KPMG Taseer Hadi & Co.
Chartered Accountants

Taurus Securities Limited

Financial Statements
For the year ended
December 31, 2015

KPMG Taseer Hadi & Co.
Chartered Accountants
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Auditors' Report to the Members

We have audited the annexed Balance Sheet of **Taurus Securities Limited** ("the Company") as at December 31, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change as stated in note 3.1 to the accompanying financial statements, with which we concur;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2015 and of the profit, its cash flows and changes in equity for the year then ended; and

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan
and a member firm of the KPMG network of independent member
firms affiliated with KPMG International Cooperative
("KPMG International"), a Swiss entity.

d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980, (XVIII of 1980).

KPMG Taseer Hadi & Co

Date: 2 March 2016

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Syed Iftikhar Anjum

Taurus Securities Limited

Balance Sheet

As at December 31, 2015

	Note	2015	2014
		(Rupees)	
ASSETS			
Non-Current Assets			
Property and equipment	4	**10,949,482**	11,300,211
Intangible assets	5	**2,311,919**	1,738,382
Investment in shares of Pakistan Stock Exchange Limited	6	**11,000,000**	11,000,000
Long term loans	7	**-**	13,000
Long term deposits	8	**2,666,808**	2,230,408
Deferred tax asset - net	9	**1,556,827**	2,017,389
		28,485,036	28,299,390
Current Assets			
Trade debts	10	**61,578,536**	61,836,603
Loans and advances	11	**1,058,081**	1,358,078
Deposits, prepayments and other receivables	12	**35,535,408**	18,865,517
Accrued interest income	13	**164,101**	2,680,363
Investments	14	**167,551,726**	161,211,996
Receivable against margin trading		**-**	5,519,225
Taxation - net	15	**14,232,803**	6,915,865
Cash and bank balances	16	**147,230,171**	134,093,308
		427,350,826	392,480,955
		455,835,862	420,780,345
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital	18	**135,023,060**	135,023,060
Reserves		**161,651,647**	164,240,669
Unrealised gain on re-measurement of available-for-sale investments		**226,594**	91,542
		296,901,301	299,355,271
Non-current Liabilities			
Liabilities against assets subject to finance lease	19	**393,677**	743,824
Current Liabilities			
Trade and other payables	20	**158,194,365**	120,377,040
Short term running finance	21	**-**	-
Current portion of liabilities against assets subject to finance lease	19	**346,519**	304,210
		158,540,884	120,681,250
		455,835,862	420,780,345

CONTINGENCIES AND COMMITMENTS 22

The annexed notes 1 to 35 form an integral part of these financial statements.

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CHIEF EXECUTIVE **DIRECTOR**

Taurus Securities Limited
Profit and Loss Account
For the year ended December 31, 2015

	Note	2015	2014
		------------- (Rupees) -------------	
INCOME			
Brokerage and commission		**97,455,097**	82,929,424
Other operating income	23	**25,273,318**	29,240,843
		122,728,415	112,170,267
EXPENSES			
Administrative expenses	24	**(97,873,178)**	(90,604,776)
Other operating expenses	25	-	(873,107)
Finance cost	26	**(1,006,449)**	(1,467,857)
		(98,879,627)	(92,945,740)
PROFIT BEFORE TAXATION		**23,848,788**	19,224,527
Taxation	27	**(4,894,881)**	(3,301,799)
PROFIT FOR THE YEAR		**18,953,907**	15,922,728
Earnings per share - basic and diluted	28	**1.40**	1.18

The annexed notes 1 to 35 form an integral part of these financial statements.
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CHIEF EXECUTIVE **DIRECTOR**

Taurus Securities Limited
Statement of Comprehensive Income
For the year ended December 31, 2015

	2015	2014
	------------- (Rupees)	-------------
Profit for the year	**18,953,907**	15,922,728
Other comprehensive income		
Items to be reclassified to profit or loss in subsequent periods		
Unrealised gain / (loss) on re-measurement of available-for-sale investments	**85,760**	(232,523)
Deferred tax on re-measurement of available-for-sale investments	**49,292**	77,649
	135,052	(154,874)
Items that will never be reclassified to profit or loss		
Remeasurements of defined benefit asset / (liability)	**(1,896,279)**	(3,673,566)
Current tax charge	**606,809**	1,212,277
	(1,289,470)	(2,461,289)
Total comprehensive income for the year	**17,799,489**	13,306,565

The annexed notes 1 to 35 form an integral part of these financial statements.
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CHIEF EXECUTIVE **DIRECTOR**

Taurus Securities Limited
Statement of Cash Flows
For the year ended December 31, 2015

	Note	2015	2014
		------------- (Rupees) -------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		23,848,788	19,224,527
Adjustments for:			
Depreciation		4,359,252	4,442,971
Amortisation		616,669	107,671
Gain on disposal of property and equipment		(25,809)	(45,729)
Finance cost		1,006,449	1,467,857
Profit on bank deposits and term deposit receipts		(3,928,766)	(12,529,783)
Unrealized loss / (gain) on investments classified as fair value through profit and loss		330,686	(182,037)
		2,358,481	(6,739,050)
Operating profit before working capital changes		26,207,269	12,485,477
Decrease / (Increase) in operating assets:			
Trade debts		258,067	415,767,224
Loan and advances		299,997	383,566
Deposits, prepayments and other receivables		(16,669,891)	51,542,884
Receivable against margin trading		5,519,225	(2,341,931)
		(10,592,602)	465,351,743
		15,614,667	477,837,220
Increase / (decrease) in operating liabilities:			
Trade and other payables		15,892,587	(388,711,969)
Net Cash flows generated from operations		31,507,254	89,125,251
Tax paid		(11,095,156)	(8,037,260)
Financial charges paid		(1,006,449)	(1,467,857)
		(12,101,605)	(9,505,117)
Net cash flows generated from operating activities		19,405,649	79,620,134
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments - net		(6,584,656)	17,351,027
Property and equipment		(6,089,569)	(3,167,667)
Profit received on bank deposits and term deposit receipts		6,445,028	11,483,052
Long term loans to employees repaid / (disbursed)		13,000	(10,817)
Long term deposits paid		(436,400)	(921,800)
Sale proceeds from disposal of property and equipment		691,649	2,946,409
Net cash (used in) / generated from investing activities		(5,960,948)	27,680,204
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(307,838)	(266,807)
Dividends paid		-	(22,953,920)
		(307,838)	(23,220,727)
Net increase in cash and cash equivalents		13,136,863	84,079,611
Cash and cash equivalents at beginning of the year		134,093,308	50,013,697
Cash and cash equivalents at end of the year		147,230,171	134,093,308
Cash and cash equivalents comprise			
Cash and bank balances	16	147,230,171	134,093,308
Short term running finance		-	-
		147,230,171	134,093,308

The annexed notes 1 to 35 form an integral part of these financial statements.

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CHIEF EXECUTIVE

DIRECTOR

Taurus Securities Limited
Statement of Changes in Equity
For the year ended December 31, 2015

	Issued, subscribed and paid-up capital	Reserves	Unrealised gain on remeasurement of available-for-sale investments	Total
	-----	----- (Rupees)	-----	-----
Balance as at January 01, 2014	135,023,060	173,733,150	246,416	309,002,626
Total comprehensive income for the year				
Profit for the year ended December 31, 2014	-	15,922,728	-	15,922,728
Other comprehensive income				
Unrealized gain on re-measurement of available-for-sale investments - net of tax	-	-	(154,874)	(154,874)
Remeasurements of defined benefit asset / (liability) - net of tax	-	(2,461,289)	-	(2,461,289)
	-	13,461,439	(154,874)	13,306,565
Transactions with owners, recorded directly in equity				
Final cash dividend paid at Rs. 1.20 per share for the year ended December 31, 2013	-	(16,202,767)	-	(16,202,767)
Interim cash dividend paid @ Rs. 0.50 per share		(6,751,153)		(6,751,153)
	-	(22,953,920)	-	(22,953,920)
Balance as at December 31, 2014	135,023,060	164,240,669	91,542	299,355,271
Total comprehensive income for the year				
Profit for the year ended December 31, 2015	-	**18,953,907**	-	**18,953,907**
Other comprehensive income				
Unrealized gain on re-measurement of available-for-sale investments - net of tax	-	-	**135,052**	**135,052**
Remeasurements of defined benefit asset / (liability) - net of tax	-	**(1,289,470)**	-	**(1,289,470)**
	-	**17,664,437**	**135,052**	**17,799,489**
Transactions with owners, recorded directly in equity				
Interim cash dividend paid @ Rs. 1.50 per share	-	**(20,253,459)**	-	**(20,253,459)**
Balance as at December 31, 2015	**135,023,060**	**161,651,647**	**226,594**	**296,901,301**

