges from 0.5% to 0.1%) per annum].

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

22.1.1 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 CIRA has upheld the order of the DCIR presuming that if the Sindh Revenue Board has started charging sales tax on the same services, the provision for charging FED is to be treated as redundant or superfluous; these are two separate and distinct taxes be imposed by two different legislative bodies. Appeal against same has been decided in favour of the Company by the ATIR vide its order bearing No. FEA No.29/KB of 2016, dated November 16, 2020. Further, the Company has challenged the order on constitutional grounds before the Sindh High Court (SHC) along with Stockbrokers' Association wherein the SHC has struck down levy of FED on constitutional grounds.

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

22.1.2 The SECP imposed a penalty of Rs 400,000 for contravening the provisions of Anti Money Laundering Regulations vide its order dated December 23, 2020. The management of the company has filed an appeal on January 22, 2021 against the said order in the Appellate Tribunal of SECP.

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

22.1.4 During the financial year 2022 the Assistant / Deputy Commissioner Inland Revenue ("DCIR") has issued an order under section 221 dated June 15, 2022. The order reduced the company's tax refundable for the subject tax year from Rs. 11,327,125 to Rs. 7,115,728 by disallowing taxes claimed in the tax return of 2019 amounting Rs. 4,211,397. The Company has filed an appeal on July 4, 2022 with CIRA against the Order, which is currently being adjudicated. Hearing is fixed and the order is still pending in this regard.

	Note	2023 Rupees	2022 Rupees
23 OPERATING REVENUE			
Brokerage and commission			
From corporate clients		55,330,162	45,172,247
From individuals clients		43,332,480	32,539,989
	23.1	98,662,642	77,712,236
23.1	Brokerage and Commission is exclusive of Sindh sales tax on services amounting to Rs. 12,826,143 (2022: Rs. 10,001,909).		
24 OTHER OPERATING REVENUE			
Capital gain on sale of securities		494,560	3,158,711
Capital gain on sale of units of mutual funds		10,636,482	3,018,647
Dividend Income		7,397,398	8,457,276
Income from financial assets			
Mark-up income on bank PLS deposits	24.1	47,199,119	29,239,152
Profit on cash margin with National Clearing Company of Pakistan Limited		7,073,478	3,360,920
		54,272,597	32,600,072
		72,801,037	47,234,706

24.1 This includes income amounting to Rs. 2,210 (2022: Rs. 470) received from related party.

	Note	2023 Rupees	2022 Rupees
25 ADMINISTRATIVE EXPENSES			
Salaries, benefits and allowances		72,143,224	64,100,772
Pakistan Stock Exchange Limited service charges		7,255,189	6,043,498
Depreciation on property and equipment	6	3,652,820	3,850,944
Depreciation on right-of-use assets	7	6,304,367	10,539,607
Staff retirement benefits	25.1	13,371,928	5,862,616
Repairs and maintenance		4,891,759	4,509,069
Vehicle running expenses		5,150,707	4,330,270
Telephone and fax		3,884,213	3,409,593
Insurance		2,499,069	2,935,507
Legal and professional		4,226,561	2,491,330
CDC charges		1,898,248	1,293,870
Electricity and utilities		2,637,185	2,226,058
Entertainment		1,376,647	1,487,358
Office supplies		1,034,350	789,126
Printing and stationery		856,474	748,968
Postage / courier		464,285	764,391
Subscriptions		905,564	974,409
Auditors' remuneration	25.2	920,400	781,920
Umrah facility to employees		900,000	900,000
SECP transactions fees		409,186	314,528
Amortization on intangible assets	8	369,115	293,499
Professional tax		236,304	186,476
Computer expenses		374,229	139,395
Seminar and training		552,625	105,000
Travelling and conveyance		6,200	183,385
Advertising and business promotion		4,300	118,662
Rent		259,405	259,323
Library and periodicals		11,090	17,095
		136,595,444	119,656,669

25.1 This includes charge for defined benefit plan of Rs. 8,856,549 (2022: Rs. 1,248,693), contribution to staff provident fund amounting to Rs. 3,343,950 (2022: Rs. 3,583,088) and contribution to E.O.B.I. and S.E.S.S.I amounting to Rs. 1,054,829 (2022: Rs. 1,008,096).

