



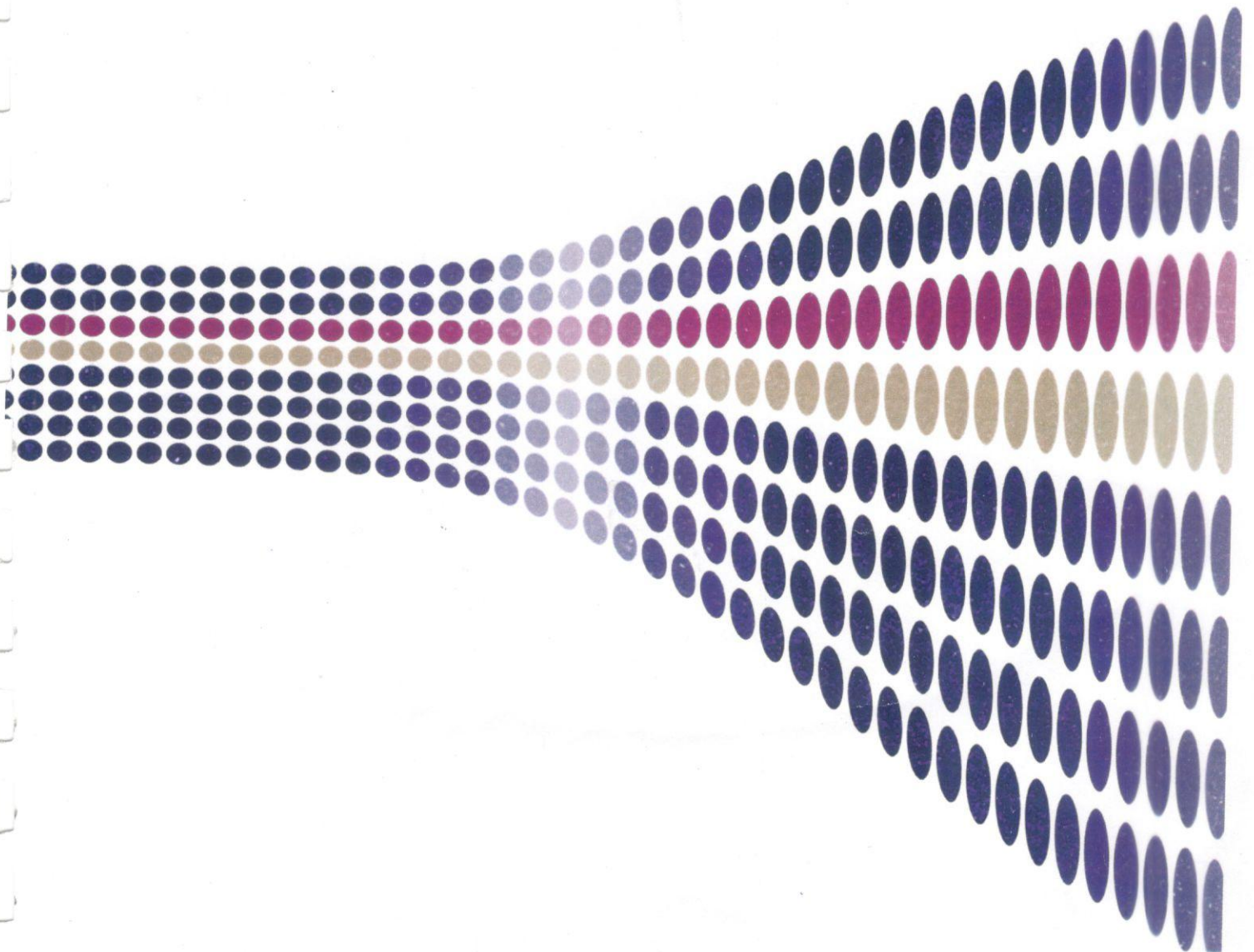
Grant Thornton

An instinct for growth™

Grant Thornton Anjum Rahman
Chartered Accountants

Taurus Securities Limited

For the year ended December 31, 2017



Taurus Securities Limited
Independent Auditors' Report



Grant Thornton

An instinct for growth™

AUDITORS' REPORT TO THE MEMBERS OF TAURUS SECURITIES LIMITED

GRANT THORNTON ANJUM RAHMAN

1st & 3rd Floor,
Modern Motors House
Beaumont Road,
Karachi 75530

T +92 021 3567 2951-56
F +92 021 3568 8834
www.gtpak.com

We have audited the annexed balance sheet of Taurus Securities Limited (the Company) as at December 31, 2017 and the related profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as 'financial statements'), 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 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 accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) as at December 31, 2017, the Company was in compliance with the requirements of section 78 of Securities Act, 2015 and Regulations 23 of the Securities Brokers (Licensing and Operations) Regulations, 2016;
 - (ii) the balance sheet and profit and loss account together with the notes forming part thereof 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;
 - (iii) the expenditure incurred during the year was for the purpose of the Company's business; and

- (iv) 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, statement of cash flows 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, 2017 and of the loss, total comprehensive loss, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Dated : March 30, 2018
Karachi


Grant Thornton Anjum Rahman
Chartered Accountants
Muhammad Shaukat Naseeb
Engagement Partner

Taurus Securities Limited
Financial Statements
for the year ended December 31, 2017

TAURUS SECURITIES LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2017

		December 31, 2017	December 31, 2016
	Note	----- (Rupees) -----	
ASSETS			
Non-current assets			
Property and equipment	4	9,567,506	12,859,307
Intangible assets	5	741,174	1,516,381
Investment in shares of Pakistan Stock Exchange Limited	6	35,906,147	11,000,000
Long term deposits	7	4,539,956	2,888,756
Taxation - net	14	14,551,944	-
Deferred taxation - net	8	-	1,404,960
		65,306,727	29,669,404
Current assets			
Trade debts	9	730,737,329	417,958,711
Loans	10	2,118,418	2,394,407
Deposits and prepayments	11	139,769,675	185,756,937
Other receivables	12	6,814,526	1,243,867
Investments	13	67,641,480	148,576,816
Taxation - net	14	20,451,630	26,545,786
Cash and bank balances	15	218,386,439	357,117,372
		1,185,919,497	1,139,593,896
		1,251,226,224	1,169,263,300
Total assets			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital	17	400,000,000	400,000,000
Issued, subscribed and paid-up share capital	17	135,023,060	135,023,060
Revenue reserves			
Accumulated profits	18	182,154,335	160,045,953
Unrealised gain on re-measurement of available-for-sale investments	18	31,694,015	286,224
		213,848,350	160,332,177
		348,871,410	295,355,237
Total equity			
Current liabilities			
Trade and other payables	19	792,376,706	633,530,828
Short term running finance	20	109,978,108	239,983,644
Current portion of liabilities against assets subject to finance lease		-	393,591
		902,354,814	873,908,063
		902,354,814	873,908,063
		1,251,226,224	1,169,263,300
Total liabilities			
Total equity and liabilities			
Contingencies and commitments			
	21		

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

TAURUS SECURITIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	For the year ended December 31,	
		2017	2016
----- (Rupees) -----			
INCOME			
- from brokerage and commission	22	93,407,168	98,293,866
- from margin trading system		325,392	94,897
- from capital gain on sale of securities and units of mutual funds		13,680,194	11,572,268
- from dividend income		561,034	601,107
		107,973,788	110,562,138
EXPENSES			
Administrative	24	(118,822,338)	(109,925,602)
Operating (loss) / profit		(10,848,550)	636,536
Other income	23	64,719,873	3,632,442
Other expenses	25	-	(308,354)
Finance cost	26	(2,589,939)	(1,774,445)
PROFIT BEFORE TAXATION		51,281,384	2,186,179
Taxation	27	(13,007,831)	(3,034,656)
PROFIT/(LOSS) FOR THE YEAR		38,273,553	(848,477)
Earnings/(loss) per share - basic and diluted	28	2.83	(0.06)

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER




DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

	For the year ended	
	December 31,	
	2017	2016
<i>Note</i>	----- (Rupees) -----	
Profit/(loss) for the year	38,273,553	(848,477)
Other comprehensive income		
Items to be reclassified to profit and loss account in-subsequent periods		
Unrealised gain on remeasurement of available for sale investment	31,407,791	59,630
Items that will never be reclassified to profit and loss account		
Remeasurements of defined benefit liability	16.1.6 (3,804,093)	(1,097,416)
Related current tax charge	1,141,228	340,199
	28,744,926	(697,587)
Total comprehensive income/(loss) for the year	<u>67,018,479</u>	<u>(1,546,064)</u>