The annexed notes 1 to 35 form an integral part of these financial statements.
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CHIEF EXECUTIVE

DIRECTOR

1. LEGAL STATUS AND NATURE OF BUSINESS

Taurus Securities Limited (the Company) is a public unquoted company, incorporated in Pakistan on June 27, 1993 under the Companies Ordinance, 1984. The registered office of the Company is situated at 6th Floor, Progressive Plaza, Beaumont Road, Civil Lines, Karachi. The Company is a subsidiary of National Bank of Pakistan, which holds 58.32% (2014: 58.32%) of the shareholding of the Company. The Company is engaged in the business of stock brokerage, investment counselling and fund placements. The Company holds a Trading Rights Entitlement (TRE) Certificate from Pakistan Stock Exchange Limited (PSEL).

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of Companies Ordinance, 1984 or directives issued there under differ with the requirements of IFRS and IFAS, the requirements of the Companies Ordinance, 1984 and said directives shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for available-for-sale investments, investments at fair value through profit and loss and commitments in respect of derivative financial instruments that are carried at fair value.

2.3 New accounting standards and IFRIC interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 1, 2016:

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after January 1, 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.

- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures) [effective for annual periods beginning on or after January 1, 2016) clarifies (a) which subsidiaries of an

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investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Company's financial statements.

- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after January 1, 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Company's financial statements.

- Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after January 1, 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on Company's financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after January 1, 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Company's financial statements.

- Annual Improvements 2012-2014 cycle (amendments are effective for annual periods beginning on or after January 1, 2016). The new cycle of improvements contain amendments to the following standards:

  - IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

  - IFRS 7 "Financial Instruments- Disclosures". IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

  - IAS 19 "Employee Benefits". IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

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- IAS 34 "Interim Financial Reporting". IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above amendments are not likely to have an impact on Company's financial statements.

2.4 Critical accounting estimates and judgments

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards as applicable in Pakistan that have significant effect on the financial statements and estimates with a significant risk of material adjustment relate to property and equipment (note 3.2), classification and valuation of investments and impairment there against, if any (note 3.7), employee benefit scheme (note 17) and taxation (note 3.5).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except that standard as disclosed in note 3.1 which were adopted from January 1, 2015.

3.1 Application of new and revised International Financial Reporting Standards (IFRSs)

Following are standards became effective during the year:

IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IFRS 13 "Fair Value Measurements". These standards became applicable from January 1, 2015, as per the adoption status of IFRS in Pakistan.

The application of IFRS 10, IFRS 11 and IFRS 12 did not have any impact of the financial statements of the Company.

IFRS 13 "Fair Value Measurement", consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The disclosure as required by IFRS 13 is presented in the note 32.4.

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3.2 Property and equipment

3.2.1 Owned Assets

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

Depreciation is charged applying the straight line method at the rates specified in Note 4 to these financial statements, which are considered appropriate to write off the cost of the assets over their useful economic lives.

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

Maintenance and normal repairs are charged to profit and loss account. 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 profit and loss account.

3.2.2 Assets subject to finance lease

Assets subject to finance lease are stated at lower of present value of minimum lease payments under the lease agreement and the fair value of leased assets. The related obligations under the lease are accounted for as liabilities. Depreciation is charged by applying the straight line method at the rate given in respective note to the financial statements. The finance charge is calculated at the rate implicit in the lease.

3.3 Intangible assets

These represent computer software, website developed and Trading Rights Entitlement (TRE) Certificate.

Computer software and website developed are recognized in the financial statements, if and only if, it is probable that the future economic benefits that are attributable to the assets will flow to the Company; and the cost of the assets can be measured reliably. These are carried at cost less accumulated amortization and impairment, if any. Amortization of computer software and website developed is charged to profit and loss account for the year on a straight line basis at the rates specified in note 5. The amortization period and the amortization method for intangible assets with finite useful are reviewed, and adjusted if appropriate, at each balance sheet date.

TRE Certificate is recorded at nil value as explained in note 5.

3.4 Ijarah

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

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3.5 Taxation

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 balance sheet 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 balance sheet date. Deferred tax assets are recognized to the extent that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that is no longer probable that the related tax benefit will be realised.

3.6 Trade debts and other receivables

Debts originated by the Company are recognized and carried at original invoice amount (which generally equals the fair value) less any amount written off or provision made for debts considered doubtful.

3.7 Investments

Investments in securities are initially recognized at cost, being the fair value of the consideration given, including the transaction costs associated with the investment, except in case of investments at fair value through profit and loss, in which case these transaction costs are charged to the profit and loss account. All regular way purchases and sales of investments are recognized / derecognized on the trade date. These are classified and measured as follows:

Investments at fair value through profit or loss

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

Held-to-maturity

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

Available-for-sale

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

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3.6.1 Impairment of financial assets

Equity Securities

The Company assesses at each reporting date whether there is objective evidence that the financial asset is impaired. In case of equity securities, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the security is impaired. If any such evidence exists, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss account is reclassified from other comprehensive income to profit and loss account.

Debt Securities

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

Non-Financial assets

The Company assesses at each balance sheet 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 profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

3.8 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the dates on which the derivative contracts are entered into and are subsequently re-measured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative instruments is taken to the profit and loss account.

3.8 Securities under repurchase / reverse repurchase agreements

Transactions of repurchase / reverse repurchase of securities are entered into at contracted rates for specified periods of time. These are considered to be financing transaction instead of real 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 recognised in the balance sheet 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.

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Reverse repurchase agreements

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

3.9 Securities under margin trading

Securities purchased under margin trading are included as 'receivable against margin trading' at the fair value of the consideration given. All margin trading transactions are accounted for on the settlement date. Income on margin trading is calculated on outstanding balance at agreed rates and recorded in profit and loss account.

3.10 Cash and cash equivalents

Cash in hand and at banks is carried at cost. For the purposes of cash flow statement, cash and cash equivalents consist of cash in hand and bank balances and the short term running finance, if any.

3.11 Revenue recognition

Brokerage and other income is accrued as and when earned.

Gain or loss on disposal of securities is taken to income in the period in which it arises.

Dividend income is recorded when the Company's right to receive payment is established.

Mark-up / interest from margin trading, reverse repurchase transactions and term deposit receipts is recognised on a time proportionate basis.

Other revenues are recognised on accrual basis.

3.12 Provision

A provision is recognised 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.

3.13 Fiduciary assets

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

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3.14 Staff retirement benefits

Accounting policy of defined benefit plans is as follows:

Gratuity scheme

The Company operates an approved and funded gratuity scheme for all eligible employees who have completed the minimum qualifying period of service of 5 years. The liability / asset recognized in the balance sheet is the present value of defined benefit obligation at the balance sheet 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.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contribution and benefit payments. Net interest expense and current service cost are recognized in profit and loss account.

Provident fund

The Company operates an approved funded provident fund scheme covering all its employees. Equal monthly contributions @ 10% of the basic salary are made by the Company and employees to the fund in accordance with the fund rules.

3.15 Borrowing costs

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

3.16 Financial instruments

All financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instruments. Financial assets are derecognised 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 derecognised from the balance sheet 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 income currently.