	Note	2023 Rupees	2022 Rupees
25.2 Auditors' remuneration			
Annual audit fee		418,000	418,000
Other certifications		219,000	184,000
Out-of-pocket expenses		110,222	122,000
Sindh sales tax		59,778	57,920
System audit fee / IBTS Audit		113,400	-
		<u>920,400</u>	<u>781,920</u>
26 OTHER INCOME			
Income from assets other than financial assets			
Gain on disposal of property and equipment	6	60,244	72,500
Miscellaneous income		100,000	-
		<u>160,244</u>	<u>72,500</u>
27 FINANCE COST			
Mark-up on short term running finance		1,651,814	2,482,832
Finance charges on finance lease obligation		2,915,504	4,016,352
Bank charges		397,083	403,145
		<u>4,964,401</u>	<u>6,902,329</u>
28 TAXATION			
Current			
-For the year		15,412,697	5,499,376
Deferred	11	(768,361)	1,255,355
		<u>14,644,336</u>	<u>6,754,731</u>
28.1 Relationship between income tax expense and accounting profit			
Profit / (loss) before taxation		<u>30,064,078</u>	<u>(1,539,556)</u>
Tax on turnover for minimum tax under section 233		3,707,411	3,444,719
Tax effect of lower tax rate on capital gain / dividend		3,892,370	2,040,761
Tax effect of Super Tax u/s 4C		1,716,239	-
Others		5,328,316	1,269,251
		<u>14,644,336</u>	<u>6,754,731</u>

28.2 Status of tax assessments

The income tax assessments upto assessment year / tax year 2023 corresponding to the accounting year December 31, 2022 have been finalized.

	Note	2023 Rupees	2022 Rupees
29 EARNINGS/ (LOSS) PER SHARE - BASIC			
Profit/ (loss) for the year		15,419,742	(8,294,287)
Weighted average number of ordinary shares		13,502,306	13,502,306
Earnings/(loss) per share - Basic		1.14	(0.61)

There being no potentially diluted shares outstanding as at the year ended December 31, 2023 and December 31, 2022, therefore, there is no dilutive effect on the earnings per share of the Company.

30 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2023			2022		
	Chief Executive Officer	Chairman and directors	Executives	Chief Executive Officer	Chairman and directors	Executives
	-----Rupees-----					
Managerial remuneration	8,400,000	-	19,655,000	8,400,000	-	20,862,000
Other benefits	-	1,785,000	-	-	1,435,000	-
Provident fund	509,091	-	1,191,212	509,091	-	1,264,364
Charge of gratuity fund	424,242	-	979,091	424,242	-	1,053,636
Total	9,333,333	1,785,000	21,825,303	9,333,333	1,435,000	23,180,000
No of person(s)	1	7	6	1	7	6

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

31 TRANSACTIONS WITH RELATED PARTIES

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

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

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

	Note	2023 Rupees	2022 Rupees
31.1 Holding Company			
National Bank of Pakistan (NBP)			
Transactions during the year			
Brokerage earned		9,646,805	5,534,743
Running finance - net		90,000,000	165,000,000
Financial charges on running finance	27	1,651,814	2,482,832
Balances			
Trade debts		5,067,080	665,384
Short term running finance		100,000,000	10,000,000
Bank balances		6,235,201	13,090,715
Accrued mark-up	20	1,384,767	742,438

31.2 Associated Companies

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

	2023	2022
	Rupees	Rupees
Transactions during the year		
First Credit and Investment Bank Ltd	115,062	80,805
Bank of Khyber Portfolio A/c	48,198	207,348
NAFA Islamic Pension fund	81,008	120,880
NAFA Pension Fund Equity	65,868	34,275
National Investment Trust	192,867	21,816
NBP Balanced Fund	70,485	16,129
NBP Financial Security Fund	54,052	29,276
NBP Isl. Active.Allocation Equity Fund	25,632	43,045
NBP Isl.Sarmaya Izafa Fund	176,094	287,057
NBP Islamic Energy Fund	141,451	70,419
NBP Islamic Stock Fund	589,767	325,583
NBP Sarmaya Izafa Fund	53,796	26,444
NBP Stock Fund	983,200	1,089,155
Saudi Pak Industrial & Agriculture Co	219,349	87,669
Brokerage earned	<u>2,816,829</u>	<u>2,439,901</u>
Balances		
Trade debts	<u>1,021,108</u>	<u>411,030</u>
Trade payable	<u>35,413</u>	<u>37,981</u>
Bank balance	<u>32,634,271</u>	<u>50,541,893</u>

31.3 Chairman / Directors and Chief Executive Officer

Transactions during the year

Brokerage earned	<u>1,464,420</u>	<u>849,444</u>
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Balances

Trade debts	<u>32,952</u>	<u>-</u>
Payable to related party	<u>2,436,761</u>	<u>6,112,649</u>

	2023	2022
	Rupees	Rupees
31.4 Key Managerial Personnel		
Brokerage earned	120,008	78,185
Trade payable	349,974	34,082

32 OPERATIONAL RISK MANAGEMENT

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

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

- requirements for appropriate segregation of duties between various functions, roles and 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.