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


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	For the year ended	
	December 31,	
Note	2017	2016
	(Re-stated)	
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	51,281,384	2,186,179
Adjustments for:		
Depreciation on property and equipment	4 3,846,004	4,100,347
Amortisation on intangible assets	5 1,037,233	1,029,280
Gain on disposal of property and equipment	23 (20,000)	(44,010)
Ijarah charges	24 2,920,436	1,769,686
Finance cost	26 2,589,939	1,774,445
Mark-up income on bank deposits and cash margin	23 (4,182,902)	(3,443,264)
Mark-up income under margin trading system		-
Defined benefit cost		-
Capital gain on sale of shares of Pakistan Stock Exchange Limited	16.1.5 1,629,971	1,523,632
Capital gain on sale of securities and units of mutual funds	23 (60,281,796)	-
Unrealized (gain) / loss on investments classified as fair value through profit and loss	23 (13,680,194)	(11,572,268)
	23 (156,553)	308,354
	(66,623,254)	(4,553,798)
Net cash used in operating activities before working capital changes	(15,341,870)	(2,367,619)
Decrease / (Increase) in working capital assets:		
Trade debts	(312,778,618)	(356,380,175)
Loan and advances	275,989	(1,336,326)
Deposits and prepayments	3,395,915	(895,446)
Other receivables	(869,892)	(415,672)
Deposit collected / (paid) from National Clearing Company of Pakistan Limited (NCCPL) - net	41,591,347	(155,777,514)
	(268,385,259)	(514,805,133)
	(283,727,129)	(517,172,752)
Increase in working capital liabilities:		
Trade and other payables	156,398,907	496,385,933
Net cash flows (used in) / generated from operations	(127,328,222)	(20,786,819)
Income tax paid	14 (18,919,431)	(14,855,573)
Contribution paid to gratuity fund	16.1.5 (2,727,396)	(3,419,908)
Financial cost paid	(2,849,610)	(1,746,090)
	(24,496,437)	(20,021,571)
Net cash used in operating activities	(151,824,659)	(40,808,390)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments - net of purchases	76,004,489	17,206,989
Mark-up income on balances received	4,521,581	3,444,078
Capital expenditures	4&5 (1,237,672)	(7,744,687)
Proceeds from disposal of property and equipment	4.1 441,443	1,544,783
Net cash generated from investing activities	79,729,841	14,451,163
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(93,651)	(374,960)
Ijarah rentals paid	(3,873,036)	(2,148,186)
Dividend paid	(13,500,872)	(20,250,610)
Net cash used in financing activities	(17,467,559)	(22,773,756)
Net increase in cash and cash equivalents	(89,562,377)	(49,130,983)
Cash and cash equivalents at beginning of the year	265,370,318	314,501,301
Cash and cash equivalents at end of the year	175,807,941	265,370,318
Cash and cash equivalents comprise		
Cash and bank balances	15 218,386,439	357,117,372
Investments classified as fair value through profit and loss	13.2 67,399,610	148,236,590
Short term running finance	20 (109,978,108)	(239,983,644)
	175,807,941	265,370,318

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


CHIEF FINANCIAL OFFICER

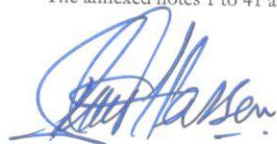

CHIEF EXECUTIVE OFFICER


DIRECTOR

TAURUS SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Issued, subscribed and paid-up share capital	Revenue reserves		Total equity
		Accumulated profits	Unrealised gain on re-measurement of available-for- sale investments	
(Rupees)				
Balance as at January 01, 2016	135,023,060	161,651,647	226,594	296,901,301
Total comprehensive income for the year				
Loss for the year ended December 31, 2016	-	(848,477)	-	(848,477)
Other comprehensive (loss)/income	-	(757,217)	59,630	(697,587)
	-	(1,605,694)	59,630	(1,546,064)
Balance as at December 31, 2016	135,023,060	160,045,953	286,224	295,355,237
Total comprehensive income for the year				
Profit for the year ended December 31, 2017	-	38,273,553	-	38,273,553
Other comprehensive (loss)/income	-	(2,662,865)	31,407,791	28,744,926
	-	35,610,688	31,407,791	67,018,479
Transactions with owners, recorded directly in equity				
Interim cash dividend paid @ Rs. 1.00 per share (10%)	-	(13,502,306)	-	(13,502,306)
Balance as at December 31, 2017	135,023,060	182,154,335	31,694,015	348,871,410

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


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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% (2016: 58.32%) of the shareholding of the Company. The Company is engaged in the business of stock brokerage, investment counseling and fund placements. The Company holds a Trading Rights Entitlement Certificate (TREC) from Pakistan Stock Exchange Limited (PSEL).

2. BASIS OF PREPARATION

2.1 Statement of compliance

The Companies Ordinance, 1984 was repealed by enactment of the Companies Act, 2017 (the Act) on May 30, 2017. However, as allowed by Securities & Exchange Commission of Pakistan (the Commission) vide its Circular No. 17 of 2017 dated July 20, 2017, companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. In continuation to the above mentioned Circular, the Commission in view of the difficulties faced by the companies to comply with the provisions of the Act has advised vide Circular No. 23/2017 dated October 04, 2017 that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

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 thereunder 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 as modified by the recognition of certain investments at fair value commitments in respect of derivative financial instruments and liabilities in respect of defined benefit obligations at present value.

2.2.1 Standards, amendments and interpretations to the published standards that are relevant to the Company and adopted in the current year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

Amendments

	Effective date (Annual periods beginning on or after)
IAS 7 - Disclosure Initiative (Amendments to IAS 7)	January 1, 2017
IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)	January 1, 2017
IFRS 12 - Annual Improvements to IFRS 2014-2016	January 1, 2017

Adoption of the above revisions, amendments and interpretations of the standards have no significant effect on the amounts for the year ended December 31, 2016 and 2017.

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

2.2.2 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard, Amendment and Interpretation	Effective date (Annual periods beginning on or after)
IFRS 15 - Revenue from Contracts with Customers	July 1, 2018
IFRS 9 - Financial Instruments	July 1, 2018
IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Postponed
IFRS 2 - Classification and Measurement of Share-based Payment Transaction (Amendments to IFRS 2)	January 1, 2018
IFRS 1 and IAS 28 - Annual Improvements to IFRSs 2014-2016	January 1, 2018
IAS 40 -Transfers of Investment Property (Amendments to IAS 40)	January 1, 2018
IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	January 1, 2019
Annual Improvements to IFRSs 2015 - 2017 Cycle	January 1, 2019
IFRS 9 - Prepayment Features with Negative Compensation (Amendments to IFRS 9)	January 1, 2019
IFRIC 23 - Uncertainty over Income Tax Treatments	January 1, 2019

The Company is in the process of assessing the impact of these standards, amendments and interpretations to the published standards on the financial statements of the Company.

2.2.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 14 - Regulatory Deferral Accounts	January 1, 2016
IFRS 16 - Leases	January 1, 2019
IFRS 17 - Insurance Contracts	January 1, 2021

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

2.3 Critical accounting estimates and judgments

The Company's significant accounting policies are stated in *note 3*. Not all of the significant policies require the management to make different, subjective or complex judgement or estimates.

Uncertainty of the policies relating to property and equipment (*note 3.1*), classification and valuation of investments and impairment there against, if any (*note 3.6 & note 3.7*), employee benefit scheme (*note 3.15*), provision for doubtful debts (*note 3.5*) and taxation (*note 3.4*) considered by the management critical because of their complexity, judgement and estimation involved in their application and their impact on the financial statements.

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 on-going 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.

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.

3.1 Property and equipment

Owned assets

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

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

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

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.

3.2 Intangible assets

Intangible assets, which are stated at cost less accumulated amortization and any impairment loss, mainly represent computer software and website development.

Computer software and website development cost 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

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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. Carrying amount of intangibles with infinite useful life are reviewed for impairment annually.

An intangible is recognized if and only if it is probable that expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of asset can be measured reliably.

3.3 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.

3.4 Taxation

Current and deferred tax is charged/reversed to the profit and loss account, 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 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.

3.5 Trade debts

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.

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

3.6 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. These are classified and measured as follows:

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Trade date

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

Investments at fair value through profit or loss

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

3.7 Impairment

Impairment of financial assets

Equity securities - measured at otherwise through profit and loss account

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 expected 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.

Impairment of 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.

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

3.8 Derivative financial instruments

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

3.9 Securities under repurchase / reverse repurchase agreements

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

Repurchase agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be 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.

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.

3.10 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 short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.11 Revenue recognition

Revenue is recognized to the extent that it is probable that any future economic benefit associated with the item of revenue will flow to the company, and the amount of revenue can be measured with reliability.

Revenue is recognized on the following basis:

- Brokerage and other income is accrued as and when such services are provided.
- Gain or loss on disposal of securities is taken to profit and loss account in the year 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, commitments and contingencies

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.

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

3.13 Fiduciary assets

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

3.14 Trade and other payables

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

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

3.15 Staff retirement benefits

Gratuity fund

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. While interest income and interest expense are recognised immediately in the profit and loss account.

Provident fund

Monthly contributions by the Company are expensed and recognized as payable in the balance sheet.

3.16 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.

3.17 Related party transactions

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

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

3.18 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 asset is 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 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 profit and loss account currently.

3.19 Fair value measurement

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

The Company measures the fair value using valuation techniques that 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.

3.20 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.