3.17 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 of its investment in equity investments and equity derivatives using the PSEL quoted prices.For other assets and liabilities the company uses valuation techniques that maximise the use of relevant observable inputs and minimise 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.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

3.18 Offsetting

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

3.19 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

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4. PROPERTY AND EQUIPMENT

	Owned							Leased	
	Vehicles	*Building	Furniture and fixtures	Office equipment	Computer equipment	Library books	Sub total	Vehicles	Total
	(Rupees)								
Net carrying value basis as at December 31, 2015									
Opening net book value	6,005,801	1,193,032	564,032	1,247,510	1,274,985	-	10,285,360	1,014,851	11,300,211
Additions / Transfer in	1,932,440	-	143,890	854,570	1,743,463	-	4,674,363	-	4,674,363
Disposals / write-off									
Cost	(1,709,330)	-	(323,359)	(504,524)	(567,525)	(156,612)	(3,261,350)	-	(3,261,350)
Accumulated depreciation	1,074,159	-	323,359	473,855	567,525	156,612	2,595,510	-	2,595,510
	(635,171)	-	-	(30,669)	-	-	(665,840)	-	(665,840)
Depreciation charge	(2,574,332)	(79,550)	(176,508)	(412,687)	(814,775)	-	(4,057,852)	(301,400)	(4,359,252)
Closing net book value	4,728,738	1,113,482	531,414	1,658,724	2,203,673	-	10,236,031	713,451	10,949,482
Gross carrying value basis as at December 31, 2015									
Cost	12,205,652	1,591,000	4,884,158	6,264,883	11,380,509	-	36,326,202	1,507,000	37,833,202
Accumulated depreciation	(7,476,914)	(477,518)	(4,352,744)	(4,606,159)	(9,176,836)	-	(26,090,171)	(793,549)	(26,883,720)
Net book value	4,728,738	1,113,482	531,414	1,658,724	2,203,673	-	10,236,031	713,451	10,949,482
Rate of depreciation (%)	20	5	10	20	33	20		20	

	Owned							Leased	
	Vehicles	*Building	Furniture and fixtures	Office equipment	Computer equipment	Library books	Sub total	Vehicles	Total
	(Rupees)								
Net carrying value basis as at December 31, 2014									
Opening net book value	11,955,275	1,272,582	647,847	1,275,143	766,347	-	15,917,194	1,316,251	17,233,445
Additions / Transfer in	-	-	134,500	314,808	961,109	-	1,410,417	-	1,410,417
Disposals / write-off									
Cost	(7,136,429)	-	(26,035)	(337,970)	(145,816)	-	(7,646,250)	-	(7,646,250)
Accumulated depreciation	4,310,409	-	21,489	318,146	95,526	-	4,745,570	-	4,745,570
	(2,826,020)	-	(4,546)	(19,824)	(50,290)	-	(2,900,680)	-	(2,900,680)
Depreciation charge	(3,123,454)	(79,550)	(213,769)	(322,617)	(402,181)	-	(4,141,571)	(301,400)	(4,442,971)
Closing net book value	6,005,801	1,193,032	564,032	1,247,510	1,274,985	-	10,285,360	1,014,851	11,300,211
Gross carrying value basis as at December 31, 2014									
Cost	11,982,542	1,591,000	5,063,627	5,914,837	10,204,571	156,612	34,913,189	1,507,000	36,420,189
Accumulated depreciation	(5,976,741)	(397,968)	(4,499,595)	(4,667,327)	(8,929,586)	(156,612)	(24,627,829)	(492,149)	(25,119,978)
Net book value	6,005,801	1,193,032	564,032	1,247,510	1,274,985	-	10,285,360	1,014,851	11,300,211
Rate of depreciation (%)	20	5	10	20	33	20		20	

* The rights to occupy room no. 618 at Pakistan Stock Exchange building were acquired through Lease and License agreement for the purpose of the Company's business. The Pakistan Stock Exchange Limited as the lessee of the building has sub-leased the said room in favour of the Company.

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4.1 Detail of disposal of property and equipment having net book value in excess of Rs. 50,000 each.

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyer	Mode of disposal
	(Rupees)					
Vehicles						
Toyota Gli	1,644,650	1,071,501	573,149	573,149	Tauseef Raza Ladik	Company Policy
Honda CD70	64,680	2,658	62,022	57,000	Adamjee Insurance	Insurance Claim

5. **INTANGIBLE ASSETS**

	Computer Software	Total
	(Rupees)	
Net carrying value basis as at December 31, 2015		
Opening net book value	**1,738,382**	**1,738,382**
Disposals/write-off		
-Cost	**(514,500)**	**(514,500)**
-Accumulated amortisation	**289,500**	**289,500**
	(225,000)	**(225,000)**
Additions during the year	**1,415,206**	**1,415,206**
Amortisation for the year	**(616,669)**	**(616,669)**
Closing net book value	**2,311,919**	**2,086,919**
Gross carrying value basis as at December 31, 2015		
Cost	**7,181,413**	**7,181,413**
Accumulated amortisation	**(4,869,494)**	**(4,869,494)**
Net Book Value	**2,311,919**	**2,311,919**
Rate of amortization (%)	**33%**	
Net carrying value basis as at December 31, 2014		
Opening net book value	88,803	88,803
Additions during the year	1,757,250	1,757,250
Amortisation for the year	(107,671)	(107,671)
Closing net book value	1,738,382	1,738,382
Gross carrying value basis as at December 31, 2014		
Cost	6,280,707	6,280,707
Accumulated amortisation	(4,542,325)	(4,542,325)
Net Book Value	1,738,382	1,738,382
Rate of amortisation (%)	33%	

*The TRE Certificate acquired on surrender of Stock Exchange Membership Card is stated at Nil value. For details please refer to Note 6.

According to the Stock Exchanges (Corporatisation, Demutualization and Integration) Act 2012, the TRE Certificate may only be transferred once to a company intending to carry out shares brokerage business in the manner to be prescribed. Upto December 31, 2019, a Stock Exchange shall offer for issuance, 15 TRE Certificates each year in the manner prescribed. After 2019, no restriction shall be placed on issuance of TRE Certificates. The Company has marked lien on TRE certificate in favour of the PSEL to fulfil the requirement of Base Minimum Capital.

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6. INVESTMENT IN SHARES OF PAKISTAN STOCK EXCHANGE LIMITED - Available-for-sale

	Note	2015	2014
		------------ (Rupees) ------------	
Investment in shares of Pakistan Stock Exchange Limited	*6.1*	**11,000,000**	11,000,000

6.1 This represents shares of Pakistan Stock Exchange Limited (PSEL) acquired in pursuance of corporatization and demutualization of PSEL as a public company limited by shares. As per the arrangements the authorized and paid-up capital of PSEL is Rs. 10,000,000,000 and Rs. 8,014,766,000 respectively with a par value of Rs. 10 each. The paid-up capital of PSEL is equally distributed among 200 members (termed as "initial shareholders" of the exchange after corporatization) of PSEL by issuance of 4,007,383 shares to each initial shareholder in the following manner:

1. 40% of the total shares allotted (i.e. 1,602,953 shares) are transferred in the House Account - CDC of each initial shareholder;

2. 60% of the total shares (i.e. 2,404,430 shares) have been deposited in a sub-account in Company's name under PSEL's participant ID with CDC which will remain blocked until they are divested to strategic investor(s), general public and financial institutions.

Right to receive distributions and sale proceeds against 60% shares in the blocked account shall vest in the initial shareholder, provided that bonus and right shares (if any) shall be transferred to blocked account and disposed off with the blocked shares.

Right to vote against blocked shares shall be suspended till the time of sale.

The shares of PSEL shall be listed within such time as the SECP may prescribe in consultation with the Board of Directors of PSEL.

The above shares and TRE Certificate were received against surrender of Stock Exchange Membership Card. As the fair value of both the asset transferred and asset obtained can not be determined with reasonable accuracy and the value of TRE Certificate is estimated to be immaterial in view of the conditions described in Note 5, the entire carrying value of Stock Exchange Membership Card in Company's books has been allocated to shares of PSEL. No gain or loss has been recorded on the exchange. The Company has pledged the shares with PSEL to fulfil the requirement of Base Minimum Capital.