33 FINANCIAL RISK MANAGEMENT

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

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

33.1 Risk management framework

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

33.2 Credit risk

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

		2023	2022
	Note	Rupees	Rupees
Long term deposits and advances		2,795,946	2,453,175
Trade debts	33.2.1	209,455,990	669,418,261
Advances, deposits and prepayments		294,728,307	180,700,997
Accrued income		2,380,114	1,880,114
Cash and bank balances	33.2.2	372,696,805	320,235,216
		<u>882,057,162</u>	<u>1,174,687,763</u>

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

	2023					
	Carrying amount		Provision held	Total	Amount un-secured - net of provision	Amount secured
	Amount outstanding	Impaired				
Not yet due*	162,612,943	-	-	162,612,943	-	162,612,943
Upto 3 months*	45,793,472	-	-	45,793,472	26,972,920	18,820,552
3 to 6 months	2,025,550	-	-	2,025,550	1,712,252	313,299
More than 6 months	7,386,215	3,278,207	(3,278,207)	4,108,008	810,014	3,297,993
	<u>217,818,180</u>	<u>3,278,207</u>	<u>(3,278,207)</u>	<u>214,539,973</u>	<u>29,495,186</u>	<u>185,044,787</u>

	2022					
	Carrying amount		Provision held	Total	Amount un-secured - net of provision	Amount secured
	Amount outstanding	Impaired				
Not yet due*	659,754,107	-	-	659,754,107	-	659,754,107
Upto 3 months*	9,053,584	-	-	9,053,584	5,537,607	3,515,977
3 to 6 months	1,220,604	-	-	1,220,604	934,509	286,095
More than 6 months	7,752,150	3,278,207	(3,278,207)	4,473,943	873,754	3,600,189
	<u>677,780,445</u>	<u>3,278,207</u>	<u>(3,278,207)</u>	<u>674,502,238</u>	<u>7,345,870</u>	<u>667,156,368</u>

* Not yet due represents an amount of Rs. 162,612,943 (2022: Rs. 659,754,107) due from National Clearing Company of Pakistan Limited against unsettled trades, which is considered secured. Further, subsequent to the year-end, the Company has collected significant portion of the amount presented as un-secured in the upto 3 months' category.

33.2.2 Bank balances

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

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

	Rating		Rating agency	As at December 31,	
	Short-term	Long-term		2023	2022
				Rupees	Rupees
MCB Bank Limited	A1+	AAA	PACRA	278,438,987	54,141,218
Bank Alfalah Limited	A1+	AA+	PACRA	13,311,012	19,079,619
Bank of Khyber Limited	A1	A	PACRA	32,634,271	50,541,893
Habib Bank Limited	A1+	AAA	PACRA	20,764,480	23,398,115
Habib Metropolitan Limited	A1+	AA+	PACRA	14,123,462	142,298,087
United Bank Limited	A1+	AAA	JCR-VIS	7,189,391	17,685,569
National Bank of Pakistan	A1+	AAA	PACRA	6,235,201	13,090,715
Total				<u>372,696,805</u>	<u>320,235,216</u>

33.3 Liquidity risk

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

The following are the contractual maturities of financial liabilities:

		2023				
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	
On Statement of financial position						
Trade and other payables	560,707,385	560,707,385	560,707,385	-	-	
Lease liabilities	16,944,083	20,626,398	1,466,886	1,715,626	8,358,772	
Short term running finance	100,000,000	100,000,000	100,000,000	-	-	
	677,651,467	681,333,782	662,174,271	1,715,626	8,358,772	
		2022				
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	
On Statement of financial position						
Trade and other payables	963,514,247	963,514,247	963,514,247	-	-	
Lease liabilities	27,338,497	32,018,193	906,284	1,812,568	7,867,925	
Short term running finance	10,000,000	10,000,000	10,000,000	-	-	
	1,000,852,744	1,005,532,440	974,420,531	1,812,568	7,867,925	

33.4 Market risk

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

33.4.1 Interest rate risk

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

	Note	2023 Rupees	2022 Rupees
Fixed rate investments	16	<u>369,195,620</u>	<u>317,161,703</u>
Variable rate investments	15	<u>15,359,230</u>	<u>12,280,942</u>

Sensitivity analysis for variable rate instruments

The Company holds investments in PSX and JSCL exposing the Company to cash flow interest rate risk.

