

BROKER FIDUCIARY RATING REPORT

Taurus Securities Limited

REPORT DATE:

August 05, 2025

RATING ANALYSTS:

Shaheryar Khan Mangan

shaheryar@vis.com.pk

RATING DETAILS

Broker Fiduciary Rating**BFR3++***Good Fiduciary Standards***Rating Rationale**

The rating signifies strong ownership and governance and internal controls, sound management and client services and adequate business and financial sustainability.

Rating Date

August 05, 2025

COMPANY INFORMATION

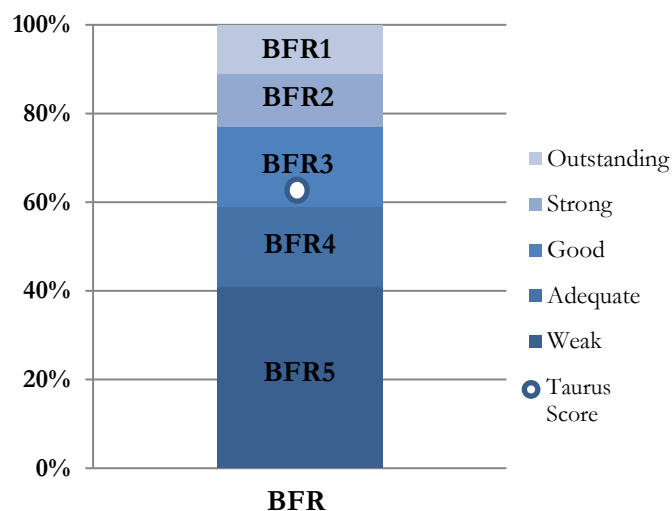
Incorporated in 1993**External auditors:** BDO Ebrahim and Co. Chartered Accountants**Public Unquoted Company****Chairman of the Board:** Muhammad Ismail Usuf**Chief Executive Officer:** Syed Zain Hussain**Key Shareholders (with stake 5% or more):***National Bank of Pakistan- 58.3%**Bank of Khyber- 30.0%~**Saudi Pak Industrial and Agricultural Investment Company Limited – 8.3%*

APPLICABLE METHODOLOGY

Applicable Rating Criteria: Broker Fiduciary Ratings:<https://docs.vis.com.pk/Methodologies%202024/Broker-Fiduciary-Rating.pdf>**VIS Rating Scale**<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Taurus Securities Limited
CORPORATE PROFILE

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

OVERALL GRADING


TSL holds Trading Rights Entitlement Certificate (TREC) for Trading & Self Clearing Services granted by Pakistan Stock Exchange Limited (PSX) and is also a license holder of Pakistan Mercantile Exchange Limited (PMEX). External auditors of the Company are M/s 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).

Business and Financial Sustainability Indicators

	1QCY25*	CY24	CY23
Size of Net Worth (Rs. In Millions)	371	360	302
Gearing x (total interest-bearing debt/ total equity)	0.49x	0.68x	0.39x
Leverage x (total liabilities/ total equity)	3.04x	3.16x	2.27x
Liquid Assets/ Total Liabilities (x)	0.95x	1.09x	0.97x
Short term Investments/ Total Equity (%)	-	-	5%