7. LONG TERM LOANS

	Note	2015	2014
		------------ (Rupees) ------------	
Secured - considered good			
Employees (other than executives)	*7.1*	**13,000**	39,183
Current portion	*11.*	**(13,000)**	(26,183)
		-	13,000

7.1 This represents interest-free loans provided to employees who have completed at least one year service with the Company. The facility is granted for purchase of motor cycle and is repayable in 60 monthly instalments deducted from the salary. These loans are secured against registration of motor cycle in the Company's name.

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8. LONG TERM DEPOSITS

	Note	2015	2014
		(Rupees)	
Security deposits against rental property		**342,498**	342,498
Pakistan Stock Exchange Limited (PSEL) / National Clearing Company of Pakistan Limited (NCCPL)	*8.1*	**500,000**	400,000
Security deposits against asset acquired under Ijarah agreement / finance lease		**1,721,500**	1,385,100
Other deposits		**102,810**	102,810
		2,666,808	2,230,408

8.1 This represents deposit with PSEL / NCCPL for trading in ready and future market.

9. DEFERRED TAX ASSET - net

	2015	2014
Deferred tax assets arising in respect of		
Provision for doubtful debts	**983,462**	1,147,941
Accelerated tax depreciation allowance	**608,763**	555,375
Provision for impairment in value of investments	**-**	244,448
Excess of accounting book value of lease liabilities over leased assets	**14,205**	11,614
Revaluation of investments at fair value through profit and loss	**(49,603)**	107,303
	1,556,827	2,066,681
Deferred tax liabilities arising in respect of		
Revaluation of available-for-sale investments	**-**	(49,292)
	1,556,827	2,017,389

9.1 Movement in temporary differences during the year

	At January 1, 2014	Recognized in Profit and Loss Account	Recognized in other comprehensive income	At December 31, 2014	Recognized in Profit and Loss Account	Recognized in other comprehensive income	At December 31, 2015
		(Rupees)					
Deferred tax assets arising in respect of:							
Provision for doubtful debts	1,115,143	32,798	-	1,147,941	(164,479)	-	983,462
Accelerated tax depreciation allowance	494,891	60,484	-	555,375	53,388	-	608,763
Provision for impairment in value of investments	237,464	6,984	-	244,448	(244,448)		-
Excess of accounting book value of lease liabilities over leased assets	(479)	12,093	-	11,614	2,591	-	14,205
Revaluation of investments at fair value through profit and loss	53,151	54,152	-	107,303	(156,906)	-	(49,603)
	1,900,170	166,511	-	2,066,681	(509,854)	-	1,556,827
Less: Deferred tax liabilities arising in respect of							
Revaluation of available-for-sale investments	(126,941)	-	77,649	(49,292)	-	49,292	-
Net deferred tax assets	1,773,229	166,511	77,649	2,017,389	(509,854)	49,292	1,556,827

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10. TRADE DEBTS

	Note	2015	2014
		------------ (Rupees) ------------	
Secured - considered good			
Due from clients against trading of securities		52,876,090	55,155,997
Due from associated companies / persons against trading of securities		3,068,002	426,485
		55,944,092	55,582,482
Unsecured - considered good	10.1	5,634,444	6,254,121
Unsecured - considered doubtful		3,278,207	3,279,831
		64,856,743	65,116,434
Provision for doubtful debts		(3,278,207)	(3,279,831)
		61,578,536	61,836,603

10.1 This represents commission receivable from the clients under institutional delivery system (IDS) module.

11. LOANS AND ADVANCES

	Note	2015	2014
Secured - considered good			
Executives	11.1	444,000	298,050
Employees (other than executives)	11.1	601,081	1,033,845
		1,045,081	1,331,895
Current portion of long term loans	7	13,000	26,183
		1,058,081	1,358,078

11.1 This represents interest-free loans to executives and employees whose recovery is made in 12 equal monthly instalments. The facility is secured against retirement benefits of the respective executives and employees.

12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2015	2014
Prepayments		3,131,769	3,113,715
Deposit - Pakistan Stock Exchange Limited (PSEL) / National Clearing Company of Pakistan Limited (NCCPL)	12.1	25,795,656	15,630,909
Unrealized gain on futures contract		6,492,350	-
Receivable from gratuity scheme		-	10,908
Receivable from provident fund scheme		-	109,985
Others		115,633	-
		35,535,408	18,865,517

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

13. ACCRUED INTEREST INCOME

		2015	2014
On term deposit receipts		-	1,956,164
On savings accounts		164,101	697,626
On margin trading		-	26,573
		164,101	2,680,363

14. INVESTMENTS

	Note	2015	2014
Held-to-maturity		-	50,000,000
Available for sale - in shares	14.1	280,596	194,836
Fair value through profit and loss - in shares	14.2	167,271,130	111,017,160
		167,551,726	161,211,996

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14.1 Available-for-sale

14.1.1 Details of investment in listed shares

This represents shares acquired from National Clearing Company of Pakistan Limited (NCCPL), under the CFS MK II square up scheme (the scheme) signed up by the Company with NCCPL, on December 28, 2008. Under the provisions of the scheme, the Company as Financer had purchased 30% of the shares financed under CFS MK II, and the remaining 70% had been received in cash from NCCPL after completion of the squaring up process, as full and final settlement of all amounts receivable to the Company, as Financer, against open CFS II release transaction.

2015	2014	Name of investee	2015		2014
Number of Shares			Cost	Market Value	Market Value
			--------(Rupees)--------		
		INVESTMENT COMPANY			
13,400	13,400	Jahangir Siddiqui & Company Limited	**752,426**	**280,596**	194,836
			752,426	**280,596**	194,836
		Provision for impairment in value of investments	**(698,424)**		
		Unrealized gain on re-measurement of investment	**226,594**		
		Carrying value	**280,596**		

14.2 Fair value through profit and loss

2015	2014	Name of investee	2015		2014
Number of Shares			Cost	Market value	Market value
			--------(Rupees)--------		
		OIL AND GAS			
54,000	46,500	Pakistan State Oil Company Limited	**18,164,961**	**17,591,580**	16,642,815
444,000	-	Oil & Gas Development Co Limited	**51,700,953**	**52,098,960**	-
		CABLE & ELECRICAL GOODS			
1,357,000	-	Pak Elektron Limited	**90,872,115**	**84,866,780**	-
		FERTILIZER			
5,000	-	Engro Fertilizer Limited	**420,000**	**420,650**	-
		FOOD PRODUCERS			
-	95,000	Engro Foods Limited	-	-	10,311,300
		CHEMICALS			
44,000	184,500	Engro Corporation Limited	**12,274,765**	**12,293,160**	84,063,045
			-	**-**	-
			173,432,794	**167,271,130**	111,017,160
		Unrealised loss on re-measurement to fair value	**(6,161,664)**		
KPMG		**Carrying value**	**167,271,130**		

14.2.1 These shares have been sold under futures contracts. The total value of the contract and corresponding unrealized gain is mentioned in note 22 and 23 respectively.

14.3 The company holds 77,826 shares which were purchased by the Company on behalf of the customers. The owners of such shares are untraceable and these shares are unclaimed. 64,834 shares are placed in an account blocked by Central Depository Company of Pakistan Limited (CDC). The matter has already been referred to CDC and on resolution, these shares shall be transferred to the appropriate account accordingly. The details of these shares are disclosed in annexure 1.

15. TAXATION - net

	Note	2015	2014
		(Rupees)	
Opening balance		**6,915,865**	1,134,638
Provision for taxation			
- recognised in profit and loss	*27*	**(4,385,027)**	(3,468,310)
- recognised in other comprehensive income		**606,809**	1,212,277
Advance tax		**11,095,156**	8,758,079
Adjustment against WWF payable		**-**	(720,819)
		14,232,803	6,915,865

16. CASH AND BANK BALANCES

	Note	2015	2014
Savings accounts	*16.1*	**140,595,132**	129,442,471
Current accounts		**6,628,813**	4,629,997
Cash in hand		**6,226**	20,840
		147,230,171	134,093,308

16.1 These carry profit rates ranging between 4.35% to 7.25% per annum (2014: 6% to 8.50% per annum).

16.2 Balances held with associated undertakings in current and savings accounts amount to Rs. 2,325,320 (2014: Rs. 2,952,350) and Rs. 14,196 (2014: Rs. 15,759) respectively.