3.21 Operating segments

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

3.22 Reserves

Revenue Reserve

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

3.23 Dividend and appropriation to reserves

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

3.24 Presentation and functional currency

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

3.25 General

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

TAURUS SECURITIES LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

4 PROPERTY AND EQUIPMENT	2017							Total
	OWNED					Subtotal	LEASED	
	Vehicles	*Building	Furniture and fixtures	Office equipment	Computer equipment		Vehicles	
(Rupees)								
Cost								
As at January 01, 2017	8,547,403	1,591,000	5,271,016	6,926,624	12,818,075	35,154,118	1,507,000	36,661,118
Additions	203,800	-	202,345	202,681	366,820	975,646	-	975,646
Transfer in/(Transfer out)	1,507,000	-	-	-	-	1,507,000	(1,507,000)	-
Disposals	(3,230,920)	-	-	-	(390,337)	(3,621,257)	-	(3,621,257)
As at December 31, 2017	7,027,283	1,591,000	5,473,361	7,129,305	12,794,558	34,015,507	-	34,015,507
Accumulated depreciation								
As at January 01, 2017	(2,436,408)	(557,286)	(4,449,216)	(5,122,167)	(10,140,959)	(22,706,036)	(1,095,775)	(23,801,811)
Depreciation for the year	(1,441,692)	(79,550)	(155,552)	(626,445)	(1,432,114)	(3,735,353)	(110,651)	(3,846,004)
Disposals	2,809,477	-	-	-	390,337	3,199,814	-	3,199,814
Transfer in/(Transfer out)	(1,206,426)	-	-	-	-	(1,206,426)	1,206,426	-
As at December 31, 2017	(2,275,049)	(636,836)	(4,604,768)	(5,748,612)	(11,182,736)	(24,448,001)	-	(24,448,001)
Net Book Value	4,752,234	954,164	868,593	1,380,693	1,611,822	9,567,506	-	9,567,506
Rate of depreciation (%)	20	5	10	20	33		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.

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2016							Total
	OWNED					Sub total	LEASED	
	Vehicles	*Building	Furniture and fixtures	Office equipment	Computer equipment		Vehicles	
	(Rupees)							
Cost								
As at January 1, 2016	12,205,652	1,591,000	4,884,158	6,264,883	11,380,509	36,326,202	1,507,000	37,833,202
Additions	4,779,629	-	442,343	706,907	1,582,066	7,510,945	-	7,510,945
Disposals	(8,437,878)	-	(55,485)	(45,166)	(144,500)	(8,683,029)	-	(8,683,029)
As at December 31, 2016	8,547,403	1,591,000	5,271,016	6,926,624	12,818,075	35,154,118	1,507,000	36,661,118
Accumulated depreciation								
As at January 1, 2016	(7,476,914)	(477,518)	(4,352,744)	(4,606,159)	(9,176,836)	(26,090,171)	(793,549)	(26,883,720)
Depreciation for the year	(1,896,599)	(79,768)	(151,957)	(561,174)	(1,108,623)	(3,798,121)	(302,226)	(4,100,347)
Disposals	6,937,105	-	55,485	45,166	144,500	7,182,256	-	7,182,256
As at December 31, 2016	(2,436,408)	(557,286)	(4,449,216)	(5,122,167)	(10,140,959)	(22,706,036)	(1,095,775)	(23,801,811)
<i>Net Book Value</i>	<u>6,110,995</u>	<u>1,033,714</u>	<u>821,800</u>	<u>1,804,457</u>	<u>2,677,116</u>	<u>12,448,082</u>	<u>411,225</u>	<u>12,859,307</u>
Rate of depreciation (%)	20	5	10	20	33		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.

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

4.1 Detail of disposal of property and equipment:

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyer	Mode of disposal
----- (Rupees) -----						
Vehicles						
Honda City	1,522,770	1,219,051	303,719	303,719	Aftab Alam	Company's policy
Toyota Corolla	1,644,650	1,576,160	68,490	68,490	M. Awais	Company's policy
Honda CD-70	63,500	14,266	49,234	49,234	K.M.Nasir	Company's policy
Computer Equipments						
(numerous items)	390,337	390,337	-	20,000	Mr.Irshad	Negotiation
	3,621,257	3,199,814	421,443	441,443		

5 INTANGIBLE ASSETS

5.1 Computer softwares

Rupees

Cost

As at January 01, 2017

7,415,155

Additions

262,026

As at December 31, 2017

7,677,181

Accumulated depreciation

As at January 01, 2017

(5,898,774)

Amortisation for the year

(1,037,233)

As at December 31, 2017

(6,936,007)

Net Book Value

741,174

Rate of amortization (%)

33%

Cost

As at January 01, 2016

7,181,413

Additions

233,742

As at December 31, 2016

7,415,155

Accumulated depreciation

As at January 01, 2016

(4,869,494)

Amortisation for the year

(1,029,280)

As at December 31, 2016

(5,898,774)

Net Book Value

1,516,381

Rate of amortization (%)

33%

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

	As at December 31,	
	2017	2016
<i>Note</i>	----- (Rupees) -----	
6 INVESTMENT IN SHARES OF PAKISTAN STOCK EXCHANGE LIMITED - Available-for-sale		
Historical cost	11,000,000	11,000,000
Sold 60% quantity of the total	(6,600,000)	-
	4,400,000	11,000,000
Unrealised gain on re-measurement to fair value	31,506,147	-
Investment in shares of Pakistan Stock Exchange Limited	6.1 35,906,147	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 share 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 frozen till June 30, 2018.
- 2 60% of the total shares (i.e. 2,404,430 shares) have been sold out which were deposited in a sub-account in Company's name under PSEL's participant ID with CDC which was blocked.
 - (a) 40% (out of 60%) shares of PSX have been sold to the Chinese consortium as strategic investor, at the rate of Rs.28/- by the PSX's Divestment Committee. 10% of sale proceeds held in Escrow Account as Retention Money will be received after one year, subject to reduction, if any, regulations.
 - (b) 20% (out of 60%) share of PSX have been sold to the general public at the rate of Rs.28/- through the process initial public offering by the PSX's Divestment Committee.

The Company has remeasured its remaining investment in PSX using rate at the closing of December 31, 2017.

	As at December 31,	
	2017	2016
<i>Note</i>	----- (Rupees) -----	
7 LONG TERM DEPOSITS		
Security deposits against rental property	342,498	342,498
National Clearing Company of Pakistan Limited (NCCPL)	7.1 1,300,000	300,000
Security deposits -		
- against asset acquired under ijarah agreement	2,751,200	1,798,600
- against asset acquired under finance lease	-	301,400
Other deposits	146,258	146,258
	4,539,956	2,888,756

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

TAURUS SECURITIES LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

		As at December 31,	
		2017	2016
		----- (Rupees) -----	
8	DEFERRED TAXATION - NET		
	Deferred tax arising in respect of:		
	<i>Deductible / (taxable) temporary differences in respect of:</i>		
	Provision for doubtful debts	-	1,016,244
	Accelerated tax depreciation allowance	-	355,639
	Revaluation of investments at fair value through profit and loss	-	38,544
	Excess of accounting book value of lease liabilities over leased assets	-	(5,467)
	<i>8.1</i>	-	1,404,960

8.1 Under the Finance Act 2017, the brokerage income of the Company is now taxable under final tax regime as per amended section 233A of Income Tax Ordinance, 2001. Therefore, provision for doubtful debts and tax depreciation can no longer be adjusted against future taxable income and therefore the underlying deferred tax asset has been derecognized. The Company's investment in available for sale securities is taxable under section 37A of Income Tax Ordinance 2001, at the rate of 0%.

The unused tax depreciation and amortisation amounting to Rs. 2,081,923 and tax paid under minimum tax regime amounting to Rs. 982,939, would be claimable against future taxable income, if any, provided that the brokerage income of the Company is taxable under normal tax regime.

8.2 Movement in temporary differences during the year

	At January 01, 2016	Recognized in profit and loss account	At December 31, 2016	Recognized in profit and loss account	At December 31, 2017
	----- (Rupees) -----				
Deferred tax asset/(liability) arising in respect of deductible/(taxable) temporary differences for:					
Provision for doubtful debts	983,462	32,782	1,016,244	(1,016,244)	-
Accelerated tax depreciation allowance	608,763	(253,124)	355,639	(355,639)	-
Revaluation of investments at fair value through profit and loss	(49,603)	88,147	38,544	(38,544)	-
Provision for impairment in value of investments	-	-	-	-	-
Excess of accounting book value of lease liabilities over leased assets	14,205	(19,672)	(5,467)	5,467	-
	1,556,827	(151,867)	1,404,960	(1,404,960)	-

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

	As at December 31,	
	2017	2016
	(Rupees)	
9 TRADE DEBTS		
<i>Secured, considered good</i>		
Due from clients against trading of securities	7,489,414	22,859,142
Due from associated companies / persons against trading	1,023,175	2,366,113
	8,512,589	25,225,255
<i>Unsecured, considered good</i>		
<i>Unsecured, considered doubtful</i>		
	84,681,241	77,844,878
	3,278,207	3,278,207
9.1	87,959,448	81,123,085
9.4	96,472,037	106,348,340
<i>Secured, considered good</i>		
Due from National Clearing Company of Pakistan Limited		
-against trading	636,427,963	314,888,578
-against margin trading	1,115,536	-
	637,543,499	314,888,578
Trade debts - gross	734,015,536	421,236,918
Provision for doubtful debts	(3,278,207)	(3,278,207)
Trade debts - net	730,737,329	417,958,711

9.1 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. Further, subsequent to the year-end, the Company has collected significant portion of the amount presented as un-secured.