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

	<u>Impact on profit before tax</u>	
	<u>100 bp increase</u>	<u>100 bp decrease</u>
	<u>Rupees</u>	<u>Rupees</u>
As at December 31, 2023		
Cash flow sensitivity - variable rate instruments	<u>153,592</u>	<u>(153,592)</u>
As at December 31, 2022		
Cash flow sensitivity - variable rate instruments	<u>122,809</u>	<u>(122,809)</u>

Sensitivity analysis for fixed rate instruments

As at December 31, 2023, the Company held no fixed rate financial instruments.

	2023						Total
	Effective yield / interest rate percent	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	Non interest / mark-up bearing	
Financial Assets							
Long term deposits and advances	-	-	-	-	-	2,795,946	2,795,946
Trade debts	-	-	-	-	-	209,455,990	209,455,990
Advances, deposits and prepayments containing profit margin	-	-	-	-	-	292,822,389	292,822,389
Advances, deposits and prepayments not containing profit margin	-	-	-	-	-	1,905,918	1,905,918
Other receivables	-	-	-	-	-	(119,214)	(119,214)
Accrued interest income	-	-	-	-	-	2,380,114	2,380,114
Investments	-	-	-	-	-	15,359,230	15,359,230
Cash and bank balances	10% to 16%	369,195,620	-	-	-	3,540,785	372,736,405
		369,195,620	-	-	-	528,141,159	897,336,778
Financial Liabilities							
Trade and other payables	-	-	-	-	-	560,707,385	560,707,385
Lease Liabilities	-	1,466,886	1,715,626	8,358,772	5,402,798	-	16,944,083
Short term running finance	KIBOR + 2.5%	100,000,000	-	-	-	-	100,000,000
		101,466,886	1,715,626	8,358,772	5,402,798	560,707,385	677,651,467
On Statement of financial position gap		267,728,734	(1,715,626)	(8,358,772)	(5,402,798)	(32,566,226)	219,685,311
Non-financial net assets							93,413,553
Total net assets							313,098,864

2022

Effective yield / interest rate percent	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	Non interest / mark-up bearing	Total
Financial Assets						
Long term deposits and advances	-	-	-	-	2,453,175	2,453,175
Trade debts	-	-	-	-	669,418,261	669,418,261
Advances, deposits and prepayments containing profit margin	-	-	-	-	177,254,585	177,254,585
Advances, deposits and prepayments not containing profit margin	-	-	-	-	3,446,412	3,446,412
Other receivables	-	-	-	-	8,313,360	8,313,360
Accrued interest income	-	-	-	-	1,880,114	1,880,114
Investments	-	-	-	-	12,280,942	12,280,942
Cash and bank balances	10% to 16%	317,161,703	-	-	3,085,093	320,246,796
		317,161,703	-	-	878,131,942	1,195,293,645
Financial Liabilities						
Trade and other payables	-	-	-	-	963,514,247	963,514,247
Lease Liabilities	-	906,284	1,812,568	7,867,925	16,751,720	27,338,497
Short term running finance	KIBOR + 2.5%	10,000,000	-	-	-	10,000,000
		10,906,284	1,812,568	7,867,925	16,751,720	963,514,247
On Statement of financial position gap		306,255,419	(1,812,568)	(7,867,925)	(16,751,720)	(85,382,305)
Non-financial net assets						106,151,321
Total net assets						300,592,222

33.4.2 Price risk

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

The Company's investments in quoted equity securities amount to Rs. 15.359 million (2022: Rs 12.28 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.