17. EMPLOYEE BENEFITS

17.1 Gratuity fund

The Company operates an approved funded gratuity scheme for all its permanent employees who have completed the qualifying period of service. Actuarial valuation of the fund was carried out as at December 31, 2014.

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17.1.1 Actuarial assumptions

	2015	2014
	---- (Per cent per annum) ----	
Financial assumptions		
Discount rate	**10.00**	11.25
Expected rate of increase in salaries		
- First year following valuation	**6.00**	8.00
- Second year following valuation	**6.00**	8.00
- Third year following valuation	**6.00**	8.00
- thereafter	**6.00**	8.00
Demographic assumptions		
Mortality Rates (for death in service)	**LIC 94-96, Rated down 3 years for females**	LIC 94-96, Rated down 3 years for females
Rates of employee turnover	**2% per annum upto age 40, Nil thereafter**	2% per annum upto age 40, Nil thereafter

17.1.2 Reconciliation of (receivable) / payable to defined benefit plan

	2015	2014
	------------ (Rupees) ----------	
Present value of defined benefit obligation	**11,914,098**	9,677,976
Fair value of plan assets	**(10,017,819)**	(6,881,757)
Net obligation / (asset)	**1,896,279**	2,796,219

17.1.3 Movement in present value of defined benefit obligation

	2015	2014
Opening net liability	**9,677,976**	7,192,719
Expense for the year	**2,258,278**	1,864,346
Contribution / benefits paid during the year	**(1,401,601)**	(2,534,686)
Other comprehensive income for the year	**1,379,445**	3,155,597
At end of the year	**11,914,098**	9,677,976

17.1.4 Movement in fair value of plan assets

	2015	2014
Fair value of plan assets at beginning of the year	**6,881,757**	8,686,928
Interest income on plan assets	**832,521**	1,131,128
Actual contribution by employer	**4,221,976**	116,356
Actual benefits paid during the year	**(1,401,601)**	(2,534,686)
Other comprehensive income for the year	**(516,834)**	(517,969)
Fair value of plan assets at end of the year	**10,017,819**	6,881,757

17.1.5 Movement in net defined benefit (liability) / asset

	2015	2014
Asset / (liability) at beginning of year	**2,796,219**	(1,494,209)
Net periodic benefit cost / (income) for the year	**1,425,757**	733,218
Employer's contribution during the year	**(4,221,976)**	(116,356)
Remeasurement recognised in other comprehensive income	**1,896,279**	3,673,566
Asset at end of year	**1,896,279**	2,796,219

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17.1.6 Defined benefit cost for the year

	2015	2014
	------------ (Rupees) ----------	
Cost recognised in profit and loss for the year		
Current service cost	1,055,694	796,486
Interest cost on defined benefit obligation	1,202,583	1,067,860
Interest income on plan assets	(832,521)	(1,131,128)
Net interest cost	370,062	(63,268)
Cost recognised in profit and loss account	1,425,756	733,218
Remeasurements recognised in other comprehensive income during the year		
Actuarial loss / (gain) on obligation	1,379,445	(1,699,872)
Return on plan assets over interest income	516,834	658,214
Total remeasurements recognised in other comprehensive income	1,896,279	(1,041,658)
Total defined benefit cost for the year	3,322,035	(308,440)

17.1.7 Remeasurements recognised in other comprehensive income during the year

	2015	2014
Re-measurements: Actuarial gain / (loss) on obligation:		
Loss due to change in financial assumptions	(1,281,321)	(2,216,479)
Loss due to change in experience adjustments	(98,124)	(939,118)
	(1,379,445)	(3,155,597)
Re-measurements: Net return on plan assets over interest income:		
Actual return on plan assets	315,687	613,159
Interest income on plan assets	(832,521)	(1,131,128)
Net return on plan assets over interest income	(516,834)	(517,969)
Net remeasurements recognised in OCI during the year	(1,896,279)	(3,673,566)

17.1.8 Composition of fair value of plan assets

	2015	2014
Cash and cash equivalents	10,017,819	6,881,757

17.1.9 Maturity profile of the defined benefit obligation

	2015	2014
	------------Years------------	
Weighted average duration of the defined benefit obligation	14.80	15.68
Distribution of timing of benefit payments (in years)	-----Percent per annum-----	
1	3.3%	3.4%
2	0.9%	1.1%
3	0.9%	0.9%
4	0.9%	0.9%
5	2.6%	1.0%
6-10	7.3%	6.4%
11-15	45.3%	19.4%
16-20	23.9%	48.6%
20+	14.9%	18.2%

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17.1.10 Sensitivity analysis on significant actuarial assumptions: Actuarial Liability

	2015	2014
	-----Percent per annum-----	
Discount Rate +0.5%	**-6.1%**	-6.3%
Discount Rate -0.5%	**6.6%**	6.8%
Long Term Salary Increases +0.5%	**6.7%**	7.1%
Long Term Salary Increases -0.5%	**-6.3%**	-6.5%
Withdrawal Rates: Light	**-0.5%**	-1.6%
Withdrawal Rates: Heavy	**1.3%**	4.1%

17.2 Provident fund

	December 31, 2015 (Unaudited)	June 30, 2015 (Audited)
	----------- (Rupees) -----------	
Net assets of the fund	**5,960,346**	5,026,752
Cost of investments	**5,410,346**	4,524,123
Cost of investment / net assets of the fund	**90.77%**	90.00%
Fair value of investments	**5,410,346**	4,524,123
Break-up of investments of provident fund		
Cash at Bank	**5,410,346**	4,524,123

Investments out of provident fund have been made in accordance with the provisions of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

18. SHARE CAPITAL

18.1 Authorised Share capital

2015	2014		2015	2014
(Number of shares)			----------- (Rupees) -----------	
40,000,000	40,000,000	Ordinary shares of Rs. 10 each	**400,000,000**	400,000,000

18.2 Issued, subscribed and paid-up capital

13,502,306	13,502,306	Ordinary shares of Rs. 10 each fully paid in cash	**135,023,060**	135,023,060

18.3 Pattern of shareholding of the Company is as follows:

	Number of shares	% holding
National Bank of Pakistan (Holding Company)	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 individual shareholders	2,302	0.02
	13,502,306	100.00

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19. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Period	2015 Minimum Lease Payments	2015 Present Value	2014 Minimum Lease Payments	2014 Present Value
	---------- (Rupees) ----------			
Upto one year	**375,408**	**346,519**	387,744	304,210
One year to three years	**395,252**	**393,677**	786,080	743,824
	770,660	**740,196**	1,173,824	1,048,034
Finance charges allocated to future periods	**(30,464)**	**-**	(125,790)	
Present value of minimum lease payments	**740,196**	**740,196**	1,048,034	1,048,034
Current maturity shown under current liabilities	**-**	**(346,519)**	-	(304,210)
	740,196	**393,677**	1,048,034	743,824

The company has entered into lease agreement with NBP Leasing Limited for leased vehicle. Lease rentals are payable in monthly instalments. Financial charges included in lease rentals are determined on the basis of discount factor applied at the rate of six months KIBOR+3.5% per anum. At the end of the lease term, the ownership of the assets shall be transferred to the company on the settelment of the residual value against lease key money amounting to Rs. 301,400 paid to leasing company.

20. TRADE AND OTHER PAYABLES

	2015	2014
	---------- (Rupees) ----------	
Due to clients against trading of securities	**112,746,934**	82,989,211
Due to National Clearing Company of Pakistan Limited	**15,752,491**	27,925,698
Accrued and other liabilities	**27,721,553**	5,714,274
Unrealized loss on futures contract	**-**	488,616
Payable to Workers' Welfare Fund	**-**	386,674
Payable to gratuity scheme	**1,896,279**	2,796,219
Due to associated companies / persons against trading of securities	**77,108**	76,348
	158,194,365	120,377,040

21. SHORT TERM RUNNING FINANCE FACILITY

Running finance facility of Rs. 240 million (2014: Rs. 240 million) has been obtained by the Company from National Bank of Pakistan (Holding Company) which is secured against hypothecation of amounts due from customers. The mark-up is payable quarterly. During the year, mark-up structure of the facility was on floating rate which is KIBOR plus 3.5% (based on timely payment rebate ranges from .5% to .1%) per annum.