9.2 The Company holds securities having value of Rs. 743,321,677 (2016: Rs. 3,690,881,258) in its sub-accounts for its clients within the Central Depository System of the Central Depository Company of Pakistan Limited. Securities beneficially held by the Company's clients pledged with the Pakistan Stock Exchange Limited is Nil (2016: Rs. 18,549,180)

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

	As at December 31,	
	2017	2016
	(Rupees)	
<i>Note</i>		
Due from clients against unsettled trades	-	58,857,451
Due from NCCPL against unsettled trades	636,427,963	314,888,578
Due from clients against trades of last 5 days	85,252,802	26,531,384
	721,680,765	400,277,413
Due from clients, outstanding for more than 5 days:		
-against trading	11,219,235	20,959,505
-against margin trading	1,115,536	-
Trade debts - gross	734,015,536	421,236,918

9.3.1 This comprises of secured receivables of Rs. 3,448,684 (2016: Rs. 6,267,284) and unsecured receivables of Rs. 8,886,087 (2016: Rs. 14,692,221). This also includes receivable under margin trading system.

9.4 Gross receivable under settlement date basis is Rs. 97,587,573 (2016: Rs. 106,348,340), whereas gross receivable under trade date basis is Rs. 734,015,536 (2016: Rs. 421,236,918). 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 collateral solds and securities held by its clients.

9.5 This includes unsettled receivable amounting to Rs. 152,795,417 (2016: Rs. 158,780,130) in respect of propriety trading.

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

9.6	Gross amount of receivables overdue by more than 14 days amounts to Rs. 10,277,106 (2016: Rs. 17,583,325). The Company holds securities having value of Rs. 1,728,730 (2016: Rs. 3,580,141) against these receivables.			
			As at December 31,	
			2017	2016
			----- (Rupees) -----	
10	LOANS			
	Secured - considered good			
	Executives		1,455,500	1,543,915
	Employees (other than executives)		662,918	850,492
			2,118,418	2,394,407
10.1	This represents interest-free loans to executives and employees whose recovery is made in 12 equal monthly installments. The facility is secured against retirement benefits of the respective executives and employees.			
			As at December 31,	
			2017	2016
			----- (Rupees) -----	
11	DEPOSITS AND PREPAYMENTS			
	Prepayments	<i>Note</i>		
	Deposit - Pakistan Stock Exchange Limited	11.1	4,078,464	3,983,767
	Deposit - National Clearing Company of Pakistan Limited- (NCCPL)	11.2	2,491,211	5,981,823
			133,200,000	175,791,347
			139,769,675	185,756,937
11.1	This includes advance against office rent, prepaid insurance and prepaid against repairs and maintenance amounting to Rs. 2,125,371, Rs. 956,419 and Rs. 658,320 respectively.			
11.2	This represents deposits maintained with NCCPL in respect of future, ready and margin trading transactions.			
			As at December 31,	
			2017	2016
			----- (Rupees) -----	
12	OTHER RECEIVABLES			
	Accrued interest income on savings accounts	<i>Note</i>	150,000	163,287
	Unrealized gain on futures contract		775,060	549,275
	Other receivables		1,401,197	531,305
	Receivable from Pakistan Stock Exchange against sale of shares	12.1	4,488,269	-
			6,814,526	1,243,867
12.1	During the year 40% shares of PSX have been sold to the Chinese consortium as strategic investor, 10% of the sale proceeds are held in Escrow Account and will be received after one year, subject to reduction on account of expenses incurred by Pakistan Stock Exchange on the proceedings of disposal, if any, to be determined by PSX.			
13	INVESTMENTS			
	Available for sale - in shares	<i>Note</i>		
	Fair value through profit and loss - in shares	13.1	241,870	340,226
		13.2	67,399,610	148,236,590
			67,641,480	148,576,816

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

13.1 Available-for-sale

13.1.1 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.

2017	2016	Name of investee	2017		2016
			Cost	Market Value	Market Value
INVESTMENT COMPANY					
13,400	13,400	Jahangir Siddiqui & Company Limited	752,426	241,870	340,226
			752,426	<u>241,870</u>	<u>340,226</u>
		Provision for impairment in value of investments	(698,424)		
		Unrealized gain on re-measurement of investment		<u>187,868</u>	
		Carrying value		<u>241,870</u>	

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

13.2 Fair value through profit and loss

2017	2016	Name of investee	2017		2016
			Cost	Market value	Market value
Number of shares			------(Rupees)-----		
OIL AND GAS					
-	3,000	Pakistan State Oil Company Limited	-	-	1,302,630
REFINERY					
22,000	-	Attock Refinery Limited	5,113,712	5,150,640	-
CABLE & ELECTRICAL GOODS					
1,000	185,000	Pak Elektron Limited	49,955	47,490	13,186,800
FERTILIZER					
-	117,000	Engro Fertilizer Limited	-	-	7,953,660
TECHNOLOGY & COMMUNICATION					
2,056,000	2,779,000	TRG Pakistan Limited	61,474,072	60,857,600	122,998,540
CEMENT					
10,000	62,000	Fauji Cement Company Limited	249,025	250,100	2,794,960
15,500	-	Maple Leaf Cement Factory Limited	1,097,990	1,060,820	-
BANK					
4,000	-	Bank of Punjab	33,363	32,960	-
			68,018,117	67,399,610	148,236,590
Unrealised loss on re-measurement to fair value			(618,507)		
Carrying value			67,399,610		

13.2.1 These shares have been sold under futures contracts. The total value of the contract amounting to Rs. 68,516,215 (2016: Rs. 150,110,505), corresponding unrealized gain amounting to Rs. 156,553 (2016: Nil) and unrealized loss Rs. Nil (2016: Rs. 308,354) as mentioned in note 23 and 25 respectively.

13.2.2 Securities beneficially held by the Company, amounting to Rs. 67,299,570 (2016: Rs. 176,716,986) are pledged with the Pakistan Stock Exchange Limited.

13.2.3 The Company holds 79,388 (2016: 78,036) shares which were purchased by the Company on behalf of the customers. The owners of such shares are untraceable and these shares are unclaimed. 66,396 (2016: 65,044) 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 'I'.

13.2.4 Investment eligible for Net Capital Balance amounts to Rs. 67,641,480 (2016: Rs. 148,576,816) as reduced by haircut amounting to Rs. 10,146,222 (2016: Rs. 22,286,522).

	As at December 31,	
	2017	2016
Note	------(Rupees)-----	
14 TAXATION - net		
Opening balance	26,545,786	14,232,803
Provision for taxation		
- recognised in profit and loss account	(11,602,871)	(2,882,789)
- recognised in other comprehensive income	1,141,228	340,199
Tax paid during the year	18,919,431	14,855,573
Closing balance - total	35,003,574	26,545,786
Less: available for adjustment in short term	-	(26,545,786)
Less: applied for refund	(20,451,630)	-
Closing balance - non-current portion	14,551,944	-

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

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

		As at December 31,	
		2017	2016
		----- (Rupees) -----	
15	CASH AND BANK BALANCES		
	Saving accounts	216,261,469	353,391,965
	Current accounts	2,097,760	3,708,429
	Bank balances	218,359,229	357,100,394
	Cash in hand	27,210	16,978
		218,386,439	357,117,372
15.1	Saving accounts carry profit rate 4.10 % per annum (2016: 4.10% to 7.5% per annum).		
15.2	Saving accounts include Rs. 212,289,907 (2016: 258,008,616) pertaining to the clients of the Company for which the Company has maintained separate accounts with various schedule banks.		
15.3	Balances held with associated undertakings in current and savings accounts amount to Rs. 1,418,237 (2016: Rs. 1,643,056) and Rs. 13,481,901 (2016: Rs. 12,848), respectively.		
16	EMPLOYEE BENEFITS		
16.1	Gratuity fund		
	The Company operates an approved gratuity fund 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, 2017.		
16.1.1	Actuarial assumptions	As at December 31,	
		2017	2016
	Financial assumptions		
	Discount rate	9.5%	9.5%
	Expected rate of increase in salaries	6%	6%
	Demographic assumptions		
	Mortality rates (for death in service)	LIC 94-96, Rated down 3 years for females	LIC 94-96, Rated down 3 years for females
	Rates of employee turnover	2% per annum upto age 40, Nil thereafter	2% per annum upto age 40, Nil thereafter
16.1.2	Reconciliation of (receivable) / payable to defined benefit plan	As at December 31,	
		2017	2016
		----- (Rupees) -----	
	Present value of defined benefit obligation	16,976,111	14,459,883
	Fair value of plan assets	(13,172,024)	(13,362,464)
	Net obligation	3,804,087	1,097,419
16.1.3	Movement in present value of defined benefit obligation		
	Opening obligation	14,459,883	11,914,098
	Expense for the year	2,967,775	2,588,403
	Benefits paid during the year	(3,321,866)	(409,660)
	Actuarial loss on remeasurement of defined benefit obligation	2,870,319	367,042
	Closing obligation	16,976,111	14,459,883