	Note	2023 Rupees	2022 Rupees
As at December 31,			
Effect on other comprehensive income - net of tax		<u>1,535,923</u>	<u>1,228,094</u>
Effect on investments		<u>1,535,923</u>	<u>1,228,094</u>

33.4.3 Currency risk

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

34 FAIR VALUE AND CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

34.1 On Statement of financial position financial instruments

2023							
Fairvalue through OCI	Fairvalue through P/L	Amortized Cost	Total	Level 1	Level 2	Level 3	Total

(Rupees in '000)

Financial assets measured at fair value

Investments

Securities at fair value through OCI	15,359,230	-	-	15,359,230	15,359,230	-	-	15,359,230
Securities at fair value through profit or loss	-	-	-	-	-	-	-	-
Unrealized gain on futures	-	-	-	-	-	-	-	-
	15,359,230	-	-	15,359,230	15,359,230	-	-	15,359,230

Financial assets not measured at fair value **

Long term deposits and advances	-	-	2,795,946	2,795,946
Trade debts	-	-	209,455,990	209,455,990
Advances, deposits and prepayments	-	-	294,728,307	294,728,307
Other receivable	-	-	257,786	257,786
Accrued income	-	-	2,380,114	2,380,114
Cash and bank balances	-	-	372,736,405	372,736,405
	-	-	882,354,549	882,354,549

Financial liabilities not measured at fair value **

Trade and other payables	-	-	(560,707,385)	(560,707,385)
Lease liabilities	-	-	(16,944,083)	(16,944,083)
Short term running finance	-	-	(100,000,000)	(100,000,000)
	-	-	(677,651,467)	(677,651,467)
	15,359,230	-	204,703,082	220,062,311

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

34.2 On Statement of financial position financial instruments

2022								
Fairvalue through OCI	Fairvalue through P/L	Amortized Cost	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----								
Financial assets measured at fair value								
Investments								
Securities at fair value through OCI	12,280,942	-	-	12,280,942	12,280,942	-	-	12,280,942
Securities at fair value through profit or loss	-	-	-	-	-	-	-	-
Unrealized gain on futures	-	-	-	-	-	-	-	-
	12,280,942	-	-	12,280,942	12,280,942	-	-	12,280,942
Financial assets not measured at fair value **								
Long term deposits and advances	-	-	2,453,175	2,453,175				
Trade debts	-	-	669,418,261	669,418,261				
Advances, deposits and prepayments	-	-	180,700,997	180,700,997				
Other receivable	-	-	8,690,360	8,690,360				
Accrued income	-	-	1,880,114	1,880,114				
Cash and bank balances	-	-	320,246,796	320,246,796				
	-	-	1,183,389,703	1,183,389,703				
Financial liabilities not measured at fair value **								
Trade and other payables	-	-	(963,514,247)	(963,514,247)				
Lease liabilities	-	-	(27,338,497)	(27,338,497)				
Short term running finance	-	-	(10,000,000)	(10,000,000)				
	-	-	(1,000,852,744)	(1,000,852,744)				
	12,280,942	-	182,536,959	194,817,901				

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

35 CAPITAL RISK MANAGEMENT

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

The Company is subject to minimum capital and base minimum capital requirements under PSX Regulations. The minimum capital requirement is Rs. 50 million and that for base minimum capital is Rs. 30.464 million, however Company's capital and base minimum capital is Rs. 135 million and Rs. 30.442 million respectively.

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

36 USE OF COLLATERAL AND TRADING SECURITIES

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

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

37 OPERATING SEGMENTS

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

	December 31, 2023			
	Equity brokerage	Investment and treasury	Other operations	Total
Segment revenues *	98,662,642	72,801,037	160,244	171,623,923
Administrative and operating expenses **	(132,573,509)		-	(132,573,509)
Depreciation	(2,103,333)	(1,549,487)	-	(3,652,820)
Amortization	(212,540)	(156,575)	-	(369,115)
Finance cost	(4,964,401)	-	-	(4,964,401)
	<u>(41,191,141)</u>	<u>71,094,975</u>	<u>160,244</u>	<u>30,064,078</u>
Other income - unallocated				-
Other expenses - unallocated				-
Taxation				(14,644,336)
Profit after tax				<u>15,419,742</u>
Segment assets	<u>575,447,281</u>	<u>423,921,629.56</u>	-	<u>999,368,911</u>
Segment liabilities	<u>395,161,615</u>	<u>291,108,432.00</u>	-	<u>686,270,047</u>