22. CONTINGENCIES AND COMMITMENTS

22.1 Commitments

	2015	2014
	---------- (Rupees) ----------	
For sale of quoted securities under future contracts against counter commitments	**174,984,770**	111,860,125

22.2 IJARAH AGREEMENT

The Company has obtained vehicles under Ijarah agreement from Standard Chartered Modaraba for a period of four years. Financial charges included in rentals are determined on the basis of discount factor applied at the rate of six months KIBOR+3.25% per anum.

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The total Ijarah payments under ijarah are as follows:

	Note	2015	2014
		---------- (Rupees) ----------	
Not later than one year		**1,741,620**	531,204
Later than one year and not later than five years		**3,380,884**	1,063,548
		5,122,504	1,594,752

23. OTHER OPERATING INCOME

	Note	2015	2014
Mark-up income on bank PLS deposits		**3,767,670**	8,809,576
Income on margin trading system		**636,858**	1,077,923
Profit on term deposit receipt		**161,096**	3,720,207
Unrealized gain on investments classified as fair value through profit and loss		**330,686**	182,037
Capital gain on sale of securities		**15,573,116**	10,754,278
Capital gain on sale of units of mutual funds		**1,443,690**	2,217,571
Profit on cash margin with Pakistan Stock Exchange Limited / National Clearing Company of Pakistan Limited		**1,432,776**	1,355,053
Dividend income		**1,482,732**	841,550
Gain on disposal of property and equipment		**25,809**	45,729
Bad debts recovered		**1,624**	-
Reversal of Workers' Welfare Fund	25.1	**386,666**	-
Miscellaneous income		**30,595**	236,919
		25,273,318	29,240,843

24. ADMINISTRATIVE EXPENSES

	Note	2015	2014
Salaries, benefits and allowances		**56,220,158**	51,450,328
Staff retirement benefits	*24.1*	**4,373,159**	3,202,859
Rent		**3,108,780**	3,409,879
Telephone and fax		**2,781,643**	1,814,605
Pakistan Stock Exchange Limited service charges		**5,392,658**	4,764,933
Depreciation	*4*	**4,359,252**	4,442,971
Electricity and utilities		**2,225,880**	1,845,597
Vehicle running expenses		**2,329,219**	3,309,162
Insurance		**1,592,527**	1,631,709
Legal and professional		**1,616,984**	2,009,382
CDC charges		**1,986,237**	1,657,095
Repairs and maintenance		**2,051,325**	1,540,504
Amortisation	*5*	**616,669**	107,671
Printing and stationery		**943,904**	601,809
Entertainment		**1,173,931**	834,572
Postage / courier		**625,863**	615,813
Umrah facility to employees		**639,280**	641,026
Subscriptions		**320,805**	2,910,270
SECP transactions fees		**771,119**	623,026
Office supplies		**910,397**	974,848
Auditor's remuneration	*24.2*	**662,800**	418,000
Ijarah charges		**1,361,809**	442,821
Computer expenses		**161,352**	130,392
Travelling and conveyance		**783,808**	572,855
Professional tax		**220,996**	208,250
Advertising and business promotion		**520,155**	326,930
Library and periodicals		**59,468**	60,819
Seminar and training		**63,000**	56,650
		97,873,178	90,604,776

24.1 This includes charge for defined benefit plan of Rs. 1,425,757 (2014: Rs. 733,218) as referred to in note 17, contribution to staff provident fund amounting to Rs. 2,397,202 (2014: Rs. 1,962,877) and contribution to E.O.B.I. and S.E.S.S.I amounting to Rs. 550,200 (2014: Rs. 506,764).

24.2 Auditor's remuneration		**2015**	2014
		----------- **(Rupees)** -----------	
Annual Audit Fee		**300,000**	300,000
Interim Audit Fee		**150,000**	-
Fee for the review of statement of compliance with the Code of Public Sector Entities		**25,000**	50,000
Fee for reporting on net capital balance		**70,000**	-
Fee for reporting on Clients' Asset Segregation Statement		**50,000**	-
Sindh Sales Tax		**35,700**	29,250
Out-of-pocket expenses		**32,100**	38,750
		662,800	418,000

25. OTHER OPERATING EXPENSES

Unrealized loss on futures contracts		-	488,616
Workers' Welfare Fund	25.1	-	384,491
		-	873,107

25.1 Taurus securities Limited is not an industrial establishment as defined under Sindh Worker's Welfare Fund Act 2014. Therefore WWF is not applicable to the company.

26. FINANCE COST

Mark-up on short term running finance	**313,950**	760,878
Finance lease charges	**72,587**	119,974
Bank charges	**544,912**	287,005
Guarantee commission charges	**75,000**	300,000
	1,006,449	1,467,857

27. TAXATION

Current		**4,385,027**	3,468,310
Deferred	*9.1*	**509,854**	(166,511)
		4,894,881	3,301,799

27.1 Relationship between income tax expense and accounting profit

Profit before taxation	**23,848,788**	19,224,527
Tax at applicable tax rate of 32% (2014: 33%)	**7,631,612**	6,344,094
Tax effect of lower tax rate on capital gain / dividend	**(3,238,206)**	(2,980,085)
Effect of change in rate of tax	**273,420**	-
Others	**228,055**	(62,210)
	4,894,881	3,301,799

27.2 Status of tax assessments

The income tax assessments upto assessment year 2002 - 2007 corresponding to the accounting year June 30, 2007 have been finalized.

The return for the tax years 2007 - 2015 were filed under section 120 of the Income Tax Ordinance, 2001 according to which the return filed is deemed assessment order.

	2015	2014
28. EARNINGS PER SHARE - BASIC AND DILUTED	(Rupees)	
Profit for the year	18,953,907	15,922,728
	(Number of shares)	
Weighted average number of ordinary shares outstanding during the year	13,502,306	13,502,306
	(Rupees)	
Earnings per share - Basic and diluted	1.40	1.18

29. REMUNERATION OF CHIEF EXECUTIVE / DIRECTORS AND EXECUTIVES

	Chief Executive		Chairman / Directors		Executives		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Rupees)							
Managerial remuneration	5,723,800	4,750,000	675,000	550,000	20,589,001	15,998,417	26,987,801	21,298,417
Bonus*	1,400,000	3,661,818	-	-	3,081,820	4,157,121	4,481,820	7,818,939
Other benefits	-	-	552,000	450,000	2,080,729	2,134,224	2,632,729	2,584,224
Retirement benefits	658,008	287,879	-	-	2,346,404	967,418	3,004,412	1,255,297
Commission	-	-	-	-	-	1,609,512	-	1,609,512
	7,781,808	8,699,697	1,227,000	1,000,000	28,097,954	24,866,692	37,106,762	34,566,389
Number of persons	1	1	6	6	14	12	21	19

*This represents bonus for 2015, paid to CEO and other executives.

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

30. TRANSACTIONS WITH RELATED PARTIES

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 period, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2015	2014
Holding Company -		
National Bank of Pakistan	(Rupees)	
Transactions		
Brokerage earned	2,104,212	3,966,559
Running finance obtained	536,000,000	1,035,000,000
Running finance repaid	536,000,000	1,065,000,000
Financial charges on running finance	313,950	760,878
Balances		
Trade debts	312,511	41,132
Associated Companies -		
The Bank of Khyber, First Credit Investment Bank Limited and First National Bank Modaraba, NAFA Funds		
Transactions		
Brokerage earned	2,291,784	3,048,280
Balances		
Trade debts	2,755,491	385,353
Trade payable	77,108	76,348
Chairman / Directors and Chief Executive		
Transactions		
Brokerage earned	260,210	232,628
Balances		
Trade payable	1,553	240,526

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31. FINANCIAL RISK MANAGEMENT

The Management of the Company has an overall responsibility for the establishment and oversight of the Company's risk management framework. Management is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse 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.