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

		As at December 31,	
		2017	2016
		----- (Rupees) -----	
16.1.4	Movement in fair value of plan assets		
	Fair value of plan assets at beginning of the year	13,362,464	10,017,819
	Expected return on plan assets	1,337,804	1,064,771
	Actual contribution by employer	2,727,396	3,419,908
	Actual benefits paid during the year	(3,321,866)	(409,660)
	Actuarial loss	(933,774)	(730,374)
	Fair value of plan assets at end of the year	<u>13,172,024</u>	<u>13,362,464</u>
16.1.5	Movement in net defined benefit liability		
	Net liability at beginning of year	1,097,419	1,896,279
	Net periodic benefit cost for the year	1,629,971	1,523,632
	Employer's contribution during the year	(2,727,396)	(3,419,908)
	Remeasurement recognised in other comprehensive income	3,804,093	1,097,416
	Net liability at end of year	<u>3,804,087</u>	<u>1,097,419</u>
16.1.6	Defined benefit cost for the year		
	<i>Cost recognised in profit and loss account for the year:</i>		
	Current service cost	1,457,908	1,272,916
	Interest cost on defined benefit obligation	1,509,867	1,315,487
	Interest income on plan assets	(1,337,804)	(1,064,771)
	Net interest cost	172,063	250,716
		<u>1,629,971</u>	<u>1,523,632</u>
	<i>Remeasurements recognised in other comprehensive income during the year:</i>		
	Re-measurements: Actuarial loss on obligation:		
	Loss due to change in financial assumptions	-	847,675
	Gain/(loss) due to change in experience adjustments	2,870,319	(480,633)
	Actuarial loss on obligation	2,870,319	367,042
	Re-measurements: Net return on plan assets over interest income:		
	Actual return on plan assets	(404,030)	(334,397)
	Interest income on plan assets	1,337,804	1,064,771
	Actuarial loss on plan assets	933,774	730,374
		<u>3,804,093</u>	<u>1,097,416</u>
	Total defined benefit cost for the year	<u>5,434,064</u>	<u>2,621,048</u>
16.1.7	Composition of fair value of plan assets		
	Cash and cash equivalents	<u>13,172,024</u>	<u>13,362,464</u>
16.1.8	Maturity profile of the defined benefit obligation	2017	2016
		-----Years-----	
	Weighted average duration of the defined benefit obligation	13.06	14.26
	Distribution of timing of benefit payments (in years)	-----Percent per annum-----	
	1	2.6%	2.8%
	2	0.7%	0.8%
	3	4.1%	0.8%
	4	0.7%	2.9%
	5	0.7%	0.7%
	6-10	11.3%	13.3%
	11-15	48.9%	49.7%
	16-20	26.2%	18.2%
	20+	4.9%	10.8%

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

		As at December 31,	
		2017	2016
		(Unaudited)	(Audited)
		----- (Rupees) -----	
16.2	Provident fund		
	Net assets of the fund	8,067,772	6,810,699
	Cost of investments	7,968,670	6,256,006
	Cost of investment / net assets of the fund	98.77%	91.86%
	Fair value of investments	7,968,670	6,256,006
	Break-up of investments of provident fund		
	Cash at Bank	7,968,670	6,256,006
	Investments out of provident fund have been made in accordance with the provisions of the section 218 of Companies Act, 2017 and the rules formulated for this purpose.		
16.2.1	Number of members		
	The number of members of the fund as at December 31, 2017 are 62 (2016: 53).		
17	SHARE CAPITAL		
17.1	Authorised share capital		
		As at December 31	As at December 31
		2017	2016
		----- (Rupees) -----	
		40,000,000	40,000,000
	Ordinary shares of Rs. 10 each		
17.2	Issued, subscribed and paid-up share capital		
		As at December 31	As at December 31
		2017	2016
		----- (Rupees) -----	
		13,502,306	13,502,306
	Ordinary shares of Rs. 10 each fully paid in cash		
		135,023,060	135,023,060
17.3	Pattern of shareholding of the Company is as follows:		
		As at December 31, 2017	
		Number of shares	Percentage of 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 shareholders	2,302	0.02
		13,502,306	100.00
18	RESERVES		
	Revenue reserves		
	Accumulated profits	182,154,335	160,045,953
	Unrealised gain on re-measurement of available-for-sale investments	31,694,015	286,224
		213,848,350	160,332,177

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

		As at December 31,	
		2017	2016
		----- (Rupees) -----	
19	TRADE AND OTHER PAYABLES	<i>Note</i>	
	(also refer note 38)		
	Trade creditors		
	Due to clients against trading of securities	208,200,160	253,274,258
	Due to associated companies/persons against trading of securities	314,534	106,924
	Due to clients against unsettled trades	564,408,165	363,113,179
	Amounts allocated subsequent to balance sheet date:		
	- Receipts from clients	3,610,369	2,277,868
	- Mark-up payable to clients	164,844	-
		776,698,072	618,772,229
	Accrued and other liabilities	8,579,566	9,899,535
	Payable under gratuity scheme	3,804,088	1,097,419
	Salaries, benefits and allowances payable	2,572,944	2,242,815
	Income and sales taxes payable	498,925	1,036,022
	Accrued markup	213,108	474,239
	Dividend payable	10,003	8,569
		792,376,706	633,530,828

19.1 The above balance of Rs. 776,698,072 (2016: Rs. 618,772,229) has been reported under trade date basis while the balance under settlement date basis amounts to Rs. 208,514,694 (2016: Rs. 253,381,182). Trade creditors outstanding for more than 30 days amounts to Rs. 133,213,833 (2016: Rs. 150,969,650). 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 collateral solds and securities held by its clients.

20 SHORT TERM RUNNING FINANCE

Running finance facility of Rs. 240 million (2016: 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 2.5% (based on timely payment rebate ranges from 0.5% to 0.1%) per annum [2016: KIBOR plus 2.5% (based on timely payment rebate ranges from 0.5% to 0.1%) per annum].

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

Tax Department issued notice alleging non-payment of Federal Exise 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 order dated 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 is pending before ATIR. Further, we have been informed by the management that the Company has challenged the order on constitutional grounds before the Hon'able Sindh High Court (SHC) alongwith Stockbrokers' Association wherein the Hon'able SHC has strike down levy of FED on constitutional grounds.

Being aggrieved, the Department has challenged the said order before Hon'able Supreme court hearing of which is not fixed till todote.

		As at December 31,	
		2017	2016
		----- (Rupees) -----	
21.2	Commitments		
21.2.1	For sale of quoted securities under future contracts against counter commitments	68,516,215	150,110,505

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

21.2.2 Ijarah Agreement

The Company has obtained vehicles under Ijarah agreement for a period of four years from Orix Modaraba. Financial charges included in rentals are determined on the basis of discount factor applied at the rate of six months KIBOR plus 3.25% per annum (2016: KIBOR plus 3.25% per annum). The total Ijarah payments under ijarah are as follows:

	As at December 31,	
	2017	2016
	----- (Rupees) -----	
Not later than one year	3,153,332	2,097,864
Later than one year and not later than five years	4,644,470	3,036,408
	<u>7,797,802</u>	<u>5,134,272</u>

Had these asset been recognized in these financial statements, net book value of these would have been as under:

	As at December 31,	
	2017	2016
	----- (Rupees) -----	
Cost	13,746,000	7,964,000
Accumulated depreciation	(4,387,422)	(2,169,267)
	<u>9,358,578</u>	<u>5,794,733</u>

21.3 Payable under operating lease arrangement of office premises

Not later than one year	1,956,855	2,999,671
Later than one year and not later than five years	2,260,816	4,217,671
	<u>4,217,671</u>	<u>7,217,342</u>

The amount for the 11 months for the varying periods as per the agreement has been paid in advance.

	As at December 31,	
	2017	2016
	----- (Rupees) -----	
22 BROKERAGE AND COMMISSION	<i>Note</i>	
Local Corporate Clients	57,841,097	38,932,631
Individuals Clients	35,566,071	59,361,235
	<u>93,407,168</u>	<u>98,293,866</u>

22.1 Brokerage and Commission is exclusive of Sindh sales tax on services amounting to Rs. 11,863,514 (2016: Rs. 13,195,328).

	As at December 31,	
	2017	2016
	----- (Rupees) -----	
22.2 Equity Brokerage (Turnover)	<i>Note</i>	
Local Corporate Clients Trades	54,132,736,984	34,387,494,457
Individuals Client Trades	24,963,287,126	44,819,971,423
Proprietary Trades	3,909,886,369	3,458,597,391
	<u>83,005,910,479</u>	<u>82,666,063,271</u>

22.2.1 This comprises of ready and futures market turnover amounting to Rs. 80,787,736,909 and Rs. 2,218,173,570 respectively.

22.3 Turnover, representing both selling and buying, of marketable securities for and on behalf of National Bank of Pakistan amounted to Rs. 1,863,575,695 (2016:Rs. 3,411,626,025); for and on behalf of the Bank of Khyber, First Credit Investment Bank Limited and First National Bank Modaraba and NAFA Funds (associated entities) amounted to Rs.1,477,788,997 (2016: Rs. 2,331,646,376); and for and on behalf of chairman / directors and chief executive officer amounted to Rs.93,374,126 (2016:Rs. 73,118,694).