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

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

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

	December 31, 2022			
	Equity brokerage	Investment and treasury	Other operations	Total
Segment revenues *	77,712,236	47,234,706	72,500	125,019,442
Administrative and operating expenses **	(115,512,226)	-	-	(115,512,226)
Depreciation	(2,395,985)	(1,454,959)	-	(3,850,944)
Amortization	(182,610)	(110,889)	-	(293,499)
Finance cost	(6,902,329)	-	-	(6,902,329)
	<u>(47,280,914)</u>	<u>45,668,858</u>	<u>72,500</u>	<u>(1,539,556)</u>
Other income - unallocated				-
Other expenses - unallocated				-
Taxation				<u>(6,754,731)</u>
Profit after tax				<u>(8,294,287)</u>
Segment assets	<u>810,082,141</u>	<u>491,921,599</u>	<u>-</u>	<u>1,302,003,740</u>
Segment liabilities	<u>623,059,336</u>	<u>378,352,182</u>	<u>-</u>	<u>1,001,411,518</u>

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

	As at December 31, 2022 Rupees
Total segment revenue	125,019,442
Less - Revenue from Investment & treasury	(47,234,706)
Less - Revenue from other operations	<u>(72,500)</u>
	<u><u>77,712,236</u></u>

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

38 MAXIMUM CUSTODY LIMIT UNDER CENTRAL DEPOSITORY COMPANY OF PAI

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, 2023 Rupees
Total assets as per Statement of financial position	999,368,911
determined by PSX vide notice PSX/N-7178 dated November 10, 2017	2,500,000
Total assets including notional value of TRE certificate	1,001,868,911
Less: Total liabilities as per Statement of financial position	(686,270,047)
Less: Revaluation reserves (created upon revaluation of fixed assets)	-
Capital adequacy level	<u>315,598,864</u>

39 NET CAPITAL BALANCE

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

	Note	As at December 31, 2023 Rupees
CURRENT ASSETS		
Cash in hand or in bank	As per book value	16
		372,736,405
Cash deposited as margin with National Clearing Company of Pakistan		13
		276,027,463
Trade debts - gross	As per book value	12
		217,818,180
	Less: Overdue for more than 14 days	(24,768,575)
		193,049,606
Investment in listed securities	As per book value	15.1.1
	Less: 15% discount	194,434
		(29,165)
		165,269
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.	4,300,163
Total Current Assets		<u>846,278,906</u>

		Note	As at December 31, 2023 Rupees
CURRENT LIABILITIES			
Trade payables	As per book value	20	527,413,974
	Less: Overdue for more than 30 days		(108,049,171)
Other liabilities	As per book value		261,502,446
Total current liabilities			680,867,249
Net Capital Balance as at December 31, 2023			165,411,657

40 **Liquid Capital Balance**
As on December 31, 2023

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

S. No.	Head of Account	Note	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets					
1.1	Property & Equipment	6 & 7	33,139,292	100%	-
1.2	Intangible Assets	8	341,934	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		-	7.5%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years		-	10%	-
	If unlisted than:				
	i. 10% of the balance sheet value in the case of tenure upto 1 year		-	10%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years		-	12.5%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years		-	15%	-
1.5	Investment in Equity Securities				
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital.	15	15,359,230	15,218,265	140,965
	ii. If unlisted, 100% of carrying value		-	100%	-
1.6	Investment in subsidiaries		-	100%	-
1.7	Investment in associated companies / undertaking				
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher		-	-	-
	ii. If unlisted, 100% of net value		-	100%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity. (i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC	13	16,794,926	-	16,794,926
1.9	Margin deposits with exchange and clearing house	13	276,027,463	-	276,027,463
1.10	Deposit with authorized intermediary against borrowed securities under SLB		-	-	-
1.11	Other deposits and prepayments	9, 10, 11 & 13	70,969,853	100%	-

1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc	14	2,380,114	-	2,380,114
	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)		-	-	-
	Advances and receivables other than trade Receivables;				
1.15	i. No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.	13	1,905,918	-	1,905,918
	ii. No haircut may be applied to the advance tax to the extent it is netted with provision of taxation .		-	-	-
	iii. In all other cases 100% of net value	14	257,786	100%	-
1.16	Receivables from clearing house or securities exchange(s)				
	i) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MTM gains		-	100%	-
	ii) Receivable on entitlements against trading of securities in all markets including MTM gains	12.3	162,612,943	-	162,612,943
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.		-	5%	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,		-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	12	26,352,130	-	26,352,130
	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	12	14,369,777	8,597,739	5,772,038
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. vi. Lower of net balance sheet value or value determined through adjustments	12	6,121,140	As per slabs	44,219