32. Risk Management Framework

The Company is exposed to the following risks in respect of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

32.1 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 risk is generally limited to principal amounts and accrued interest thereon, if any. The Company's policy is to enter into financial contracts in accordance with the risk management framework. Out of total assets of Rs. 456 million (2014: Rs. 421 million) the financial assets which are subject to credit risk amounted to Rs. 245 million (2014: Rs. 274 million). The carrying amount of these financial assets represents the maximum credit exposure at the reporting date.

	Note	2015	2014
		(Rupees)	
Long term loans		-	13,000
Long term deposits		**2,666,808**	2,230,408
Trade debts	*32.1.1*	**61,578,536**	61,836,603
Loans and advances		**1,058,081**	1,358,078
Deposits and other receivables		**32,403,639**	15,751,802
Accrued interest income		**164,101**	2,680,363
Investments - term deposit receipts	*32.1.2*	-	50,000,000
Receivable against margin trading		-	5,519,225
Cash and bank balances	*32.1.2*	**147,223,945**	134,072,468
		245,095,110	273,461,947

32.1.1 The ageing analysis of the trade debts is as follows:

2015

	Carrying amount		Provision held	Total	Amount un-secured	Amount secured
	Amount outstanding	Impaired				
	(Rupees)					
Not yet due	22,407,490	-	-	22,407,490	99,578	22,307,912
Upto 3 months	35,475,115	-	-	35,475,115	3,538,184	31,936,931
3 to 6 months	2,360,134	-	-	2,360,134	1,585,835	774,299
More than 6 months	4,614,004	3,278,207	(3,278,207)	1,335,797	410,847	924,950
	64,856,743	3,278,207	(3,278,207)	61,578,536	5,634,444	55,944,092

2014

	Carrying amount		Provision held	Total	Amount un-secured	Amount secured
	Amount outstanding	Impaired				
	(Rupees)					
Not yet due	47,685,443	-	-	47,685,443	6,248,696	41,436,747
Upto 3 months	13,218,232	-	-	13,218,232	-	13,218,232
3 to 6 months	97,148	-	-	97,148	2,049	95,099
More than 6 months	4,115,611	3,279,831	(3,279,831)	835,780	3,376	832,404
	65,116,434	3,279,831	(3,279,831)	61,836,603	6,254,121	55,582,482

32.1.2 The balances with banks are held with banks which are rated A1+ or A1.

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32.2 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:

	2015					
	Carrying Amount	**Contractual cash flows**	**Maturity not later than one month**	**Maturity later than one month and not later than three months**	**Maturity later than three months and not later than one year**	**Maturity later than one year and not later than five years**
	(Rupees)					
Trade and other payables	**158,194,365**	**158,194,365**	**158,194,365**	**-**	**-**	**-**
Liabilities against assets subject to finance lease	**740,196**	**740,196**	**27,750**	**55,805**	**263,164**	**393,677**
	158,934,561	**158,934,561**	**158,222,115**	**55,805**	**263,164**	**393,677**

	2014					
	Carrying Amount	Contractual cash flows	Maturity upto one month	Maturity later than one month and not later than three months	Maturity later than three months and not later than one year	Maturity later than one year and not later than five years
	(Rupees)					
Trade and other payables	119,990,366	119,990,366	119,990,366	-	-	-
Liabilities against assets subject to finance lease	1,048,034	1,048,034	23,800	48,418	231,992	743,824
	121,038,400	121,038,400	120,014,166	48,418	231,992	743,824

32.3 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 optimising 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:

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32.3.1 *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:

	2015						
	Effective yield / interest rate percent	Interest / mark-up bearing				Non interest / mark-up bearing	Total
		Maturity not later than one month	Maturity later than one month and not later than three months	Maturity later than three months and not later than one year	Maturity later than one year and not later than five years		
On Balance Sheet Assets		(Rupees)					
Financial Assets							
Long term loans	-	-	-	-	-	-	-
Long term deposits	-	-	-	-	-	2,666,808	2,666,808
Trade debts	-	-	-	-	-	61,578,536	61,578,536
Loans and advances	-	-	-	-	-	1,058,081	1,058,081
Deposits and other receivables	-	-	-	-	-	32,403,639	32,403,639
Accrued interest income	-	-	-	-	-	164,101	164,101
Investments	-	-	-	-	-	167,551,726	167,551,726
Cash and bank balances	7.25%-4.35%	140,595,132	-	-	-	6,628,813	147,223,945
		140,595,132	-	-	-	272,051,704	412,646,836
Financial Liabilities							
Trade and other payables	-	-	-	-	-	158,194,365	158,194,365
Short term running finance	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	10.21%	-	-	-	393,677	-	393,677
Current portion of liabilities against assets subject to finance lease	10.21%	27,750	55,805	263,164	-	-	346,719
On Balance Sheet Gap		140,567,382	(55,805)	(263,164)	(393,677)	113,857,339	253,712,075
Non financial net assets							43,189,226
Total net assets							296,901,301

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	2014						
	Effective yield / interest rate percent	Interest / mark-up bearing				Non interest / mark-up bearing	Total
		Maturity not later than one month	Maturity later than one month and not later than three months	Maturity later than three months and not later than one year	Maturity later than one year and not later than five years		
On Balance Sheet Assets		(Rupees)					
Financial Assets							
Long term loans	-	-	-	-	-	13,000	13,000
Long term deposits	-	-	-	-	-	2,230,408	2,230,408
Trade debts	-	-	-	-	-	61,836,603	61,836,603
Loans and advances	-	-	-	-	-	1,358,078	1,358,078
Deposits and other receivables	-	-	-	-	-	15,751,802	15,751,802
Accrued interest income	-	-	-	-	-	2,680,363	2,680,363
Investments	8.40%	50,000,000	-	-	-	111,211,996	161,211,996
Receivable against margin trading	13%-15%	-	5,519,225	-	-	-	5,519,225
Cash and bank balances	6%-7.75%	129,442,471	-	-	-	4,629,997	134,072,468
		179,442,471	5,519,225	-	-	199,712,247	384,673,943
Financial Liabilities							
Trade and other payables	-	-	-	-	-	120,377,040	120,377,040
Short term running finance	-	-	-	-	-	-	-
Liabilities against assets subject to finance lease	13.69%	-	-	-	743,824	-	743,824
Current portion of liabilities against assets subject to finance lease	13.69%	23,800	48,418	231,992	-	-	304,210
On Balance Sheet Gap		179,418,671	5,470,807	(231,992)	(743,824)	79,335,207	263,248,869
Non financial net assets							36,106,402
Total net assets							299,355,271

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32.3.2 *Price risk*

Price risk is the risk of unfavourable 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 units of mutual funds. The Company's policy is to manage price risk through selection of blue chip securities.

The Company's investments in quoted equity securities amount to Rs. 167.552 million (2014: Rs 111.212 million) at the balance sheet date. The carrying value of investments subject to equity price risk are, in almost all instances, based on quoted market prices as of the balance sheet 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 available-for-sale 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 and loss are currently not exposed to any price risk since the Company has entered into future sale contract in respect of these securities.

	2015	2014
	(Rupees)	
Effect on profit or loss (impairment loss)	-	-
Effect on other comprehensive income	28,060	19,484
Effect on investments	28,060	19,484

32.3.3 *Currency risk*

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

32.4 Fair value 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. Since investment in Pakistan Stock Exchange Limited (PSEL) is not listed on any stock exchange, a quoted market price is not available and the fair value of such investment can not be determined with reasonable accuracy. The following table shows fair values of financial assets and financial liabilities, including their levels in the fair value heierarchy. It does not include fair value information for investment in PSEL and financial assets and financial liabilities not measured at fair value. These financial assets and financial liabilities, except investment in PSEL, are short term and their fair value approximates their carrying value.