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

		As at December 31,	
		2017	2016
		----- (Rupees) -----	
23	OTHER INCOME		
	(also refer note 38)		
	<i>Income from financial assets</i>		
	Mark-up income on bank PLS deposits	2,062,976	2,438,608
	Profit on cash margin with National Clearing Company of Pakistan Limited	2,119,926	1,004,656
	Capital gain on sale of shares of Pakistan Stock Exchange Limited	60,281,796	-
	Unrealized gain on investments classified as fair value through profit and loss	156,553	-
	<i>Income from assets other than financial assets</i>		
	Gain on disposal of property and equipment	20,000	44,010
	Miscellaneous income	78,622	145,168
		64,719,873	3,632,442
23.1	This includes income amounting to Rs. 353,350 received from related party.		
24	ADMINISTRATIVE EXPENSES		
	Salaries, benefits and allowances	67,644,341	59,070,445
	Staff retirement benefits	5,806,399	4,956,790
	Rent	4,376,886	4,097,852
	Telephone and fax	3,052,195	2,654,136
	Pakistan Stock Exchange Limited service charges	6,109,298	5,635,085
	Depreciation	3,846,004	4,100,347
	Ijarah charges	2,920,436	1,769,686
	Electricity and utilities	2,464,597	2,746,099
	Vehicle running expenses	2,404,535	1,963,032
	Insurance	2,322,363	1,797,170
	Legal and professional	1,777,556	7,004,953
	CDC charges	2,632,418	2,412,827
	Repairs and maintenance	2,651,220	1,828,487
	Amortisation	1,037,233	1,029,280
	Printing and stationery	1,446,615	1,147,846
	Entertainment	1,107,416	1,136,321
	Postage / courier	1,404,382	1,271,388
	Subscriptions	1,143,645	880,635
	Umrah facility to employees	590,440	636,500
	SECP transactions fees	841,525	789,409
	Office supplies	546,086	494,692
	Auditors' remuneration	748,980	598,450
	Computer expenses	295,709	178,518
	Travelling and conveyance	646,777	812,280
	Professional tax	211,698	211,704
	Advertising and business promotion	735,791	266,714
	Library and periodicals	45,953	49,956
	Seminar and training	11,840	385,000
		118,822,338	109,925,602
24.1	This includes charge for defined benefit plan of Rs. 1,629,971 (2016: Rs. 1,523,632) as referred to in note 16, contribution to staff provident fund amounting to Rs. 3,333,382 (2016: Rs. 2,829,801) and contribution to E.O.B.I. and S.E.S.S.I amounting to Rs. 843,040 (2016: Rs. 603,360).		

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

		As at December 31,	
		2017	2016
		----- (Rupees) -----	
24.2	Auditors' remuneration		
	Annual audit fee	345,000	300,000
	Other certifications	248,500	195,000
	Out-of-pocket expenses	100,000	63,850
	Sindh sales tax	55,480	39,600
		<u>748,980</u>	<u>598,450</u>
25	OTHER EXPENSES		
	Net unrealized loss on equity investments and futures contracts	-	308,354
26	FINANCE COST		
	Mark-up on short term running finance	2,029,720	1,124,204
	Finance lease charges	1,460	28,355
	Bank charges	558,759	621,886
		<u>2,589,939</u>	<u>1,774,445</u>
27	TAXATION		
	Current	11,602,871	2,882,789
	Deferred	1,404,960	151,867
		<u>13,007,831</u>	<u>3,034,656</u>
27.1	Relationship between income tax expense and accounting profit		
	Profit before taxation	51,281,384	2,186,179
	Tax at applicable tax rate of 30% (2016: 31%)	15,384,415	677,715
	Tax effect of lower tax rate on capital gain / dividend	(2,142,195)	(2,018,035)
	Others	(234,389)	4,374,976
		<u>13,007,831</u>	<u>3,034,656</u>
27.2	Status of tax assessments		
	The income tax assessments upto assessment year / tax year 2017 corresponding to the accounting year December 31, 2016 have been finalized.		
28	EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED		
	Profit / (loss) for the year	38,273,553	(848,477)
		(Number of shares)	
	Weighted average number of ordinary shares outstanding during the year	13,502,306	13,502,306
		----- (Rupees) -----	
	Earnings / (loss) per share - Basic	2.83	(0.06)

There being no potentially diluted shares outstanding as at the year ended December 31, 2017 and December 31, 2016, therefore, there is no dilutive effect on the earnings/(loss) per share of the Company.

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

29 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief executive officer		Chairman & Directors		Executives		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	(Rupees)							
Managerial remuneration	6,600,000	6,600,000	-	-	31,191,000	25,904,256	37,791,000	32,504,256
Bonus	-	-	-	-	-	100,000	-	100,000
Other benefits	-	-	780,000	1,055,000	2,648,032	2,933,575	3,428,032	3,988,575
Retirement benefits	733,333	733,333	-	-	3,428,546	2,890,788	4,161,879	3,624,121
Commission	-	-	-	-	1,639,534	1,586,773.00	1,639,534	1,586,773
	<u>7,333,333</u>	<u>7,333,333</u>	<u>780,000</u>	<u>1,055,000</u>	<u>38,907,112</u>	<u>33,415,392</u>	<u>47,020,445</u>	<u>41,803,725</u>
Number of persons	<u>1</u>	<u>1</u>	<u>7</u>	<u>6</u>	<u>18</u>	<u>15</u>	<u>26</u>	<u>22</u>

29.1 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.

30 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:

30.1 Holding Company

National Bank of Pakistan (NBP)

Transactions during the year

Brokerage earned	
Running finance obtained	
Running finance repaid	
Financial charges on running finance	

As at December 31,	
2017	2016
(Rupees)	
2,146,485	3,954,891
<u>2,765,500,000</u>	<u>3,089,476,421</u>
<u>2,655,500,000</u>	<u>2,849,476,422</u>
<u>2,029,720</u>	<u>1,124,204</u>
<i>Balances</i>	
11,586	871,336
<u>109,978,108</u>	<u>239,983,644</u>
<u>600,232</u>	<u>756,075</u>

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

		As at December 31,	
		2017	2016
		----- (Rupees) -----	
30.2	Associated Companies		
	The Bank of Khyber, First Credit Investment Bank Limited and First National Bank Modaraba, NAFA Funds		
	Transactions during the year		
	Brokerage earned	4,107,931	2,159,531
	Balances		
	Trade debts	1,011,589	1,248,435
	Trade payable	96,977	34,325
	Bank balance	14,299,906	11,447,252
30.3	Chairman / Directors and Chief Executive Officer		
	Transactions during the year		
	Brokerage earned	276,576	195,876
	Disposal of fixed assets at net book value	-	610,907
	Balances		
	Trade debts	-	246,342
	Trade payable	217,557	72,599

31 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 behaviour.

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 the board of directors. This responsibility encompasses the controls in the following areas:

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

32 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 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 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.

32.1 Risk management framework

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

32.2 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. Out of total assets of Rs. 1,251 million (2016: Rs. 1,169 million) the financial assets which are subject to credit risk amounted to Rs. 1,098 million (2016: Rs. 963 million). The carrying amount of these financial assets represents the maximum credit exposure at the reporting date.

TAURUS SECURITIES LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	As at December 31,	
		2017	2016
----- (Rupees) -----			
Long term deposits		4,539,956	2,888,756
Trade debts		730,737,329	417,958,711
Loans	32.2.1	2,118,418	2,394,407
Deposits		135,691,211	181,773,170
Other receivables		5,889,466	531,305
Accrued income		925,060	712,562
Cash and bank balances	32.2.2	218,359,229	357,100,394
		<u>1,098,260,669</u>	<u>963,359,305</u>

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

	2017					
	Carrying amount			Total	Amount un-secured - net of provision	Amount secured
	Amount outstanding	Impaired	Provision held			
----- (Rupees) -----						
Not yet due*	636,427,963	-	-	636,427,963	-	636,427,963
Upto 3 months*	90,997,216	-	-	90,997,216	83,899,928	7,097,288
3 to 6 months	1,287,329	-	-	1,287,329	-	1,287,329
More than 6 months	5,303,028	3,278,207	(3,278,207)	2,024,821	781,314	1,243,507
	<u>734,015,536</u>	<u>3,278,207</u>	<u>(3,278,207)</u>	<u>730,737,329</u>	<u>84,681,242</u>	<u>646,056,087</u>

* Not yet due' represents an amount of Rs. 636,427,963 (2016: Rs. 314,888,578) 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.

