

BROKER MANAGEMENT RATING REPORT

Taurus Securities Limited

REPORT DATE:

August 05, 2025

RATING ANALYSTS:

Shaheryar Khan Mangan

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Rating Category	Latest Rating
Broker Management Rating	BMR2+
Rating Rationale	The rating signifies strong compliance and risk management. Sound external controls and internal control, HR and infrastructure and client relationship and adequate financial management and regulatory requirement.
Rating Date	August 05, 2025

APPLICABLE METHDOLOGY:**Broker Management Ratings:**<https://docs.vis.com.pk/Methodologies%202024/Broker-Management.pdf>**VIS Rating Scale**<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

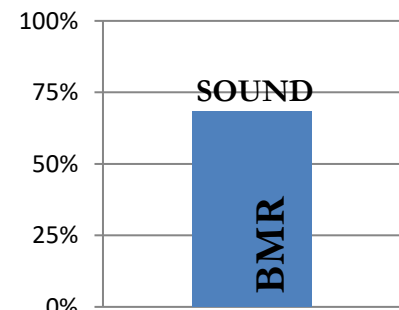
COMPANY INFORMATION

Incorporated in 1993	External auditors: BDO Ebrahim and Co. Chartered Accountants
Public Unlisted Company	Chairman of the Board: Mr. Muhammad Ismail Usuf
Key Shareholders (with stake 5% or more):	Chief Executive Officer: Mr. Syed Zain Hussain
National Bank of Pakistan ~ 58.32%	
The Bank of Khyber ~ 30.0%	
Saudi Pak Industrial & Agricultural Inv. Co. Ltd. ~ 8.33%	

Corporate Profile

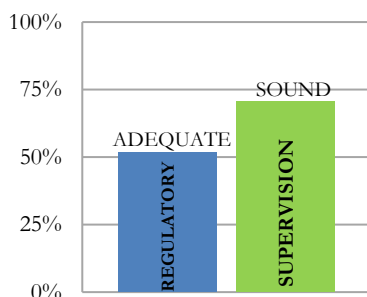
Taurus Securities Limited (TSL) is a public unlisted company incorporated in 1993, providing equity brokerage services and financial/economic data research analysis. Major shareholding of the company is vested with National Bank of Pakistan (NBP). The head office of the Company is located in Karachi, while a branch office is located in Peshawar. The Company provides both online and assisted trading services to its clients.

TSL holds Trading Rights Entitlement Certificate (TREC) granted by Pakistan Stock Exchange Limited (PSX), and is registered with SECP to provide Trading & Self Clearing Services. The Company is also the license holder of Pakistan Mercantile Exchange Limited (PMEX). External auditors of the Company are BDO Ebrahim and Co. Chartered Accountants. External auditors belong to category 'A' on the approved list of auditors published by the State Bank of Pakistan (SBP).



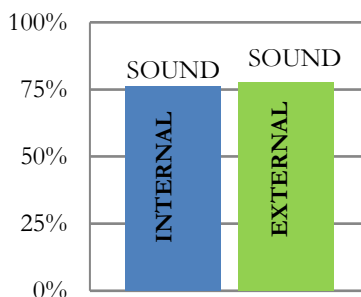
Rating Factors Scores

Regulatory Requirements & Supervision



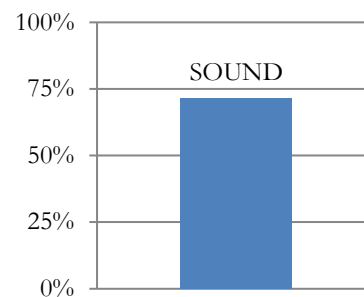
- The Company's regulatory and supervision framework is supported by its strong sponsor profile and a board of directors consisting of seven members, including three independent directors.
- Additionally, the Company has four committees, namely audit, risk management, human resource and investment committees.

Internal & External Control Framework



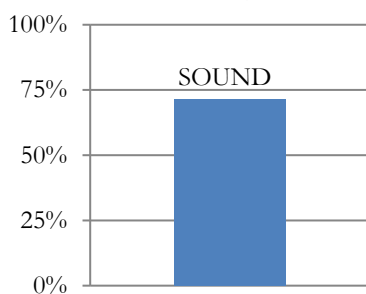
- Overall, the Company's internal control framework is considered sound. However, the Company may consider expanding the scope of its internal policies to further reinforce the control framework.
- Improvement in the disclosure levels has been noted.

Client Relationship & Fairplay



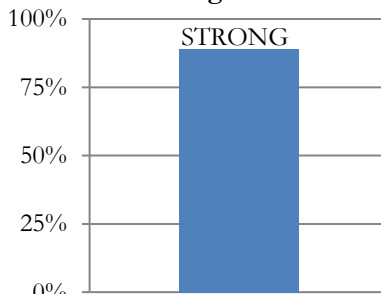
- Overall, client servicing procedures of the Company are considered sound, with desktop and mobile trading platforms in place, along with customer support to facilitate clients in trade transactions.
- However, The Company may consider enhancing its customer services.
- The company may consider expanding its geographical footprint for customer reach.

Client Relationship & Fairplay



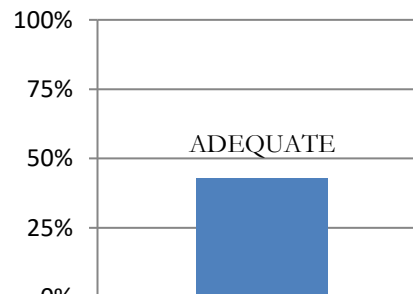
- The Company HR & IT infrastructure continues is sound, with the organizational structure aligned with the scale of operations.
- Contingency measures of the Company are in place.

Compliance & Risk Management



- Overall, the Company has strong compliance and risk management framework.

Financial Management



- During CY24, the Company's operating revenue grew by ~47% to PKR 252m (CY23: PKR 171m). This growth was primarily driven by a significant increase in brokerage revenue by ~79% to PKR 176m (CY23: 99m), with brokerage segment dominating the revenue mix. The positive momentum in revenue persisted in 1QCY25, with an operating revenue of PKR 66m (1QCY24: PKR 48m) on the back of higher brokerage revenue.
- The Company's cost-to-income ratio improved to ~72% in CY24 (CY23: ~80%), before increasing to ~75% in 1QCY25.
- The liquidity profile of the Company is considered adequate, with liquid assets providing a coverage of 0.95x against its total liabilities as at Mar'25 (Dec'24: 1.09x, Dec'23: 0.97x).
- The Company does not engage in proprietary investments, thereby carrying no market risk. The Company's leverage remains elevated at 3.04x as at Mar'25 (Dec'24: 3.16x; Dec'23: 2.27x). Gearing was reported at 0.49x as of Mar'25 (Dec'24: 0.68x; Dec'23: 0.39x) and remains at a manageable level.
- Going forward, enhancement in earning profile, along with improvement in liquidity profile and the leverage indicator as well as maintenance of market risk, and gearing levels will remain important for the rating.

REGULATORY DISCLOSURES				Appendix I
Name of Rated Entity	Taurus Securities Limited			
Sector	Brokerage			
Type of Relationship	Solicited			
Purpose of Rating	Broker Management Rating (BMR)			
Rating History	Rating Date	Rating	Rating Outlook	Rating Action
	RATING TYPE: BMR			
	05/08/2025	BMR2+	Stable	Reaffirmed
	28/06/2024	BMR2+	Stable	Reaffirmed
	30/12/2022	BMR2+	Stable	Reaffirmed
	15/09/2021	BMR2+	Stable	Initial
Instrument Structure	N/A			
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.			
Probability of Default	N/A			
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