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On balance sheet financial instruments

	Note	31 December 2015									
		Carrying Amount						Fair value			
		Available for Sale	Held for Trading	Held to Maturity	Loans and Receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees)									
Financial assets measured at fair value											
Investments											
Available for sale of listed securities		280,596	-	-	-	-	280,596	280,596	-	-	280,596
Securities held for trading		-	167,271,130	-	-	-	167,271,130	167,271,130	-	-	167,271,130
Unrealized gain on futures		-	6,492,350	-	-	-	6,492,350	6,492,350	-	-	6,492,350
		280,596	173,763,480	-	-	-	174,044,076	174,044,076	-	-	174,044,076
Financial assets not measured at fair value											
Long term loans		-	-	-	-	-	-				
Long term deposits		-	-	-	2,666,808	-	2,666,808				
Loan and advances		-	-	-	1,058,081	-	1,058,081				
Trade debts		-	-	-	61,578,536	-	61,578,536				
Deposits		-	-	-	25,911,289	-	25,911,289				
Other receivable		-	-	-	115,633	-	115,633				
Accrued interest income		-	-	-	164,101	-	164,101				
Cash and bank balances		-	-	-	147,223,945	-	147,223,945				
		-	-	-	238,718,393	-	238,718,393				
Financial liabilities not measured at fair value											
Trade and other payables		-	-	-	-	(158,194,365)	(158,194,365)				
Liabilities against assets subject to finance lease		-	-	-	-	(393,677)	(393,677)				
Current portion of liabilities against assets subject to finance lease		-	-	-	-	(346,519)	(346,519)				
		-	-	-	-	(158,934,561)	(158,934,561)				
		280,596	173,763,480	-	238,718,393	(158,934,561)	253,827,908				

On balance sheet financial instruments

	Note	31 December 2014									
		Carrying Amount						Fair value			
		Available for Sale	Held for Trading	Held to Maturity	Loans and Receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees)									
Financial assets measured at fair value											
Investments											
Available for sale of listed securities		194,836	-	-	-	-	194,836	194,836	-	-	194,836
Securities held for trading		-	111,017,160	-	-	-	111,017,160	111,017,160	-	-	111,017,160
		194,836	111,017,160	-	-	-	111,211,996	111,211,996	-	-	111,211,996
Financial assets not measured at fair value											
Term deposit certificate		-	-	50,000,000	-	-	50,000,000				
Long term loans		-	-	-	13,000	-	13,000				
Long term deposits		-	-	-	2,230,408	-	2,230,408				
Loan and advances		-	-	-	1,358,078	-	1,358,078				
Trade debts		-	-	-	61,836,603	-	61,836,603				
Deposits		-	-	-	15,630,909	-	15,630,909				
Accrued interest income		-	-	-	2,680,363	-	2,680,363				
Cash and bank balances		-	-	-	134,072,468	-	134,072,468				
		-	-	50,000,000	217,821,829	-	267,821,829				
Financial liabilities measured at fair value											
Unrealized loss on futures		-	(488,616)	-	-	-	(488,616)	(488,616)	-	-	(488,616)
Financial liabilities not measured at fair value											
Trade and other payables		-	-	-	-	(158,194,365)	(158,194,365)				
Liabilities against assets subject to finance lease		-	-	-	-	(393,677)	(393,677)				
Current portion of liabilities against assets subject to finance lease		-	-	-	-	(346,519)	(346,519)				
		-	-	-	-	(158,934,561)	(158,934,561)				
		-	-	50,000,000	217,821,829	(158,934,561)	108,887,268				

KPMG

32.5 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 shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

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 minimise risk.

33. NUMBER OF EMPLOYEES

The details of number of employees are as follows:	**2015**	2014
Average number of employees during the year	**65**	55
Number of employees at year end	**65**	55

34. SUBSEQUENT EVENT

The Board of Directors has proposed a cash dividend of Rs. _______ per share (2014: Nil) amounting to Rs. _____ million (2014: Nil) at its meeting held on _________ for approval of the members at the annual general meeting to be held on _________. These financial statements do not reflect this appropriation which will be accounted for in the financial statements for the year ended December 31, 2015.

35. DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on ? 7 MAR 2016 .

CHIEF EXECUTIVE

DIRECTOR

Following are the details of shares held by the company in account no. 21 which is blocked by Central Depository Company of Pakistan Limited (CDC).

Symbol	Security Name	No. of Shares
AGIC	ASKARI GENERAL INSURANCE COMPANY LIMITED	292
AKZO	AKZO NOBEL PAKISTAN LIMITED	14
ATLH	ATLAS HONDA LIMITED	601
BCL	BOLAN CASTINGS LIMITED	174
CFL	CRESCENT FIBRES LIMITED	3,360
DCH	DESCON CHEMICALS LIMITED	1,000
DNCC	DANDOT CEMENT COMPANY LIMITED	1,000
DSFL	DEWAN SALMAN FIBRE LIMITED	2,027
DWSM	DEWAN SUGAR MILLS LIMITED	100
GNGL	ENGLISH LEASING LIMITED - FREEZE	500
FABL	FAYSAL BANK LIMITED	13,018
FANM	FIRST AL-NOOR MODARABA	500
FASM	FAISAL SPINNING MILLS LIMITED	500
FECM	FIRST ELITE CAPITAL MODARABA	10,501
FECS	FECTO SUGAR MILLS LIMITED Revokedw.e.f. 26-12-2014	293
FRSM	FARAN SUGAR MILLS LIMITED	78
FTSM	FIRST TRI-STAR MODARABA	100
HAJT	HAJRA TEXTILE MILLS LIMITED FREEZE	500
HCAR	HONDA ATLAS CARS (PAKISTAN) LIMITED	127
HUBC	THE HUB POWER COMPANY LIMITED	200
HUSI	HUSEIN INDUSTRIES LIMITED FREEZE	130
ICI	ICI PAKISTAN LIMITED	27
IDRT	IDREES TEXTILE MILLS LIMITED	200
JSBL	JS BANK LIMITED	2,792
KTML	KOHINOOR TEXTILE MILLS LIMITED	3,346
LOTCHEM	LOTTE CHEMICAL PAKISTAN LIMITED	42
LUCK	LUCKY CEMENT LIMITED	150
MCB	MCB BANK LIMITED	81
MLCF	MAPLE LEAF CEMENT FACTORY LIMITED	2,801
MSCL	METROPOLITAN STEEL CORPORATION LIMITED FREEZE	2,500
NBP	NATIONAL BANK OP PAKISTAN	71
NCL	NISHAT (CHUNIAN) LIMITED	50
NICL	NIMIR INDUSTRIAL CHEMICALS LIMITED	2,000
NML	NISHAT MILLS LIMITED	834
OGDC	OIL & GAS DEVELOPMENT COMPANYLIMITED	8
OTSU	OTSUKA PAKISTAN LIMITED	110
PAKMI	FIRST PAK MODARABA	51
PIF	PICIC INVESTMENT FUND	1,189
PPL	PAKISTAN PETROLEUM LIMITED	1,436
PSO	PAKISTAN STATE OIL COMPANY LIMITED	55
PTC	PAKISTAN TELECOMMUNICATION COMPANY LTD	900
SCBPL	STANDARD CHARTERED BANK(PAKISTAN) LTD.	37
SCM	STANDARD CHARTERED MODARABA	679
SNBL	SONERI BANK LTD	2,988
SNGP	SUI NORTHERN GAS PIPELINES LIMITED	350
SSGC	SUI SOUTHERN GAS COMPANY LIMITED	117
SSML	SARITOW SPINNING MILLS LIMITED	5,491
TRIBL	TRUST INVESTMENT BANK LIMITED	537
TSMF	TRI-STAR MUTUAL FUND LIMITED	500
ZELP	ZEAL PAK CEMENT FACTORY LIMITED - FREEZE	148
		64,834

Following are the details of shares held by the company in account no. 39 which is blocked by CDC

Symbol	Security Name	No. of Shares
BSML	BAWANY SUGAR MILLS LIMITED	500
IDSML	IDEAL SPINNING MILLS LIMITED	1,000
IIBL	INNOVATIVE INVESTMENT BANK LIMITED	15
NBP	NATIONAL BANK OP PAKISTAN	11,404
SNGP	SUI NORTHERN GAS PIPELINES LIMITED	73
		12,992