	2016					
	Carrying amount			Total	Amount un-secured - net of provision	Amount secured
	Amount outstanding	Impaired	Provision held			
----- (Rupees) -----						
Not yet due*	373,746,029	-	-	373,746,029	58,857,451	314,888,578
Upto 3 months*	40,803,097	-	-	40,803,097	16,778,206	24,024,891
3 to 6 months	1,564,191	-	-	1,564,191	1,311,027	253,164
More than 6 months	5,123,601	3,278,207	(3,278,207)	1,845,394	898,194	947,200
	<u>421,236,918</u>	<u>3,278,207</u>	<u>(3,278,207)</u>	<u>417,958,711</u>	<u>77,844,878</u>	<u>340,113,833</u>

32.2.2 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			As at December 31,	
	Short-term	Long-term	Rating agency	2017	2016
	----- (Rupees) -----				
MCB Bank Limited	A1+	AAA	PACRA	193,268,743	338,298,113
NIB Bank Limited	A1+	AA-	PACRA	-	771,886
JS Bank Limited	A1+	AA-	PACRA	280,326	115,720
Bank Alfalah Limited	A1+	AA+	PACRA	3,984,885	703,039
Bank of Khyber Limited	A1	A	PACRA	14,299,906	11,447,252
Habib Bank Limited	A-1+	AAA	JCR-VIS	577,789	958,865
Habib Metropolitan Limited	A1+	AA+	PACRA	3,786,879	2,043,118
United Bank Limited	A-1+	AAA	JCR-VIS	1,560,469	2,006,326
National Bank of Pakistan	A1+	AAA	PACRA	600,232	756,075
Total				<u>218,359,229</u>	<u>357,100,394</u>

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

32.3 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:

		2017				
	Carrying Amount	Contractual cash flows	Maturity not later than one month	Maturity later than one month and not later than three months	Maturity later than three months and not later than one year	Maturity later than one year and not later than five years
		(Rupees)				
On balance sheet liabilities						
Trade and other payables	788,572,618	788,572,618	788,572,618	-	-	-
Short term running finance	109,978,108	109,978,108	109,978,108	-	-	-
	<u>898,550,726</u>	<u>898,550,726</u>	<u>898,550,726</u>	<u>-</u>	<u>-</u>	<u>-</u>
Off balance sheet liabilities						
Ijarah rentals payable	-	-	-	-	3,153,332	4,644,470
Payable under operating lease arrangement of office premises	-	-	-	-	1,956,855	2,260,816
		2016				
	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)				
On balance sheet liabilities						
Trade and other payables	632,433,409	632,433,409	632,433,409	-	-	-
Short term running finance	239,983,644	239,983,644	239,983,644	-	-	-
Liabilities against assets subject to finance lease	393,591	393,591	30,460	363,131	-	-
	<u>872,810,644</u>	<u>872,810,644</u>	<u>872,447,513</u>	<u>363,131</u>	<u>-</u>	<u>-</u>
Off balance sheet liabilities						
Ijarah rentals payable	-	-	-	-	2,097,864	3,036,408
Payable under operating lease arrangement of office premises	-	-	-	-	2,999,671	4,217,671

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

32.4 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 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:

32.4.1 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:

	Effective yield / interest rate percent	2017				Non interest / mark-up bearing	Total
		Interest / mark-up bearing					
		Maturity not later than one month	Maturity later than one month and not later than three months	Maturity later than three months and not later than one year	Maturity later than one year and not later than five years		
							(Rupees)
On balance sheet assets							
Financial Assets							
Long term deposits		-	-	-	-	4,539,956	4,539,956
Trade debts		-	-	-	-	730,737,329	730,737,329
Loans		-	-	-	-	2,118,418	2,118,418
Deposits		-	-	-	-	135,691,211	135,691,211
Other receivables		-	-	-	-	5,889,466	5,889,466
Accrued interest income		-	-	-	-	925,060	925,060
Investments		-	-	-	-	103,547,627	103,547,627
Cash and bank balances	4.10%	216,261,469	-	-	-	2,097,760	218,359,229
		216,261,469	-	-	-	985,546,827	1,201,808,296
Financial Liabilities							
Trade and other payables		-	-	-	-	788,572,618	788,572,618
Short term running finance	KIBOR + 2.5%	109,978,108	-	-	-	-	109,978,108
On balance sheet gap		106,283,361	-	-	-	196,974,209	303,257,570
Non-financial net assets							45,613,840
Total net assets							348,871,410

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Effective yield / interest rate percent	2016				Non interest / mark-up bearing	Total
		Interest / mark-up bearing					
		Maturity not later than one month	Maturity later than one month and not later than three months	Maturity later than three months and not later than one year	Maturity later than one year and not later than five years		
(Rupees)							
On balance sheet assets							
Financial Assets							
Long term deposits		-	-	-	-	2,888,756	2,888,756
Trade debts		-	-	-	-	417,958,711	417,958,711
Loans		-	-	-	-	2,394,407	2,394,407
Deposits		-	-	-	-	181,773,170	181,773,170
Other receivables		-	-	-	-	531,305	531,305
Accrued interest income		-	-	-	-	712,562	712,562
Investments		-	-	-	-	159,576,816	159,576,816
Cash and bank balances	4.10% to 7.5%	353,391,965	-	-	-	3,708,429	357,100,394
		<u>353,391,965</u>	-	-	-	<u>769,544,156</u>	<u>1,122,936,121</u>
Financial Liabilities							
Trade and other payables		-	-	-	-	632,433,409	632,433,409
Short term running finance	KIBOR + 2.5%	239,983,644	-	-	-	-	239,983,644
Current portion of liabilities against assets subject to finance lease	10.21%	30,460	363,131	-	-	-	393,591
On balance sheet gap		<u>113,377,861</u>	<u>(363,131)</u>	-	-	<u>137,110,747</u>	<u>250,125,477</u>
Non-financial net assets							<u>45,229,760</u>
Total net assets							<u>295,355,237</u>

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

32.4.2 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 and obtain cover under futures.

The Company's investments in quoted equity securities amount to Rs. 103.55 million (2016: Rs 148.57 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.

	2017	2016
	----- (Rupees) -----	
Effect on profit and loss account (impairment loss)	-	-
Effect on other comprehensive income - net of tax	<u>3,611,174</u>	<u>28,919</u>
Effect on investments	<u>3,614,802</u>	<u>34,023</u>

32.4.3 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.

33 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. 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.

TAURUS SECURITIES LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

On balance sheet financial instruments	31 December 2017									
	Carrying Amount					Fair value				
	Available for Sale	Fair value through P/L	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	36,148,017	-	-	-	-	36,148,017	36,148,017	-	-	36,148,017
Securities at fair value through profit or loss	-	67,399,610	-	-	-	67,399,610	67,399,610	-	-	67,399,610
Unrealized gain on futures	-	775,060	-	-	-	775,060	775,060	-	-	775,060
	36,148,017	68,174,670	-	-	-	104,322,687	104,322,687	-	-	104,322,687
Financial assets not measured at fair value **										
Long term deposits	-	-	-	4,539,956	-	4,539,956				
Loan and advances	-	-	-	2,118,418	-	2,118,418				
Trade debts	-	-	-	730,737,329	-	730,737,329				
Deposits	-	-	-	133,200,000	-	133,200,000				
Other receivable	-	-	-	5,889,466	-	5,889,466				
Accrued income	-	-	-	150,000	-	150,000				
Cash and bank balances	-	-	-	218,386,439	-	218,386,439				
	-	-	-	1,095,021,608	-	1,095,021,608				
Financial liabilities not measured at fair value **										
Trade and other payables	-	-	-	-	(788,572,618)	(788,572,618)				
Short term running finance	-	-	-	-	(109,978,108)	(109,978,108)				
	-	-	-	-	(898,550,726)	(898,550,726)				
	36,148,017	68,174,670	-	1,095,021,608	(898,550,726)	300,793,569				

** 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.

TAURUS SECURITIES LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

On balance sheet financial instruments

	31 December 2016									
	Carrying Amount					Fair value				
	Available for sale	Fair value through P/L	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	11,340,226	-	-	-	-	11,340,226	340,226	-	11,000,000	11,340,226
Securities at fair value through profit or loss	-	148,236,590	-	-	-	148,236,590	148,236,590	-	-	148,236,590
Unrealized gain on futures	-	549,275	-	-	-	549,275	549,275	-	-	549,275
	11,340,226	148,785,865	-	-	-	160,126,091	149,126,091	-	11,000,000	160,126,091
Financial assets not measured at fair value **										
Long term deposits	-	-	-	2,888,756	-	2,888,756	-	-	-	-
Loans	-	-	-	2,394,407	-	2,394,407	-	-	-	-
Trade debts	-	-	-	417,958,711	-	417,958,711	-	-	-	-
Deposits	-	-	-	175,791,347	-	175,791,347	-	-	-	-
Other receivable	-	-	-	531,305	-	531,305	-	-	-	-
Accrued interest income	-	-	-	163,287	-	163,287	-	-	-	-
Cash and bank balances	-	-	-	357,117,372	-	357,117,372	-	-	-	-
	-	-	-	956,845,185	-	956,845,185	-	-	-	-
Financial liabilities not measured at fair value **										
Trade and other payables	-	-	-	-	(632,433,409)	(632,433,409)	-	-	-	-
Short term running finance	-	-	-	-	(239,983,644)	(239,983,644)	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-
Current portion of liabilities against assets subject to finance lease	-	-	-	-	(393,591)	(393,591)	-	-	-	-
	-	-	-	-	(872,810,644)	(872,810,644)	-	-	-	-
	11,340,226	148,785,865	-	956,845,185	(872,810,644)	244,160,632	-	-	-	-

* Shares of Pakistan Stock Exchange has been valued at cost.

** 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.

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

34 CAPITAL RISK MANAGEMENT

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

The Company is subject to minimum capital and base minimum capital requirements under PSX Regulations. The minimum capital requirement is Rs. 35 million and that for base minimum capital is Rs. 26 million, however Company's capital and base minimum capital is Rs. 135 million and Rs. 34.82 million respectively.

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

35 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.

The Company enters into security transactions on behalf of its customer involving future settlement. The Company has entered into transactions that gives rise to future settlement, the unsettled amount as on December 31, 2017 in respect of sellings and buyings under these future transactions amounts to Rs.Nil (2016: Rs. 17,165,545) and Rs.Nil (2016: Rs. 17,141,515), respectively.

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.

36 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 organised 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, 2017			Total
	Equity Brokerage	Investment and treasury	Other operations	
	(Rupees)			
Segment revenues *	93,407,168	78,862,479	325,392	172,595,039
Administrative and operating expenses **	(113,939,101)	-	-	(113,939,101)
Depreciation	(2,081,429)	(1,757,324)	(7,251)	(3,846,004)
Amortization	(561,343)	(473,935)	(1,955)	(1,037,233)
Finance cost	-	(2,589,939)	-	(2,589,939)
	<u>(23,174,705)</u>	<u>74,041,281</u>	<u>316,186</u>	<u>51,182,762</u>
Other income - unallocated				98,622
Other expenses - unallocated				-
Taxation				(13,007,831)
Profit after tax				<u>38,273,553</u>
Segment assets	<u>769,967,876</u>	<u>480,142,812</u>	<u>1,115,536</u>	<u>1,251,226,224</u>
Segment liabilities	<u>787,012,913</u>	<u>115,341,901</u>	<u>-</u>	<u>902,354,814</u>

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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

	As at December 31, 2017 (Rupees)
Total segment revenue	172,595,039
Less - Revenue from Investment & treasury	(78,862,479)
Less - Revenue from other operations	(325,392)
	93,407,168

** 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, 2016			Total
	Equity Brokerage	Investment and treasury	Other operations	
	(Rupees)			
Segment revenues *	98,293,866	15,616,639	94,897	114,005,402
Administrative and operating expenses **	(104,795,975)	-	-	(104,795,975)
Depreciation	(3,535,262)	(561,672)	(3,413)	(4,100,347)
Amortization	(887,431)	(140,992)	(857)	(1,029,280)
Finance cost	-	(1,774,445)	-	(1,774,445)
	<u>(10,924,802)</u>	<u>13,139,530</u>	<u>90,627</u>	<u>2,305,355</u>
Other income - unallocated				189,178
Other expenses - unallocated				(308,354)
Taxation				(3,034,656)
Profit after tax				<u>(848,477)</u>
Segment assets	<u>493,076,420</u>	<u>676,186,880</u>	<u>-</u>	<u>1,169,263,300</u>
Segment liabilities	<u>630,141,500</u>	<u>243,766,563</u>	<u>-</u>	<u>873,908,063</u>

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

	As at December 31, 2016 (Rupees)
Total segment revenue	114,005,402
Less - Revenue from Investment & treasury	(15,616,639)
Less - Revenue from other operations	(94,897)
	98,293,866

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

The Company has received the commission of Rs. 45,738,383 (49% of total brokerage) from 19 major clients with commission income from each client exceeding Rs. 1 million.

37 MAXIMUM CUSTODY LIMIT UNDER CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED REGULATIONS

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

	As at December 31, 2017 (Rupees)
Total assets as per balance sheet	1,251,226,224
Notional value of TRE certificate at year-end as determined by PSX vide notice PSX/N-7178 dated November 10, 2017	2,500,000
Total assets including notional value of TRE certificate	1,253,726,224
Less: Total liabilities as per balance sheet	(902,354,814)
Less: Revaluation reserves (created upon revaluation of fixed assets)	-
Capital adequacy level	351,371,410

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

38 RECLASSIFICATIONS

Items presented in the balance sheet as at December 31, 2016 and statement of cash flows for the year ended December 31, 2016 have been reclassified to conform to current year's presentation. Effect of these reclassifications are presented in following table:

	December 31, 2016		
	As previously reported	Reclassification	Currently reported
-----Rupees-----			
Balance sheet			
Trade creditors (refer note 19)			
Due to clients against trading of securities	618,665,305	(365,391,047)	253,274,258
Due to National Clearing Company of Pakistan Limited	106,924	-	106,924
Due to associated companies/persons against trading of securities	-	363,113,179	363,113,179
Due to clients against unsettled trades	-	2,277,868	2,277,868
Receipts allocated subsequent to balance sheet date	-	-	-
Mark up payable to clients	618,772,229	-	618,772,229
Accrued and other liabilities	13,652,611	(3,753,076)	9,899,535
Salaries, benefits and allowances payable	-	2,242,815	2,242,815
Income and taxes payable	-	1,036,022	1,036,022
Accrued markup	-	474,239	474,239
Profit and loss account			
Income			
- from margin trading system	-	94,897	94,897
- from capital gain on sale of securities and units of mutual funds	-	11,572,268	11,572,268
- from dividend income	-	601,107	601,107
Other income	15,900,714	(12,268,272)	3,632,442
Statement of cash flows			
Cash flows from operating activities			
Mark-up income on bank deposits and cash margin	(2,438,608)	1,004,656	(3,443,264)
Adjustment for Ijarah charges	-	(1,769,686)	1,769,686
<i>Decrease / (Increase) in working capital assets:</i>			
Loans and advances	(1,349,326)	(13,000)	(1,336,326)
Deposits and prepayments	(156,829,512)	(155,934,066)	(895,446)
Deposit collected from National Clearing Company of Pakistan Limited (NCCPL) - net	-	155,777,514	(155,777,514)
Cash flows from investing activities			
Mark-up income on balances received	2,439,422	(1,004,656)	3,444,078
Long term loans to employees repaid / (disbursed)	13,000	13,000	-
Long term deposits paid	(221,948)	(221,948)	-
Cash flows from financing activities			
Ijarah rentals paid	-	2,148,186	(2,148,186)

39 NUMBER OF EMPLOYEES

The details of number of employees are as follows:

- Average number of employees during the year
- Number of employees at year end

As at December 31,	
2017	2016
65	65
65	67

40 SUBSEQUENT EVENT

The Board of Directors of the Company in the 9th meeting held on 22 March, 2018 has approved the following appropriation:

- Cash dividend - Rs. 1 (2016: Nil) per share of Rs. 10 each
- Issue of bonus shares - % (2016: Nil) in the ratio of - (2016: Nil) shares for every 100 shares held

As at December 31,	
2017	2016
----- (Rupees) -----	
-	-
-	-

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

TAURUS SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

41 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors of the Company in their 96th meeting held on 22 March 2017



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR

TAURUS SECURITIES LIMITED
ANNEXURE 'I' OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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	
		2017	2016
AGIC	Askari General Insurance Company Limited	364	319
AKZO	Akzo Nobel Pakistan Limited	14	14
ATLH	Atlas Honda Limited	601	601
BCL	Bolan Castings Limited	174	174
CFL	Crescent Fibres Limited	3,360	3,360
DNCC	Dandot Cement Company Limited	1,000	1,000
DSFL	Dewan Salman Fibre Limited	2,027	2,027
DWSM	Dewan Sugar Mills Limited	100	100
GNGI	English Leasing Limited- Freeze	500	500
FABL	Faysal Bank Limited	14,254	13,018
FANM	First Alnoor Modaraba	500	500
FASL	Faisal Spinning Mills Limited	500	500
FECM	First Elite Capital Mobaraba	10,500	10,500
FRSM	Faran Sugar Mills Limited	78	78
FTSM	First Tri Star Modaraba	100	100
HAJT	Hajra Textile Mills Limited- Freeze	500	500
HCAR	Honda Atlas Cars (Pakistan) Limited	127	127
HUBC	The Hub Power Company Limited	200	200
HUSI	Hussein Industries Limited-Freeze	130	130
ICI	Ici Pakistan Limited	27	27
IDRT	Idrees Textile Limited	200	200
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- Freeze	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
NRL	Nimir Resins Limited	1,020	1,000
NML	Nishat Mills Limited	834	834
OGDC	Oil And Gas Development Company Limited	8	8
OTSU	Otsuka Pakistan Limited	481	440
PAKMI	First Pak Mobaraba	51	51
PIF	Picic Investment Find	1,189	1,189
TPL	Pakistan Petroleum Limited	1,436	1,436
PSO	Pakistan State Oil Company Limited	65	55
PTC	Pakistan Telecommunication Company Limited	900	900
SCBPL	Standard Chartered Bank (Pakistan) Limited	37	37
SCM	Orix Modaraba (Standard Chartered Modaraba)	679	679
SNBL	Soneri Bank Limited	2,988	2,988
SNGP	Sui Northern Gas Pipelines Limited	350	350
SSGC	Sui Southern Gas Company Limited	117	117
SSML	Saritow Spinning Mills Limited	5,491	5,491
TRIBL	Trust Investment Bank Limited	537	537
TSMF	Tri Star Mutual Fund Limited	500	500
ZELP	Zeal Pak Cement Factory Limited- Freeze	148	148
		66,396	65,044

TAURUS SECURITIES LIMITED
ANNEXURE 'I' OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

I.ii Followings shares held by Company in its sub-account No. 39 (House account) under CDS.

Symbol	Security Name	Number of shares	
		2017	2016
BSML	Bawany Sugar Mills Limited	500	500
IDSML	Ideal Spinning Mills Limited	1,000	1,000
IIBL	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 39 is Rs. 448,952.


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER


DIRECTOR