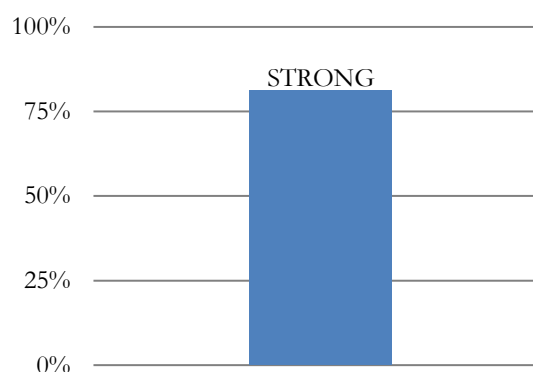
*Unaudited accounts

Taurus Securities Limited

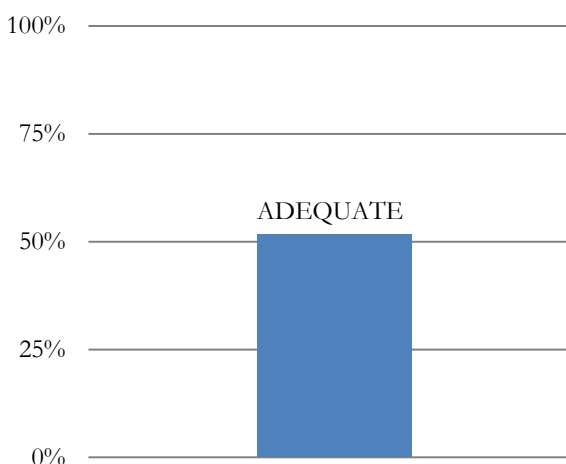
Rating Indicators

Ownership & Governance

- The Company's ownership and governance framework is underpinned by its sponsor profile and a board of directors consisting of seven members, including three independent directors.
- Improvement in the disclosure levels has been noted.

Ownership & Governance**Business & Financial Sustainability**

- 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.

Business & Financial Sustainability

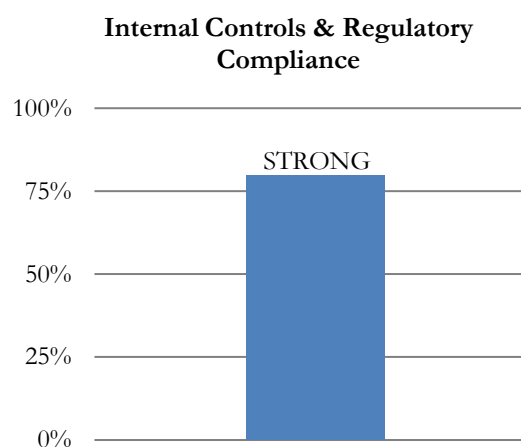
Management & Client Services

- Overall management and client servicing procedures are considered sound, with desktop and mobile trading platforms in place, along with customer support to facilitate clients in trade transactions.
- Company's organizational structure is aligned with the scale of its operations. However, inclusion of an independent risk management function may further enhance the Company's organizational structure.
- However, The Company may consider enhancing its customer services.
- The company may consider expanding its geographical footprint for customer reach.



Internal Controls & Regulatory Compliance

- Overall, the Company's internal controls and regulatory compliance procedures are considered strong. However, the Company may consider expanding the scope of its internal policies to further reinforce the control framework.



Broker Fiduciary Rating Explained

In Securities Broker Fiduciary Rating (SBF), the strength of fiduciary role of the securities brokers is captured through the relative financial strength of the securities broker firm and its sponsors along with depth of internal control and governance framework, which are key rating ingredients. Responsiveness of the risk and internal control structure, quality of HR and soundness of the business infrastructure determine the strength of management and level of service quality of a stock broker. VIS Credit Rating Co. Ltd. (VIS) has developed a rating system that evaluates brokerage firms on the basis of such practices and the systems instituted to safeguard investor interests are at the forefront

REGULATORY DISCLOSURES				Appendix I
Name of Rated Entity	Taurus Securities Limited			
Sector	Brokerage			
Type of Relationship	Solicited			
Purpose of Rating	Broker Fiduciary Rating (BFR)			
Rating History	Rating Date	Rating	Rating Outlook	Rating Action
	RATING TYPE: BFR			
	05/08/2025	BFR3++	Stable	Upgrade
	28/06/2024	BFR3+	Stable	Reaffirmed
	30/12/2022	BFR3+	Stable	Upgrade
	15/09/2021	BFR3	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			
Disclaimer	Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Copyright 2025 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.			