1.18	Cash and Bank balances				
	I. Bank Balance-proprietary accounts	16	21,648,741	-	21,648,741
	ii. Bank balance-customer accounts	16	351,048,065	-	351,048,065
	iii. Cash in hand	16	39,600	-	39,600
1.19	Subscription money against investment in IPO/ offer for sale (asset)				
	Balance sheet value				
1.20	Total Assets		999,368,912		864,767,121
2. Liabilities					
2.1	Trade Payables				
	i. Payable to exchanges and clearing house		-	-	-
	ii. Payable against leveraged market products		-	-	-
	iii. Payable to customers	20	527,413,974	-	527,413,974
2.2	Current Liabilities				
	i. Statutory and regulatory dues		-	-	-
	ii. Accruals and other payables	20	41,911,991	-	41,911,991
	iii. Short-term borrowings	21	100,000,000	-	100,000,000
	iv. Current portion of subordinated loans		-	-	-
	v. Current portion of long term liabilities	19	11,541,284	-	11,541,284
	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.	19	5,402,798	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		686,270,047		680,867,249
3. Ranking Liabilities Relating to :					
3.1	Concentration in Margin Financing				
	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.		-	-	-

3.2	Concentration in securities lending and borrowing			-	-	
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed					-
3.3	Net underwriting Commitments			-	-	
	(a) in the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting					-
	(b) in any other case : 12.5% of the net underwriting commitments			-	-	-
3.4	Negative equity of subsidiary			-	-	
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary					-
3.5	Foreign exchange agreements and foreign currency positions			-	-	
	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					-
3.8	Concentrated proprietary positions			-	19,443	19,443
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the					
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					-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not			-	-	-
3.10	Short sell positions			-	-	
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after					-
	ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled			-	-	-
3.11	Total Ranking Liabilities			-		19,443

313,098,865 Liquid Capital 183,880,429

40.1 CALCULATIONS SUMMARY OF LIQUID CAPITAL

(i) Adjusted value of Assets (serial number 1.20)	864,767,121
(ii) Less: Adjusted value of liabilities (serial number 2.5)	(680,867,249)
(iii) Less: Total ranking liabilities (series number 3.11)	(19,443)
	<u>183,880,429</u>

	Note	2023 Rupees	2022 Rupees
41 CASH AND CASH EQUIVALENTS			
Cash and bank balances	16	372,736,405	320,246,796
Short term running finance	21	(100,000,000)	(10,000,000)
		<u>272,736,405</u>	<u>310,246,796</u>

42 NUMBER OF EMPLOYEES

The total number of employees and average number of employees at the year end and during the year respectively are as follows :

	2023 -----Number-----	2022
Total employees of the company at year end	<u>50</u>	<u>56</u>
Average number of employees during the year	<u>50</u>	<u>52</u>

43 SUBSEQUENT EVENTS

There are no subsequent events after the reporting date that require provision or disclosure in financial statements.

44 CORRESPONDING FIGURES

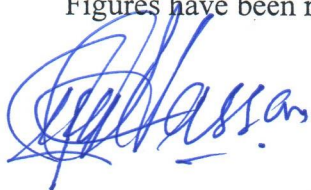
Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

45 DATE OF AUTHORIZATION

These financial statements were approved and authorized for issue on 02 APR 2024 by the Board of Directors of the Company.

46 GENERAL

Figures have been rounded off to the nearest rupee unless stated otherwise.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

TAURUS SECURITIES LIMITED
ANNEXURE 'I' OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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	
		2023	2022
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	550	550
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
LCI	Lucky Core Industries Limited (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
LOTCHEM	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	510

Symbol	Security Name	Number of shares	
		2023	2022
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
OLPM	OLP Modaraba (Orix 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>69,923</u>	<u>71,945</u>

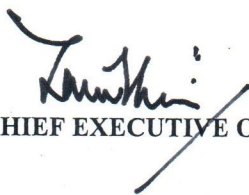
I.ii Followings shares held by Company in its sub-account No. 54 (House account) under CDS.

BAWS	Bawany Sugar Mills Limited	500	500
IDSML	Ideal Spinning Mills Limited	1,000	1,000
IVIBL	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. 460,371.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR