



ANNUAL REPORT 2023



AKD Securities Limited

PAKISTAN'S LARGEST BROKERAGE HOUSE

COMPANY INTRODUCTION

With the acquisition of BIPLS in June 2022 AKDSL has now positioned itself as Pakistan's largest full service brokerage and non-bank advisory institution.

BIPL Securities Limited (BIPLS) was a full service brokerage house listed on the Pakistan Stock Exchange (PSX) with a history dating back to the 1960's. BIPLS adds over four decades of excellence in financial services across Pakistan's Capital Markets to AKDSL's existing market leading brokerage and investment banking platforms.

AKDSL's core strategy is underpinned by an unwavering focus on exceeding client expectations through unmatched excellence across the financial services spectrum. At AKDSL technology leads production innovation and provides us with key hall marks across our time line such as the introduction of Pakistan first online trading platform. Our market leading domestic and foreign institutional brokerage is supported by a globally recognized independent research unit. Our ECM/DCM desks round up the largest advisory business outside of commercial banks in Pakistan with key hall marks including transactions for the Government of Pakistan under various Privatization programs and capital raising for the largest private sector corporates in Pakistan. Our Investment Banking and Advisory Business has a 40% market share in all fresh capital raised since 2008 driving growth across Pakistan's Capital Markets through growth capital.

AKD Securities Limited has consistently held a market leading share of at least 8-10% of the Daily Traded Value at the Pakistan Stock Exchange and with the acquisition of BIPL are market share is expected at over 18% of the PSX ADTV. AKDSL Hi Touch trading covers over 100 institutions, both domestic and international, alongside high net worth clients across several sectors. A large and diversified institutional as well as retail client base enables us to execute regular orders, large block trades and private placements with speed, efficacy and minimum impact cost.

Our sales team are trained to be proactive and provide our clients with real-time actionable updates by breaking news flow followed by impact assessment through our research team. This allows our clients to remain ahead of the curve in terms of information efficiency.

Our International Institutional Desk has various global partners who we consistently work with in lockstep. However our objective has always been to maintain a strong servicing relationship with the end-client allowing them to route business to us through our multiple arrangements for execution through a wide global partner network. Our primary focus is to market Pakistan's promising economic story by actively encouraging reserve roadshows while also consistently taking corporate access to every major global financial center.

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VISION & MISSION

OUR VISION

To be the leading financial services company generating consistent value for its stakeholders.

OUR MISSION

To be the preferred advisor across various business platforms providing leadership in market and product development.



CORE VALUES



INTEGRITY

Acting with honesty and transparency in the best interest of our clients and other stakeholders



EXCELLENCE

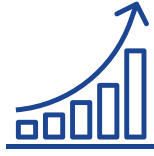
Working diligently to deliver the very best in terms of products and service to our clients on a consistent basis.



LEADERSHIP

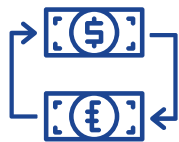
Innovate and be the change agent that exceeds client expectations by providing new, diverse and complete range of products and services

SERVICES OFFERED



EQUITIES

- TREC Holder of Pakistan Stock Exchange.
- Pakistan's largest online equities platform.
- Nationwide retail branch network.
- One of the largest institutional brokerage platform.
- Relationship with global investors and broker dealers.



FOREX

- Actively catering to FX needs of bank treasuries.
- Research backed investment advice based on macro economic fundamentals



CORPORATE FINANCE & ADVISORY

- Mergers & acquisitions / divestitures and privatizations.
- IPOs, bookbuilding, block transactions and private placements.
- Corporate & financial restructuring



MONEY MARKET

- One of the top brokers in the market.
- Actively advice diverse clients such as banks, corporates, insurance companies, mutual funds, DFIs, NBFCs etc.
- Active across multiple products such as sukuku, T-Bills, commercial papers, promisory notes, overnight, term funding etc



COMMODITIES

- One of the leading brokers on the Pakistan Mercantile Exchange.
- Amongst the largest team in the business. Night desk facility for investors.
- Professional investment advice based on research and technicals



RESEARCH

- Award winning research recognized locally and internatioonally.
- Industry wide coverage supported by macro economic research.
- Detailed company insights supplemented by strategy reports

COMPANY INFORMATION

BOARD OF DIRECTORS

Hina Junaid Dhedhi - Chairperson
Muhammad Farid Alam - FCA - C.E.O
Sikander Kasim
Ayesha Aqeel Dhedhi
Afsheen Aqeel
Kamal Uddin Tipu
Tariq Adam Ghumra

AUDIT COMMITTEE

Kamal Uddin Tipu
Ayesha Aqeel Dhedhi
Afsheen Aqeel

HR & R COMMITTEE

Sikander Kasim
Muhammad Farid Alam - FCA
Ayesha Aqeel Dhedhi

CHIEF EXECUTIVE OFFICER

Muhammad Farid Alam - FCA

COMPANY SECRETARY

Mudassir Ijaz

CHIEF FINANCIAL OFFICER

Zafar Ahmed Khan

HEAD OF INTERNAL AUDIT

Intezar Ahmed

CREDIT RATING

JCR-VIS Credit Rating
Company Limited

TAX ADVISOR

Grant Thornton Anjum Rahman
Chartered Accountants
1st Floor, 40-C, Block-6,
P.E.C.H.S., Karachi, Pakistan.
Phone: (+92-21) 111-000-322
Fax: (+92-21) 34168271

STATUTORY AUDITOR

RSM Avais Hyder Liaquat Nauman
Chartered Accountants
407, Progressive Plaza, Beaumont Road
Karachi, Pakistan
ICAP/SBP Rating: B11

LEGAL ADVISORS

Saiduddin & Co. Advocates, Taxation,
Management, & Legal Consultants
1st & 2nd Floor, 73-C, 8th Commercial Street,
Jami Commercial, Phase VII, DHA, Karachi,
Pakistan
Phones: (+92 -21) 35313584-6
Fax: (+92 -21) 35313581
info@saiduddin.com.pk

SHARE REGISTRAR

THK Associates (Private) Limited
Plot no. 32-C, Jami Commercial Street
2, D.H.A Phase VII, Karachi, 75500 Pakistan.
Phone: +92 (021) 111 000 322
Direct: +92 (021) 35310191-6
sfc@thk.com.pk

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
Bank Al-Falah Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
United Bank Limited
Bank of Khyber Limited
Dubai Islamic Bank Limited
Habib Bank Limited
MCB Islamic Bank Limited
Summit Bank Limited

REGISTERED OFFICE

Address: Suite # 602, 6th Floor
Continental Trade Center, Block-8,
Clifton, Karachi - 75600, Pakistan.
UAN: 92-21 111-253-111
info@akdsl.com

BUSINESS ETHICS & PRACTICES

AKDSL is a strong supporter of corporate decorum and ensures that its employees endeavor to maintain highest ethical standards during the discharge of their duties. The Company has adopted a Code of Ethics and Business Practices applicable to all its employees which is regularly circulated within the Company. A summary of the Code is as follows:

Code of Conduct

Employees must act at all times in the Company's best interests and are expected to avoid situations in which their financial or other personal interests or dealings are in conflict with the interests of the Company. Matters involving conflict of interest are prohibited as a matter of policy and any conflict that arises in a specific situation or transaction must be disclosed and resolved.

Gifts or Entertainment

Employees must act at all times in the Company's best interests and are expected to avoid situations in which their financial or other personal interests or dealings are in conflict with the interests of the Company. Matters involving conflict of interest are prohibited as a matter of policy and any conflict that arises in a specific situation or transaction must be disclosed and resolved.

Bribery

The making or receiving of facilitation payments or inducements such as bribes and similar acts in cash or kind are prohibited and the resources of the Company are not utilized for any such purpose.

Accounting Standards

Compliance with applicable accounting standards and procedures is always necessary. The information supplied to the external auditors, shareholders and other third parties must be complete and not misleading.

Human Resources

Human Resource policies are consistent, transparent and fair and staff members are encouraged to make suggestions or raise business concerns. Selection for employment and promotion is based on objective assessment of ability, qualification and experience, free from discrimination on any grounds. Discrimination on the basis of caste, culture, religion, disability or sex is intolerable.

Compliance with Regulatory Requirements

AKDSL transacts its business in accordance with the applicable laws, rules and regulations and cooperates fully with the government and regulatory bodies.

Confidentiality

Employees are bound to protect the confidentiality of information and are obliged to keep delicate information confidential. Use of Company information for personal gain is strictly prohibited. Confidential information must ONLY be used for the intended purpose.

Community Responsibility

AKDSL aims to operate as a responsible corporate citizen, supporting the communities locally and globally and recognizes its responsibilities towards these communities.

Environmental Responsibility

AKDSL is concerned with the conservation of the environment in its broadest sense, recognizing its role in this respect by maintaining responsibility for the building and land which it occupies and it aims to limit its use of all finite resources.

OUR POLICIES

No Trading on Possession of Insider Information

No person in AKDSL is permitted to trade in any security, either in his own personal account or in the account of his spouse or dependent children, if he / she is in possession of any inside information and neither should they encourage others to do so including his / her relatives, spouse, dependent children or/and close associates.

Also they should refrain from communicating insider information to any outsider, customer or a third party.

All Dealers shall take extra care in sharing information from the trading desk to clients and should be careful not to disseminate any inside information, whether acquired directly or otherwise, or which may, if disseminated, be construed as a leakage of inside information.

Business Practices

Honesty and integrity are the hallmarks of AKD Securities Limited (formerly 'BIPL Securities Limited')(AKDSL) and adherence is expected on part of each employee. AKDSL must compete for business on an honest and open basis – this is integral to ethical behavior.

A conflict occurs when an employee's private interest interfaces with the interest of the Company or its clients. No employee shall transact any business on behalf of himself or any person other than AKDSL with any supplier of goods or services to AKDSL in circumstances that could give rise to a conflict of interest or be prejudicial to the company.

In placing or accepting any business and in entering into contracts on behalf of AKDSL, employees are expected to observe the highest standards of integrity and to act in the best interests of the company. Business should not be placed or accepted, or contracts or arrangements entered into, for any improper motive.

No employee shall use the resources of AKDSL for any purpose other than to conduct AKDSL lawful and proper business. In particular, the company's resources must not be used for illegal purposes or for the gain of anyone other than AKDSL. Employees should endeavor to protect the assets of AKDSL and its sponsors and customers and ensure efficient utilization in a transparent manner and as per applicable rules and regulations.

AWARDS & RECOGNITIONS



COMPANY MILESTONES









DEBT CAPITAL MARKETS

<p>2022</p> <p>PKR 5000 mn</p>  <p>Frontier Foundry Steel Limited Initial Public Offering-Book Building</p>	<p>2022</p> <p>PKR 2500 mn</p>  <p>International Packaging Films Limited Initial Public Offering-Book Building</p>	<p>2022</p> <p>PKR 3600 mn</p>  <p>Gas & Oil Pakistan Limited Initial Public Offering-Book Building</p>	<p>2022</p> <p>NA</p>  <p>Pakistan Software Export Board Initial Public Offering-Book Building</p>
<p>2022</p> <p>PKR 5016 mn</p>  <p>Pak Electron Limited Issuance of Right Shares</p>	<p>2022</p> <p>PKR 3000 mn</p>  <p>Flying Cement Company Limited Issuance of Right Shares</p>	<p>2022</p> <p>PKR 5400 mn</p>  <p>Unity Foods Limited Issuance of Right Shares</p>	<p>2021</p> <p>PKR 850 mn</p>  <p>Apna MicroFinance Bank Limited Issuance of Right Shares</p>



M&A / ADVISORY / RESTRUCTURING



<p>2021</p> <p>PKR 750 mn</p>  <p>Oilco Petroleum Private Limited</p> <p>Sukuk Issue</p>	<p>2021</p> <p>PKR 7000 mn</p>  <p>Byco Petroleum Pakistan Limited</p> <p>Sukuk Issue</p>	<p>2021</p> <p>PKR 3000 mn</p>  <p>Unity Foods Limited</p> <p>Sukuk Issue</p>	<p>2021</p> <p>PKR 900 mn</p>  <p>TPL Corp Limited</p> <p>Commercial Paper</p>
<p>2019</p> <p>PKR 2000 mn</p>  <p>Kashf Foundation</p> <p>Team Finance Certificate</p>	<p>2019</p> <p>PKR 2500 mn</p>  <p>Masood Textile Mills Limited</p> <p>Sukuk Issue</p>	<p>2016</p> <p>PKR 2000 mn</p>  <p>Hacol Petroleum Limited</p> <p>Sukuk Issue</p>	<p>2012</p> <p>PKR 1255 mn</p>  <p>Treet Corporation</p> <p>Participation Team Certificate</p>



EQUITY CAPITAL MARKETS



<p>2021</p> <p>Confidential</p>  <p>Maymar Holdings (Private Limited)</p> <p>Merger</p>	<p>2021</p> <p>Confidential</p>  <p>Maymar Holdings (Private Limited)</p> <p>Acquisition Transaction</p>	<p>2021</p> <p>Confidential</p>  <p>Globe Textile Mills Limited</p> <p>Acquisition Transaction</p>	<p>2021</p> <p>PKR 100 mn</p>  <p>Munsalik Digital Private Limited</p> <p>Private Equity</p>
<p>2021</p> <p>PKR 78 mn</p>  <p>Hashmove Technology FZCO</p> <p>Private Equity</p>	<p>2021</p> <p>PKR 30 mn</p>  <p>Ravi Textile Mills Limited</p> <p>Acquisition Transaction</p>	<p>2019</p> <p>Confidential</p>  <p>SME Bank Limited</p> <p>Acquisition Transaction</p>	<p>2019</p> <p>Confidential</p>  <p>OBS Healthcare</p> <p>Merger</p>

BRANCH NETWORK

serving YOU, where YOU are...

Stock Office Karachi:

Suite-529 5th Floor Stock Exchange Building,
Stock Exchange Road, Karachi, Pakistan.
Tel.:+92-21 32426651-2

Karachi (North Nazimabad):

Suite # 2/a, 2nd Floor JF Plaza, Plot # D-1/1,
Block D, North Nazimabad, Karachi, Pakistan
Tel.:021-36630646-51

Karachi (Bahria Town):

Ground Floor, Plot No. 233B, Shop No. 01, Midway B
Commercial Area, Bahria Town, Karachi. Landmark:
Masjid-e-Server near Agha Juice.
Tel.: 92 336 2271205 & 66

Karachi (Gulshan-e-Iqbal):

Ground Floor, Bungalow No. FL-3/12, Block – 5,
KDA Scheme # 24, Gulshan-e-Iqbal,
Karachi, Pakistan
Tel.: +92 21 34980763- 34811806

Lahore:

64-A, 2nd Floor, Fountaion Avenue Building,
Main Boulevard, Main Gulberg, Lahore.
UAN: 92-42 111-222-000, Fax: (+92-42) 35787545

Lahore:

Suite # 512-513, 5th Floor PSX Regional Office,
19 Khayaban-e-Aiwan-e-Iqbal, Lahore - 54000.
UAN: 92-42 111-253-111

Islamabad:

Suite # 302-303, 3rd Floor Islamabad Stock Exchange
Tower, Block J F 7/1 Blue Area, Islamabad, Pakistan.
UAN: 92-51 111-253-111

Islamabad:

90-91, Raiza Sharif Plaza, Jinnah Avenue,
Blue Area, Islamabad, Pakistan
UAN: 92-51-111-222-000, Fax:(+92-51) 2272841

Faisalabad:

Suite # 3, 1st Floor Mezan Executive Tower,
Liaqat Road, Faisalabad, Pakistan.
Tel.:92-41 2620361-68

Multan:

Ground Floor, State life Building,
Abdali Road, Multan, Pakistan
Tel.: 92 61-47830300-1, Fax:(+92-61) 4500272

Gujranwala:

Shop # 81, Ground Floor, GDA Trust
Palza, Gujranwala, Pakistan
Tel.: 92-55-3822501-04, Fax: (+92-61) 3822505

Rahim Yar Khan:

Plot # 24, City Park Chowk, Model Town,
Rahim Yar Khan, Pakistan
Tel.: 92-68-5873251 (2-4)

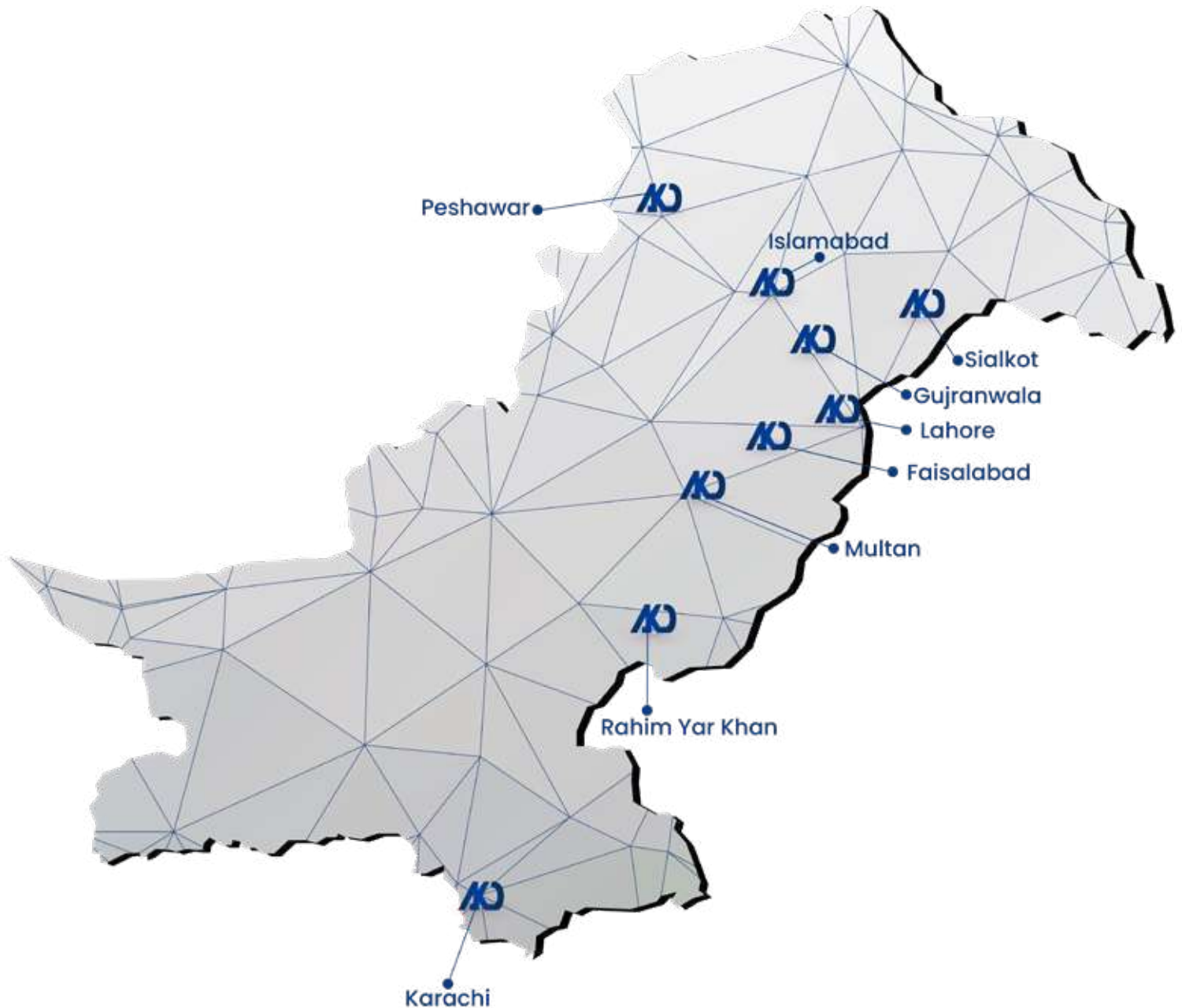
Peshawar:

1st Floor, State Life Building, 34-The Mall,
Peshawar Cantt, Peshawar, Pakistan
Tel.: 92 91-5276025-27, Fax: (+92-92) 5273683

Sialkot:

Ground Floor, City Tower, Shahab Pura
Road, Sialkot, Pakistan
Tel.: 92 52-325035-37, Fax: (+92-52) 3256038

A robust network of 14 branches and further expanding to better assist you with your investment needs.



Hina Junaid Chairperson

I welcome you all to this, the AKD Group Profile, encompassing an concise overview of our organizations breadth, introducing our people and past performance that place us in a unique position to grow, with Pakistan's developmental milestones.

Embodying the principles of resilience, the AKD Group has always been a Pakistani organization at heart, something we want to share with you in this profile. What you will also see is a continued push for expanding frontiers, whether it was the introduction of Pakistan's first online trading portal, index tracker fund or B2C telecommunication services.

The Chinese idiom 水漲船高 and its English phrase "rising tide raises all ships" stands true to the potential for Pakistan's economic miracle. Our economic credentials are being highlighted, multi-national entities are attracted by our consumer base and the favorable demographics at play.

Pakistan's re-entry into emerging market status furthers this sentiment. Needless to say, the potential of Pakistan's industry is not a secret for domestic investors, and is only recently being highlighted by foreigners as well. At the AKD Group, we are in the business of sharing our on-the-ground acumen. Insights honed over more than five decades in some of Pakistan's high-growth, nascent and borderline business verticals. We have taken the hard bets, and built our Group's muscle through continuous dedication to expanding the nation's service industry frontiers, marking the AKD Group as a pillar of Pakistan's resilient family-run business community.

We commend you in taking the first step and examine this profile and look eagerly to forming a trusted business relationship, mutually beneficial for all involved.

Hina Junaid
Chairperson
AKD Securities Limited



Muhammad Farid Alam–FCA

Chief Executive Officer

With the grace of Allah SWT, I begin with expressing my deep appreciation of our achievements, strengthened by an unwavering push for attaining sustained success and consistently embracing change.

Welcoming you to a comprehensive introduction to our achievements, expansive Group organizations and operational backdrops. We are a multi-tiered family-run business with a foothold in financial services, commodity trading, fund management, real-estate and integrated technology solutions.

After the lapse of more than a decade I see Pakistan going towards a determined direction where hope lies for an economic turnaround being imminent. One must acknowledge the prescience of current economic and public policy makers. Though as a nation we have learned the art of persevering under all kinds of odds, but there is room for us to certainly do better.

Decisions such as the economic corridor with China can give us a concrete reason to raise our hopes and furthers our conviction in Pakistan bouncing back dashing on to realize the dream of being an Asian tiger. Drawing parallels to what Bernard Baruch said on prevailing against problems “The art of living lies not in eliminating, but in growing with troubles”.

Our team at AKD Securities has a bright future in terms of sustainable growth, superior value delivery for clients and enhanced competition for the industry at large. As a corporate brokerage house/investment bank, it is critical for the company’s growth to look for its own fair share in the ever increasing business volumes and products for financial markets.

We at AKD Securities offer you this corporate profile as an overview of our achievements, and invite you to a profitable relationship with us.

Muhammad Farid Alam, FCA
Chief Executive Officer
AKD Securities Limited



BOARD OF DIRECTORS



Hina Junaid
Chairperson

Serving for over a decade as the Chairperson of AKD Securities Ltd. Ms. Hina Junaid has a deeply rooted career in Pakistan's capital markets. With wide-ranging exposure to private investments, real estate developments, investment banking and commodities trading she has effectively governed Pakistan's premier financial services brokerage. Prioritizing forging strong network of service oriented client relationships with the nation's foremost institutions, family offices, private investors and foreign portfolio investors.

Establishing AKD Commodities (Pvt.) Limited in 2011 she led the Group's efforts to extend financial market expertise to the nascent mercantile market. Steadily augmenting the AKD Group's portfolio, she serves as a Non-Executive Director for AKD Analytics, an integrated provider of back-end services to international financial services intermediaries with clients throughout the MENA region.

Mrs. Junaid also serves as Director AKD Venture Fund Ltd. which is Pakistan's First Venture Capital Fund, Creek Developers (Pvt.) Ltd an associated Group Company developing a premium multipurpose real-estate project in DHA Phase 8, Karachi and Oil & Gas Investment Limited (OGIL) which has exploration and development concessions across Pakistan.

As a socially aware business leader, Hina is an active philanthropist pursuing various charitable causes and social welfare projects in the domains of primary education, medical research and poverty alleviation. In a unique position as the first female chairperson of a Pakistani brokerage, she champions women empowerment initiatives including building financial awareness and promoting investment avenues. Recently she has been involved with renowned institutions and foundations including HANDS, SIUT, WWF and ORANGE TREE.



Muhammad Farid Alam – FCA
Chief Executive Officer

An unwavering proponent of Pakistan's development story, Mr. Muhammad Farid Alam has had over two decades of capital market experience under his belt, taking a lead in showcasing a positive narrative for the country's capital markets, at home and abroad. Having steered AKD Securities Limited to achieve several industry accolades, pioneering public market capital raising exercises, leading corporate finance consulting, and tailored private placements, Mr. Alam is a staunch supporter of the nation's potential for delivering growth for all.

Prior to joining AKD Securities, Mr. Alam was associated with the Pakistan Industrial Credit and Investment Corporation (PICIC), where he led the first buyout of state-owned mutual funds by the Privatization Commission, managing the combined entity and launching two fresh funds. Earlier, acted as the Domestic Consultant for Asian Development Bank (ADB) on Financial Sector Intermediation Loan (FSIL) during 2004. In this role, he conducted extensive reviews while reporting on monetary, external account management, and FX treasure policies agreed upon by various Pakistani Government functionaries and the multilateral lender.

Prior to joining PICIC, Mr. Alam served as the Head of Finance and Secretary to the Executive Committee and Board of Directors at Corporate & Industrial Restructuring Corporation (CIRC), Government of Pakistan along with being actively involved in remedial banking. He paved the way for Government institutions to place their funds with private sector banks meeting strict parameters, supplementing their incomes, and creating precedence for other public organizations. Mr. Alam possesses extensive investment banking experience which he gained during a decade with Crescent Investment Bank Limited- the first investment bank in Pakistan, where he served in various capacities, including Treasurer, Equity Strategist, Chief Financial Officer, and Manager Corporate Finance.

As a Fellow of Chartered Accountants, Mr. Muhammad Farid Alam serves on various committees of the Institute of Chartered Accountants. While maintaining an avid knowledge base of local and global financial market developments, he is an ardent competitor in team sports and appreciates art and literature. A vibrant communicator, Mr. Alam has participated in various media platforms, conferences, panels, and industry roundtables throughout his career.



Sikander Kasim
Director

Sikander Kasim is a fellow member of Institute of Chartered Accountants of Pakistan with over 30 years of experience in cross sector of listed companies. He joined Ford Rhodes Robson Morrow to pursue Accounting Certification after his B.Com from University of Karachi. He was admitted as an Associate Member of ICAP in the year 1991. His work experience revolves around financial and corporate affairs, including the office of Chief Financial Officer. He has major insight of public offerings, treasury functions and mobilization of funds for enterprise. Majority of his experience pertains to refinery sector.



Ayesha Aqeel Dhedhi
Director

Ms. Ayesha Aqeel Dhedhi is the youngest female CEO in real estate sector in Pakistan. She is currently working as a CEO in Creek Developers (Private) Limited. She has got 11 years of work experience. By qualification she holds a Master of Business Administration.



Afsheen Dhedhi
Director

Ms. Afsheen has been associated with AKD Securities Limited formerly BIPL Securities Limited for more than 4 years and is currently part of the Investment Banking team. She has been actively involved in various successful transactions that have been floated through the AKDS platform.

Her work domain is predominantly equity and debt advisory with transaction spectrum ranging from capital market transactions to private equity play.

She has completed her undergraduate studies from the University of Nottingham - United Kingdom.



Kamal Uddin Tipu
Director

Kamal Uddin Tipu is a PhD scholar in International Relations & Politics, Masters in Conflict Transformation from Eastern Mennonite University, VA USA, a Fulbright scholar, diploma in Human Rights Law from Human Rights Center Peshawar and MSc in Civil Engineering from Wayne State University Detroit MI USA having over 30 years of experience of law enforcement operations, management and planning, International Peacekeeping, electronic media regulation, project management, training and research administration.

His experience includes member of National Counter Terrorism Authority (NACTA), Executive Member and Chairman PEMRA, Police Planning Advisor at United Nations Office to the African Union UNOAU Addis Ababa Ethiopia, Deputy Inspector general of Police, Islamabad, Sector Commander and Director Planning National Highways & Motorway Police, Islamabad and many other command and staff assignments in Police Service of Pakistan.

He has written various papers on the subjects of Conflict Analysis, Nonviolence, Negotiations, Dialogue, Peace building, Community Policing, and Restorative Justice as requirement of the Masters Degree in the field of Conflict Transformation under the Fulbright program at Eastern Mennonite University Virginia, USA. He was a Visiting speaker National Institute of Public Administration, National Police Academy and Pakistan Institute of Manpower Islamabad. He also works on the Executive Body of Association of Former Inspectors General of Police AFIGP.



Tariq Adam Ghumra
Director

Mr. Tariq Adam Ghumra commenced his services at AKD Group as Manager Operations – Capital Markets Division in July 1995. Currently, he serves as Director, Head of Equity Operations & Registered Agent of SECP. He plays a vital role to monitor trade executions and clients' exposure, developing relationships with financial institutions, local high net worth clients, and investors. Mr. Ghumra is also responsible for conducting reviews and evaluations for cost-reduction opportunities and analyzing regulatory changes advises accordingly for system development.

He offers his expertise in liaising with SECP & CDC auditors to ensure annual monitoring along with arranging new sources of financing for the company's debt facilities.

Mr. Ghumra holds a master's degree in Business Administration majoring in Finance. He also serves as a Director of Metropolitan Steel Limited after being associated earlier as a Manager Customer Services with Bear Sterns Jahangir Siddiqui Limited (JS).

CORPORATE SOCIAL RESPONSIBILITY (CSR)

CORPORATE SOCIAL RESPONSIBILITY

The Company continued its contribution to the society and business community as a socially responsible organization through a number of philanthropic activities. AKDSL is committed towards fulfilment of its Corporate Social Responsibility and continues its involvement in projects focusing on healthcare, environment and community welfare. Our aim is to continue our involvement and contribution to such noble causes in the future as well.



CHAIRPERSON'S REVIEW

It gives me immense pleasure to present this review report to the stakeholders of AKD Securities Limited ("the Company") on the overall performance of the Board and effectiveness of the role played by the Board in achieving the company's objectives.

The Board of Directors ("the Board") of the Company has performed their duties meticulously in safeguarding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner, towards achieving its objective, in accordance with applicable laws and regulations.

The composition of the Board of Directors reflects mix of varied backgrounds and highly experienced individuals in the fields of Finance, Audit, Business and Banking. As required under the Code of Corporate Governance, the Board evaluates its own performance through a mechanism developed by it. The Board is fully involved in company's progress and provides strategic direction to the management and will continue to play its role in ensuring high standards of governance.

The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings including its committee are appropriately recorded and maintained.

The Board has actively participated in strategic planning process enterprise risk management system, policy development, and financial structure, monitoring and approval.

All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process.

The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities.

The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings.

The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making

I would like to acknowledge the contribution of the Board of Directors and all the employees of AKD Securities Limited for their hard work, dedication and commitment towards achieving organizational goals.



Hina Junaid
Chairperson

Karachi: October 05, 2023

DIRECTORS' REVIEW TO THE MEMBERS

The Board of Directors of **AKD Securities Limited** (“the Company”) is pleased to present the audited financial statements together with Auditors’ report thereon for the year ended 30 June 2023.

The comparison of the audited results for the year ended 30 June 2023 with the corresponding period of last year is as under:

Particulars	-----In Rupees-----	
	30 June 2023	30 June 2022
Net revenue	644,984,524	1,600,410,686
Gross profit	460,220,051	17,921,937
Profit / (loss) before tax	359,083,506	(82,422,056)
Profit / (loss) after tax	406,755,721	(324,228,909)
Earnings / (loss) per share	0.78	(3.24)

During the year, the company posted a net income of Rs. 406.755 million. The Company earned operating revenue amounting to PKR 644.98 million relative to PKR 1,600 million in the corresponding period of the prior year, a reduction of 60% YoY.

The short-term investment portfolio performed well even under deteriorating market conditions and posted a net gain of Rs. 287 million in FY23 as against a net loss of PKR 857 million in FY22.

The total operating and administrative expenses of the company decreased by 10% YoY due to strict control and monitoring.

Brokerage Operations

The Company earned broking revenue amounting to PKR 593 million in comparison to PKR 1,205 million in the prior year, showing a reduction by 51% YoY due to decreased volumes of Pakistan Stock Exchange (“PSX”) compared to last year. Your company made conscious efforts and successfully increased number of clients under each category viz. 7% in Retail, 3% in Institutional clients and 2% in HNWI to increase their market share.

Issuance of shares with respect to merger of AKD Securities Limited and BIPL Securities Limited

AKD Securities Limited (AKDSL) was merged with and into BIPL Securities Limited (BIPL) vide the High Court order JCM No. 36 of 2021 dated June 03 2022 and the surviving entity has been re-named as AKD Securities Limited. In this regard, the operational merger of the Company has also been made effective on 01 August 2022.

Pursuant to merger, 457,834,171/- (Four Hundred Fifty-Seven Million Eight Hundred Thirty-Four Thousand One Hundred Seventy-One) ordinary shares of the company (176,769,950*2.59), having a face value of PKR 10/- each have been allotted and issued in aggregate by the Company to the shareholders of AKDSL, as fully paid up, on the basis of swap ratio of 2.59 shares of the Company for every 1 (one) share of AKDSL by each of the AKDSL shareholders. Consequently, the paid up capital of the company has been increased to Rs. 5,578,341,710 (557,834,171 ordinary shares of Rs. 10 each)

Economic Review

FY23 was a story of external crises management for Pakistan with the country's FX reserves depleting to a low level of US\$3.68bn in May'23 compared to US\$9.8bn in Jun'22. The GoP responded to the crisis by keeping the Current Account pressures at a manageable level through administrative steps, with full year FY23 CAD clocking in at US\$2.39bn compared to US\$17.48bn in full year FY22. 2HFY23 recorded a Current Account surplus of US\$1.37bn. That said, a consequent fallout of the administrative measures was the adverse impact on the country's industrial activity with a number of manufacturing concerns going for production closures. To note, Imports of Goods and Services contracted by 29%YoY (SBP numbers) to US\$60.0bn in FY23.

On the fiscal front, revenue collection in FY23 stood at PkR7.8tn while fiscal deficit clocked in at PkR6.5tn or 7.7% of GDP. Of much concern is likely the Primary Deficit which clocked in at PkR690bn or 0.8% of GDP.

GDP growth remained muted at 0.29% in FY23 on account of economic slowdown due to heightened interest rates and economic losses in the aftermath of the devastating floods experienced in Aug'22. Headline inflation in FY23 averaged a whopping 29.18% compared to 12.15% in FY22 with CPI peaking in May'23 at 38%. Large Scale Manufacturing (LSM) depicted a contraction of 10.3%YoY in FY23.

That said, in the upcoming year, things are expected to improve particularly with the Government finally reaching a Staff Level Agreement (SLA) for a new Standby Arrangement (SBA) facility worth US\$3bn for a period of 9 months. This should provide the interim / new government time to carry out much needed economic reforms.

Equity Market Review

KSE100 Index closed relatively flat during FY23, with the index falling cumulatively by 179ppts to end at 41,453 points, decline of 0.21%YoY during the period. The index remained relatively volatile during the period, with highs and lows stayed between 43,677 (17th Aug'22) and 38,342 points (17th Jan'23). Average traded volume for the bourse during FY23 stood at 274mn shares per day, marking a decline of 33%YoY vs. the year before. The year was characterized by a combination of economic, political, and exogenous challenges. Natural calamities such as floods affected the provinces of Sindh and Punjab, leaving approximately 3 million people stranded and resulting in economic losses of around US\$30bn. Political climate remained heated in the country leading to further social and economic discord. Overall, market capitalization of the KSE100 index fell by 8.6%/34.5% in rupee/US\$ terms, to presently stand at

PkR6.36tn and US\$22.24bn, respectively. On the currency front, PkR closed at PkR286/US\$, reflecting a downgrade of 39.6%YoY from PkR204.8/US\$ from June'22 end.

In terms of sector performances, the Synthetic & Rayon, Leasing Companies, and Chemicals sectors emerged as leaders during the year, with market caps rising by 40%/19%/16%, during the period. The Sugar (& Allied Ind.) and Cements sectors also demonstrated growths, with both registering increases of 13.0%/8.0% during FY23. Conversely, in terms of negative performances, the Pharma, Miscellaneous, Refineries, Engineering, and Automobiles remained the most downtrodden, down by 40%/38.5%/31%/30% and 28%YoY, respectively

On the flows front, foreigners remained the net buyers of US\$1.53mn during the outgoing year, with major inflows observed in sectors Tech (+US\$43mn) and only Oil and Gas (+US\$27.4mn) while Banks (-US\$54mn) bore the brunt of the outflows. Cumulatively, Mutual funds (-US\$134mn) and Insurance (-US\$123mn) saw their portfolios witnessing the largest net outflows while Companies and Individuals absorbed most of the selling throughout the year, with a net buy of US\$101mn and US\$83mn, respectively.

Debt and Currency Market Review

FX reserves held with the SBP continued to drop throughout the year, ending at US\$4.47bn compared to US\$9.8bn at the start of the year. On directives of the IMF regarding currency alignment to free float, the PkR depreciated by 39.6% against the greenback to end the year at PKR286/US\$. That said, Pakistan's external situation has improved drastically since the end of FY23 owing to the signing of the SBA with the IMF.

With inflation running rampant across the country, the State Bank of Pakistan (SBP) was forced to raise interest rates drastically, with the policy rate increasing to 22% by end FY23 compared to 13.75% at the beginning of the year. With interest rates in positive territory on a forward looking basis as per the SBP, the tightening cycle in the country should be close to (or already have reached) its peak.

Commodity Market Review

Major commodities have significantly declined from their peak levels witnessed back in May/June'22, which were a result of the ruckus in Eastern Europe, as well as the recovery of major economies from the low points caused by the COVID-19 pandemic. Major crude oil benchmarks i.e. Brent, WTI, and Arab-Light, experienced significant declines of 34-35% primarily in the latter half of FY23 vs. the year before, dropping from their highs of \$120-\$130/bbl to end FY23 at mid-US\$70s/bbl. The said decline in major commodities was due to dampened demand prospects in major economies including Europe, China, and the US. Additionally, central banks worldwide remained persistent in raising rates to combat the spiraling inflation. The inflationary pressures which initially triggered the commodities to enter into a super cycle was primarily due to conflicts in Eastern Europe alongside (resulting in disruptions to oil/gas supply chains in the continent) and the overall aftermaths of looser monetary policies by central banks around the globe back in 2020, aimed at stimulating demand following the impact of the COVID-19 pandemic. Other

commodities that have largely receded from their previous highs include Coal (↓69%), RLNG (↓68%), Urea (↓55%), PVC (↓38%) and Cotton (↓48%).

Future Outlook

With Pakistan having finally entered an IMF SBA facility worth US\$3bn, immediate external uncertainty has been averted. At the same time, a caretaker set-up has taken up the reins and is striving to reform the economy and has already begun taking shape with energy (electricity / gas) tariffs being adjusted (or in the process of being adjusted) while steps to reign in currency have begun bearing fruit with both the interbank and the open market rates below 285 as things stand. At the same time, activity at the PSX has improved significantly post Pakistan's entry into the IMF program while heightened activity is expected to remain in the year ahead, particularly with expectations of policy rate gradually coming off towards the tail end of FY24.

Corporate Governance

The directors confirm compliance with the Corporate & Financial Reporting Framework of the Securities and Exchange Commission of Pakistan (SECP's) Code of Corporate Governance in respect of the following:

- Proper books of account of the Company have been maintained;
- The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and the changes in equity;
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment;
- Approved Accounting Standards, as applicable in Pakistan, Companies Act, 2017 and the directives issued by the Commission have been followed in the preparation of the financial statements;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- The Company is financially sound and is a going concern and that there are no doubts about its ability to continue as a going concern;
- There has not been any material departure from the best practices of Corporate Governance, as detailed in the listing regulations;

- The composition of Board of Directors is as per the best practices of Code of Corporate Governance;
- Executive Directors do not number more than one third of the elected directors. Details of the composition of the Board of Directors have been provided below;
- The Board of Directors has ensured that all regulations concerning responsibilities, powers and functions of the Directors have been carefully considered and acted upon. In addition, Company Secretary, CFO and Head of Internal Audit who meet the requirements laid out in the Code have been appointed;
- Key operating and financial data of the preceding years is disclosed in the financial statements.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on 30 June 2023 except for those disclosed in the financial statements;
- Related-party transactions have been placed before the Audit Committee and their recommendations placed before the BOD.
- There are no transaction entered into by the Broker during the year which are fraudulent, illegal or in violation of any securities market law;
- The Company has paid amount of Rupees 17.64 million in the provident fund of the employees of the Company. The Company operates approved contributory provident fund for its eligible employees;
- No material changes and commitments affecting the financial position of your Company have occurred between the balance sheet date and the date of the Directors' Report.

The Board

The total numbers of directors are Seven (7) as per the following:

Male:	4
Female :	3

The composition of board is as follow:

Independent Directors:	2
Non-Executive Directors:	3
Executive Director:	2

The positions of the Chairperson and the Chief Executive Officer are kept separate in line with the best governance practices and the Chairperson has been elected from among the Non-executive Directors. The

Board has established a separate Audit Committee and Human Resource & Remuneration Committee to assist the Board in the performance of its functions. Further, none of the Directors is elected or nominated in more than seven listed companies.

Board Meeting and Attendance

During the year, four meetings of the Board of Directors were held. As per the requirements of the Code of Corporate Governance, written notices were circulated at least 7 days in advance. Attendance record of the meetings is as follow:

Name of Directors	Invited for Meetings held during 2023	Meetings attended during 2023*
Ms. Hina Junaid – Chairperson	4	4
Mr. Farid Alam – Chief Executive Officer	4	4
Mr. Kamal Uddin Tipu	4	4
Mr. Sikander Kasim	4	4
Ms. Ayesha Aqeel Dhedhi	4	3
Ms. Afsheen Aqeel	4	4
Mr. Tariq Adam	4	4

*Against all absences, leave of absence was duly granted by the Board of Directors.

Changes in Board and Election of Directors

In accordance with the provisions of Section 161 of the Companies Act, 2017, the three years term of the seven directors elected in the Extra Ordinary General Meeting held on 28 January 2020 was completed on 27 January 2023. Seven (7) number of contestants have offered themselves for elections in accordance with section 159(3) of the Companies Act, 2017, which was equal to the number fixed by the board in terms of Section 159(1) of the Companies Act, 2017. Election of the existing seven directors has been confirmed and approved by the shareholders in their Extraordinary General Meeting held on 27 January 2023 for a three years term, which will be completed in January 2026.

All the pre-election directors were re-elected and no casual vacancy occurred during the financial year ended 30th June 2023.

Audit Committee

As per the requirements of the Code of Corporate Governance, the Audit Committee consists entirely of non-executive directors with Chairman being an Independent Director. The attendance of Directors at the Committee's meetings was as follows:

Name of Committee Members	Invited for Meetings held during 2023	Meetings attended during 2023*
Mr. Kamal Uddin Tipu- Chairman	4	4
Ms. Ayesha Aqeel Dhedhi	4	3
Ms. Afsheen Aqeel	4	4

*Against all absences, leave of absence was duly granted by the Committee.

Human Resource & Remuneration Committee

The Human Resource & Remuneration Committee consists of majority of non-executive directors with Chairman being an Independent Director. The attendance of Directors at the Committee's meetings was as follows:

Name of Committee members	Invited for Meetings held during 2023	Meetings attended during 2023
Mr. Sikander Kasim- Chairman	1	1
Ms. Ayesha Aqeel Dhedhi	1	-
Mr. Muhammad Farid Alam	1	1

*Against all absences, leave of absence was duly granted by the Committee.

Trading In Shares of the Company by Directors, Executives and their Spouses and Minor Children

The Company's Directors, executives and their spouses and minor children did not trade in the Company's shares during the year ended 30 June 2023 other than those disclosed on Pakistan Stock Exchange.

Adequacy of Internal Financial Controls

The Board of Directors has established a system of sound internal financial controls, for achieving the effectiveness and efficiency in the operations, reliable financial reporting and compliance with applicable laws and regulations. The internal audit function regularly monitors the implementation of financial controls whereas the Audit Committee reviews the effectiveness of internal control framework and financial statements on quarterly basis.

Credit Rating

JCR-VIS Credit Rating Company Limited ("JCR-VIS") has upgraded the entity ratings to 'AA-/A-1' (AA Minus/A-One). Outlook on the assigned ratings is 'Stable'. Long Term Rating of AA- reflects good credit quality, adequate protection factors. Risk factors may vary with possible changes in the economy. Short Term Rating of A-1 indicates high certainty of timely payment, excellent liquidity factors supported by good fundamental protection factors and risk factors are minor. The revision in rating takes into account

improvement in AKDSL's market share, strong growth in topline and notable improvement in efficiency ratio. The revenue base also depicts increased diversification, with higher contributions from consultancy income and investment return on financial assets. This certification has further endorsed the Management's vision for continuous growth and is expected to provide further confidence to the Company's clientele with regard to the credibility and stability of the brand "AKD".

Management Rating

VIS Credit Rating Company Ltd. (VIS) has upgraded the Broker Management Rating of AKDSL to 'BMR1'. Outlook on the assigned rating is 'Stable'. The rating signifies strong regulatory compliance levels, financial management and control environment; compliance and risk management frameworks. Upgrade in rating takes note of company's long-standing experience in securities broking business, strong sponsor profile, sustained control environment and improved overall business performance. Strategic investment policy against the backdrop of surge in industry trading volumes led to an improvement in profitability in the ongoing year.

Broker Fiduciary Rating

VIS Credit Rating Company Ltd. (VIS) has re-assigned the Broker Fiduciary Rating of 'BFR2++'. Outlook on the assigned rating is 'Stable'.

Human Resource

The backbone of any organization is its people. AKDSL firmly believes in hiring talent while nurturing, investing in and promoting its employees with the ultimate objective of ensuring a very high level of employee satisfaction and efficiency, which in turn translates into high levels of customer satisfaction. The Management shall continue to work towards understanding and integrating employee objectives with the corporate goals in a harmonious manner.

Risk Management

Risks are unavoidable in our business and include liquidity, market, credit, operational, legal, regulatory and reputational risks. AKDSL's risk management governance starts with our Board, which plays an integral role in reviewing and approving risk management policies and practices. Our risk management framework and systems are longstanding, standardized and robust. We believe that effective risk management is of primary importance to the success of the Company. Accordingly, we have initiated comprehensive risk management processes through which we monitor, evaluate and manage the risks we assume in conducting our activities. A rigorous framework of limits is applied to control risk across multiple transactions, products, businesses and markets in which we deal. This includes setting credit and market risk limits at a variety of levels and monitoring these limits on a regular basis.

Corporate Social Responsibility

The Company continued its contribution to the society and business community as a socially responsible organization through a number of philanthropic activities. AKDSL is committed towards fulfilment of its Corporate Social Responsibility and continues its involvement in projects focusing on healthcare, environment and community welfare. Our aim is to continue our involvement and contribution to such noble causes in the future as well.

Contribution to the National Exchequer

The Company has contributed Rupees 206,305,416 to the National Exchequer in the form of Income Tax, Sales Tax, other taxes, duties and levies during the financial year.

Future Prospects

The future prospects of the Company are thoroughly promising on account of the Management's efforts towards continuing to increasing the Company's market share and through wider participation in all its business segments. The Company is striving to yield better volumes from its existing clientele as well as prospective foreign and domestic clients by expanding and growing relationships with them through the Company's premium suite of services. This includes offering novel products and services through supplementing the Company's high quality Research. The Management also foresees increased activity on account of new equity and debt listings for which the Investment Banking Division is well equipped.

Audit Committee

The Audit Committee of the Board continued to perform its duties and responsibilities in an effective manner as per its terms of reference duly approved by the Board.

Ethics and Business Practices

As per the requirements of the Securities Brokers Licensing and Operations Regulations 2016, the Company has circulated a "Code of Ethics" for compliance. It has been signed by all directors and employees of the Company acknowledging their understanding and acceptance of the Code.

Related Party Transactions

In order to comply with the requirements of Company Act 2017, the Company has presented all related party transactions before the Audit Committee and Board for their review and approval. These transactions have been approved by the Audit Committee and Board in their respective meetings. The details of all related party transactions have been provided in notes 7.3, 14.1, 16.2, 16.3 & 36 of the annexed audited financial statements.

Remuneration of Directors and Chief Executive Officer

The Company does not pay any remuneration to its non-executive Directors. The Independent Directors are entitled for meeting fee for attending the Board and its Committee meetings. The Independent Directors are also provided or reimbursed for travelling, boarding and lodging expenses incurred, if any, for attending the meetings. Disclosure of remuneration of all the directors and chief executive officer has been provided in detail in Note 35 of the annexed audited financial statements.

Financial Responsibility

The management of the Company is responsible for the preparation of financial statements and the related notes contained therein. These financial statements are reviewed by the Audit Committee before being approved by the Board of Directors.

The Audit Committee assists the Board in monitoring and managing risks associated with the business and the internal controls put in place to mitigate these risks. The Committee operates in accordance with the requirements laid down in the Code of Corporate Governance and the terms of reference approved by the Board. The Committee comprises of three Non-Executive Directors with Chairman being an Independent Director and held four meetings during the year.

The Human Resource & Remuneration committee assists the Board in the Human Resources management including selection, evaluation and compensation of key management personnel. The Committee operates in accordance with the requirements laid down in the Code of Corporate Governance. The Committee comprises of three Non-Executive Directors with Chairman being an Independent Director and held one meeting during the year.

Appointment of External Auditors

The external auditors Messrs. RSM Avais Hyder Liauqat Nauman, Chartered Accountants stand retired following expiry of their tenure. As per the recommendations of the Audit Committee, the Board endorses the re-appointment of Messrs. RSM Avais Hyder Liauqat Nauman, Chartered Accountants as external auditors for the financial year 2024.

Shareholding

The pattern of shareholding and categories of shareholders of the Company as on 30 June 2023 has been appended to this annual report.

Dividends

In order to accumulate liquidity no dividend has been proposed.

Acknowledgement

The Board of Directors of your company **AKD Securities Limited** wishes to recognize the efforts of all the stakeholders and employees of the company who contributed towards the betterment of the company.



Chief Executive Officer



Director

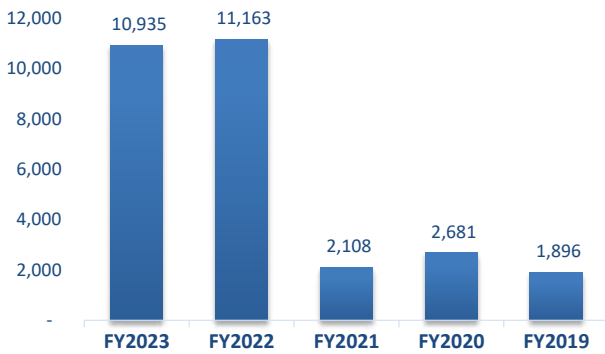
Karachi: October 05, 2023

Financial Highlights

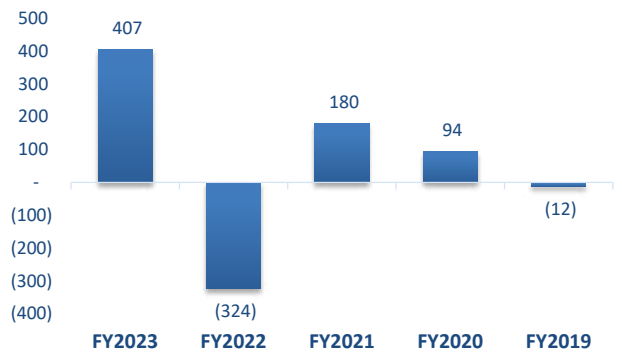
	Year ended June 30,	Year ended June 30,	----- Year ended December 31, -----			
	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018
Operating Performance (Rupees in '000)						
Revenue	1,500,782	1,075,312	654,823	501,703	322,362	271,588
Operating and administrative expenses (Provision) / reversal of provision / impairment	(902,774) (137,778)	(999,047) (58,343)	(384,678) 244	(344,149) 4,255	(311,822) (681)	(299,019) (3,504)
Finance cost	(116,679)	(105,195)	(22,312)	(25,381)	(26,521)	(15,426)
Other income	15,533	4,851	3,062	1,568	1,786	4,840
profit/(Loss)before taxation	359,084	(82,422)	251,139	137,996	(14,876)	(41,521)
profit/(Loss)after taxation	406,756	(324,229)	179,730	94,000	(11,941)	(26,959)
Per Ordinary Share (Rupees)						
Earning / (loss) per share	0.78	(3.24)	1.80	0.94	(0.12)	(0.27)
Break-up value per share	14.62	73.07	9.30	7.82	7.53	8.75
Dividends (Percentage)						
Final dividend		-	5%	-	-	-
Assets and Liabilities (Rupees in '000)						
Total assets	10,934,777	11,163,189	2,108,374	2,680,713	1,895,960	1,825,951
Current assets	5,087,487	7,320,278	1,755,494	2,264,101	1,385,195	1,203,967
Current liabilities	2,253,889	3,670,390	1,026,297	1,744,281	982,676	801,686
Financial Position (Rupees in '000)						
Shareholders equity	8,154,081	7,307,044	930,319	782,199	753,395	874,265
Share capital	5,578,342	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Share premium	2,302,906	2,302,906	-	-	-	-
Reserves	272,833	(574,203)	(69,681)	(217,801)	(246,605)	(125,735)
Share outstanding (Number in '000)	557,834	100,000	100,000	100,000	100,000	100,000
Return on capital employed - (%)	4.40	(1.13)	26.99	17.64	(1.97)	(4.75)
Return on total assets - (%)	4.35	0.20	12.97	6.09	0.61	(1.43)
Current ratio-times	2.26	1.99	1.71	1.30	1.41	1.50
Interest cover ratio-times	4.08	0.22	12.26	6.44	0.44	(1.69)

Graphical Presentation

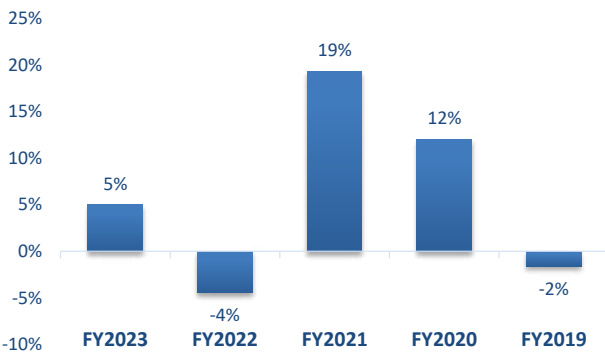
TOTAL ASSETS
RUPEES IN MILLION



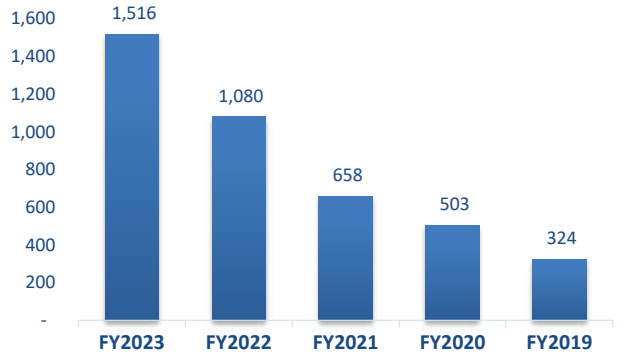
(LOSS) / PROFIT AFTER TAX
RUPEES IN MILLION



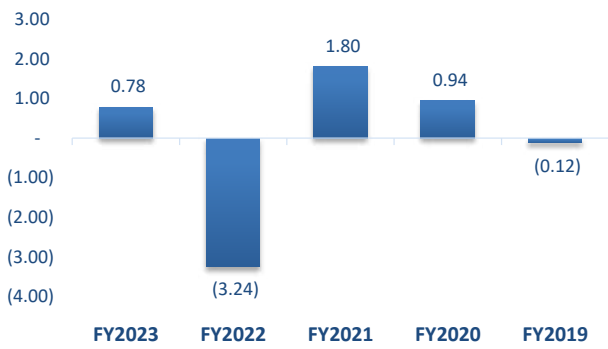
RETURN ON EQUITY
RUPEES IN MILLION



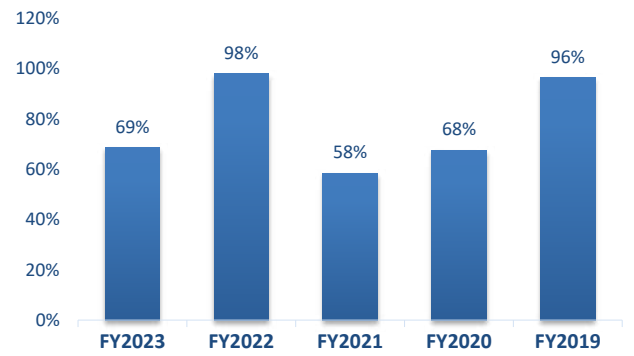
TOTAL REVENUE
RUPEES IN MILLION



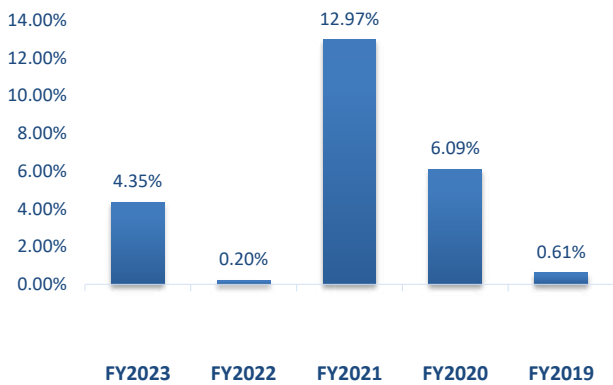
EARNINGS / (LOSS) PER SHARE IN RUPEES



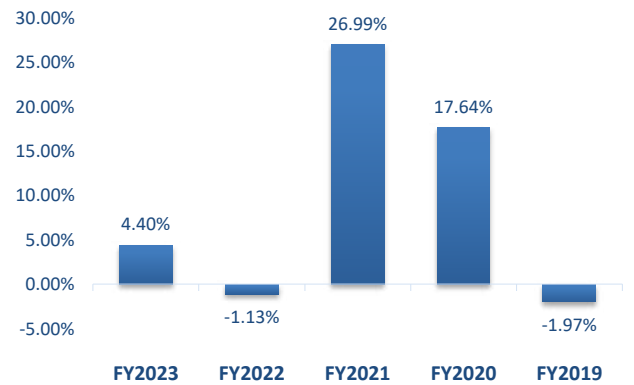
COST TO INCOME RATIO RUPEES IN MILLION



RETURN ON ASSETS



RETURN ON CAPITAL EMPLOYED



NOTICE OF 24TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 24th Annual General Meeting (“AGM”) of AKD Securities Limited (the “Company”) will be held on Saturday, October 28, 2023 at 03:00 p.m. at the Institute of Chartered Accountants of Pakistan (“ICAP”) Auditorium Hall, Chartered Accountants Avenue, Clifton, Karachi along with audio/video facility to transact the following businesses:

ORDINARY BUSINESS

1. To confirm the minutes of the Extra Ordinary General Meeting held on January 27, 2023.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2023 together with the Directors' Report and Auditors' Report thereon.
3. **To appoint Auditors of the Company and fix their remuneration for the year ending June 30, 2024. The Board of Directors, on the recommendation of Audit Committee of the Company, has proposed re-appointment of M/s RSM Avais Hyder Liaquat Nauman, Chartered Accountants as external auditors, for the year ending June 30, 2024.**
4. To present any other business with the permission of the Chairperson.

SPECIAL BUSINESS

5. The Securities and Exchange Commission of Pakistan (SECP) through its S.R.O. 389(1)/2023 dated March 21, 2023 has allowed the listed companies to circulate the annual balance sheet and profit and loss account, auditor’s report and directors’ report, etc. (“annual audited financial statements”) to its members through QR enabled code and weblink, subject to approval of shareholders in AGM. Therefore, the shareholders are requested to consider, and if deemed fit, approve the following resolution:

RESOLVED THAT the approval be and hereby given to allow the Company to circulate the audited financial statements to its members/shareholders through Quick response (QR) enabled code and web link instead of through CD/DVD/USB, in accordance with S.R.O 389(1)/2023 of the SECP dated March 31, 2023.

By order of the Board



Mudassir Ijaz
Company Secretary

Karachi:
October 07, 2023

Notes:

1. The Share Transfer Books of the Company will remain closed from October 22, 2023 to October 28, 2023 (both days inclusive). Transfers received by the Share Registrar of the Company, THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street-2, D.H.A., Phase VII, Karachi, Pakistan at the close

of business on October 21, 2023 will be treated in time for the purpose of attending the Annual General Meeting.

2. A member entitled to attend, speak and vote at the above meeting may appoint a person/ representative as proxy to attend, speak and vote on his behalf at the Meeting. Proxies in order to be effective must be received at the office of Share Registrar of the Company, THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street-2, D.H.A., Phase VII, Karachi, Pakistan not less than 48 hours before the time of holding of the meeting.
3. **Participation via Physical presence or through video conferencing facility**

In order to comply with the requirement of circular 4 of 2021 issued by the Securities and Exchange Commission of Pakistan, the Company has also arranged the video conference facility for those shareholders who are interested to participate virtually via video link facility.

The shareholders interested in attending the AGM through ZOOM application are requested to get themselves registered on the email: agm@akdsl.com by providing the information as per below format for registration:

S. No	Shareholder name	CNIC Number and Copy*	Folio Number	Cell No.	Email Address

*along with snapshot of CNIC (both side)

Upon receipt of the above information from interested shareholders, Login credentials will be shared with those shareholders on their email addresses. The login facility will be opened at 30 minutes before the meeting to enable the participants to join the meeting after identification/verification process.

4. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
5. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
6. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
7. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
8. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
9. Beneficial owners of physical shares and the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxies are required to produce their original Computerized National Identity Cards (CNICs) or Passports for identification purpose at the time of attending the meeting. The Proxy Form(s) must be submitted with the Company within the time stipulated (mentioned in note no.2 above), duly signed and witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the Proxy Form(s), along with attested copy(ies) of the CNICs or the Passport(s) of the beneficial owners and the proxy(ies). In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the Proxy(ies) Form(s) to the Company.

10. Shareholders are requested to notify any changes in their registered address immediately to the Company's Share Registrar, M/s. THK Associates (Private) Limited.

11. Notice to Shareholders who have not yet provided CNIC:

The shareholders who have not yet provided copies of their CNICs are once again advised to provide at earliest the attested copies of their CNICs (if not already provided) directly to our Independent Share Registrar at the address given in note no.1 above.

12. Distribution of Financial Statement through Email (Optional)

Pursuant to the provisions of section 223(6) of the Companies Act, 2017, the companies are permitted to circulate their annual financial statements, along with auditor's report, directors' review report etc. ("Annual Report") and the notice of Annual General Meeting ("Notice"), to its shareholders by email. Shareholders, who wish to receive the Company's Annual Report and Notice of Annual General Meeting by email are requested to provide the completed "Electronic Communication Consent Form" (available on the Company's website), to the Company's Share Registrar.

The audited financial statements of the Company for the year ended June 30, 2023 have also been made available on the Company's website.

<https://www.akdsl.com/InvestorRelations/AnnualAccounts>

13. Postal Ballot

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 issued by the SECP, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on Saturday, October 28, 2023, at 03.00 PM, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

PROCEDURE FOR E-VOTING:

- a) Details of the e-voting facility will be shared through an e-mail with those shareholders who have their valid CNIC numbers, cell numbers and e-mail address (Registered email ID) available in the register of the shareholders of the Company by the close of business on October 21, 2023 by M/s THK Associates (Pvt) Limited (being the e-voting service provider).
- b) E-voting lines will be available to eligible shareholders from October 25, 2023, 9:00 am and shall close on October 27, 2023 at 5:00 pm. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- c) Members can cast their votes at any time in this period. Once the vote on a resolutions is cast by a shareholder, he/she shall not be allowed to change it subsequently.

PROCEDURE FOR VOTING THROUGH POSTAL BALLOT:

The shareholders shall ensure that duly filled and signed ballot papers along with copy of valid Computerised National Identity Card (CNIC)/ copy of passport (non-resident) should reach the Chairperson of the meeting through post on the Company's registered address, 602, Continental Trade Centre, Block-8, Clifton, Karachi, or e-mail at agm@akdsl.com.pk on or before October 27, 2023

during working hours. The signatures on the ballot paper shall match with the signature on CNIC. For the convenience of the shareholders, ballot paper is available on the Company's website at www.akdsl.com.pk for the download. Ballot Paper for voting through postal ballot has been dispatched to eligible shareholders alongwith notice of AGM.

STATEMENT AS REQUIRED UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF THE SPECIAL BUSINESS

Agenda Item No. 5 – Approval of circulation of Annual Audited Accounts of the Company to its members/shareholders through Quick Response (QR) enabled link and web link

The Securities and Exchange Commission of Pakistan ("SECP") has, vide S.R.O. 389(I)/2023 dated March 21, 2023, allowed listed companies to circulate the Annual Report (including the audited financial statements, Auditors' report, Directors' report, Chairman's review report) to the members of the Company through QR enabled code and weblink instead of through CD/DVD/USB.

In accordance with the aforesaid SRO, the same is subject to the approval of the members of the Company. Considering the optimum use of advancements in technology and in order to fulfil the Company's corporate social responsibility to the environment and sustainability, members' approval is being sought for the circulation of the Annual Report (including annual audited financial statements and other reports contained therein) to the members of the Company through QR enabled code and weblink.

This arrangement will help all members wherever they are located to access the financial statements of the Company. Additionally, it will also reduce unnecessary expenditure for making CDs.

It is pertinent to mention that if any member seeks to obtain a hard copy of the Annual Report, such member(s) will be provided a printed version of the same free of cost in accordance with the aforementioned SRO. No change to that right / privileged is being proposed.

None of the Directors of the Company have any personal interest in the aforesaid special business, except in their capacity as members and Directors of the Company.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AKD SECURITIES LIMITED****Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **AKD Securities Limited** for the year ended **June 30, 2023** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with these Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

— Sd —

Chartered Accountants
Karachi.

Date: **06 OCT 2023**

UDIN: CR202310239K0LZ4ByMq

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

AKD Securities Limited

For the year ended June 30, 2023

The Company has complied with the requirements of the Regulations in the following manner:

1. The total numbers of directors are Seven (7) as per the following:

- a. Male: Four (4)
- b. Female: Three (3)

2. The composition of board is as follow:

Category	Names
Independent Directors	Mr. Kamal Uddin Tipu Mr. Sikander Kasim
Non-Executive Directors	Ms. Hina Junaid Ms. Ayesha Aqeel Dhedhi Ms. Afsheen Aqeel
Executive Director	Mr. Muhammad Farid Alam Mr. Tariq Ghumra
Female Director	Ms. Hina Junaid Ms. Ayesha Aqeel Dhedhi Ms. Afsheen Aqeel

The Board comprised of minimum number of members which is seven (7) hence it fulfills the requirement of minimum two (2) independent directors and the fraction (0.33) for independent directors has not been rounded up as one. Further, the existing independent directors have the requisite skills and knowledge to take independent decisions.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Three directors have attended the Directors' Training Program. During the year, the election of Directors was held on 27 January 2023 and the Directors elected are expected to acquire prescribed certifications within twelve (12) months as stipulated under the regulations.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

Audit Committee

Mr. Kamal Uddin Tipu – Chairman

Ms. Ayesha Aqeel Dhedhi – Member

Ms. Afsheen Aqeel – Member

HR and Remuneration Committee

Mr. Sikander Kasim – Chairman

Mr. Muhammad Farid Alam - Member

Ms. Ayesha Aqeel Dhedhi – Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

14. The frequency of meetings of the committee were as per following;

- a) **Audit Committee** Quarterly
- b) **HR and Remuneration Committee** at least yearly and as and when need arose

15. The Board has set up an internal audit function, comprising of personnel who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27 32, 33 and 36 of the Regulations have been complied;



Ms. Hina Junaid
Chairperson / Director



Mr. Muhammad Farid Alam
Chief Executive Officer / Director

Karachi: October 05, 2023

COMPLIANCE OF CORPORATE GOVERNANCE CODE FOR THE SECURITIES AND FUTURE BROKERS*

To the best of my knowledge and belief, there are no transaction entered into by the Company during the year, which are fraudulent, illegal or in violation of any securities and future market laws.



Muhammad Farid Alam
Chief Executive officer

*This statement is given as per the requirements of the regulations of Securities Brokers (Licensing & operations) Regulations 2016 and Future Brokers (Licensing and Operations) Regulations 2018.

Standalone Financial Statements

- Independent Auditor's Report to the Members
- Statement of Financial Position
- Statement of Profit and Loss Account and Other Comprehensive Income
- Statement of Changes in Equity
- Cashflow Statement
- Notes to the Financial Statement

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AKD SECURITIES LIMITED
REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS**

RSM Avasi Hyder Liaquat Nauman
Chartered Accountants

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Karachi, 75530 - Pakistan

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Opinion

We have audited the annexed financial statements of **AKD Securities Limited** (the Company), which comprise the statement of financial position as at **June 30, 2023**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Advance against Properties:</p> <p>As disclosed in Note 7.3 the company has paid advance against property amounting to Rs. 1,629.30 million to Mr. Aqeel Karim Dhedhi a related party.</p> <p>As the transactions are with a related party therefore by nature and significance of amounts involved in our course of audit this was considered as a key audit matter.</p>	<p>Our audit procedures, amongst others, included the following:</p> <p>Obtain agreements of sale to understand nature of transaction of such advance.</p> <p>Obtained minutes of meetings of board of directors to trace approval of such transactions.</p> <p>Traced the amount paid against such properties.</p> <p>Validated that the transactions were carried out at arm's length by obtaining independent reports for valuation of properties.</p> <p>Obtained confirmation from related party for the amount paid as advance against property.</p> <p>Checked that appropriate disclosures were made in the financial statements.</p> <p>Checked compliance of the Companies Act, 2017 and obtain necessary documents in this respect.</p>
2	<p>Valuation of Goodwill and its impairment</p> <p>As disclosed in notes 1.3 and 8 the company has recorded goodwill amounting to Rs. 3,137.82 million on merger.</p> <p>The valuation of goodwill was significant to the audit due to the amount involved and its valuation requires complex calculations therefore the matter was addressed as a key audit matter.</p>	<p>Our audit procedures, amongst others, included the following:</p> <p>We obtained independent valuers' report used by the management to calculate the carrying value and recoverable amount of the cash generating units involved.</p> <p>Test the data used by the valuer for assessing the reasonableness of assumptions.</p> <p>Perform other audit procedures as per requirements of International Auditing Standards as applicable in Pakistan.</p> <p>Checked that appropriate disclosures were made in the financial statements.</p>
3	<p>Valuation of Al Jomaih Power Limited (AJPL).</p> <p>As disclosed in Note 9.3.2 the company's financial statements include investment at Fair value through Other Comprehensive Income in unquoted foreign</p>	<p>Our audit procedures, amongst others, included the following:</p> <p>We obtained confirmation of AJPL in respect of shareholding of the company in AJPL and net assets</p>

	<p>company AJPL amounting to Rs. 629.18 million.</p> <p>The valuation of investment in AJPL was significant to the audit due to foreign currency risk involved in the investment and the categorization of the investment is level 3 of the Fair Value hierarchy which uses input other than the observable market date.</p>	<p>value per share as at year end, as per books and records of AJPL.</p> <p>We checked that the investment at the year-end has been translated using appropriate exchange rate.</p> <p>We checked that at the year end, the investment is adjusted for changes if any in the net assets value on the basis of information received from AJPL.</p> <p>We checked that basis of valuation of investment is adequately disclosed in the financial statements of the company.</p>
4	<p>Recognition and realization of deferred tax asset:</p> <p>As disclosed in note 12, the company has recognized deferred tax asset amounting to Rs 183.49 million.</p> <p>In order to ascertain that sufficient future taxable profit will be available, the management has prepared future projections of taxable profit by taking into account various assumptions mainly comprising of expected future revenues, business and operational assumptions and timing of reversals.</p> <p>The analysis of the recognition and recoverability of the deferred tax asset was significant to our audit because of the material amount of deferred tax asset and because the assessment of future taxable income involves significant management judgment about future business and economic factors.</p>	<p>Our audit procedures, amongst others, included the following:</p> <p>We obtained working of the deferred taxation and re-performed calculations.</p> <p>We checked and examined components of deferred taxation from relevant tax records.</p> <p>We checked the realization of deductible temporary differences and unused tax losses during the year against current taxation.</p> <p>We tested and documented the process used by management to assess the likelihood of realizing the deferred tax asset.</p> <p>We tested whether any subsequent events or transactions have occurred up to the date of our report that could affect the likelihood of realizing the deferred tax assets.</p> <p>We used our internal tax specialist and considered the appropriateness of the application of relevant tax laws by the Company.</p> <p>We also assessed the adequacy of the related disclosures pertaining to deferred taxation in accordance with applicable financial reporting framework.</p>

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

The Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- (d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and

- (e) the Company was in compliance with the requirements of Section 78 of Securities Act, 2015 and Section 62 of the Futures Market Act, 2016, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.

The engagement partner on the audit resulting in this independent auditor's report is Syed Naveed Abbas.

—Sd—

Chartered Accountants
Karachi

Dated: 06 OCT 2023

UDIN: AR2023102391ahn6Vcmd

AKD SECURITIES LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
-----{Rupees}-----			
ASSETS			
Non-current assets			
Property and equipment	7	1,829,667,116	327,704,829
Intangible assets	8	3,153,169,929	3,155,170,139
Long-term investments	9	641,077,326	201,869,062
Long-term loans and advances	10	-	341,000
Long-term deposits and prepayments	11	39,879,051	59,771,851
Deferred tax asset - net	12	183,496,225	98,054,672
		5,847,289,647	3,842,911,552
Current assets			
Short-term investments	13	2,318,892,393	3,533,925,197
Trade debts	14	230,157,314	327,149,658
Deposits, prepayments and other receivables	15	1,117,041,837	1,487,355,781
Loans and advances	16	544,565,734	831,462,645
Cash and bank balances	17	876,830,002	1,140,384,549
		5,087,487,280	7,320,277,830
TOTAL ASSETS		10,934,776,927	11,163,189,383
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Capital			
700,000,000 (2022:200,000,000) Ordinary shares of Rs. 10 each	1.4.3	7,000,000,000	2,000,000,000
Issued, subscribed and paid-up capital	18	5,578,341,705	1,000,000,000
Shares to be issued in accordance with scheme of merger	19	-	4,578,341,705
Share premium	20	2,302,905,878	2,302,905,878
Fair value reserve		423,776,599	(16,504,115)
General reserve		18,752,260	18,752,260
Accumulated loss		(169,695,670)	(576,451,391)
		8,154,080,772	7,307,044,337
Non-current liabilities			
Long-term financing-secured	21	500,000,000	150,000,000
Lease liability	22	26,807,015	35,754,847
		526,807,015	185,754,847
Current liabilities			
Trade and other payables	23	2,048,700,109	2,633,688,361
Short - term financing-secured	24	150,000,000	865,000,000
Current portion of lease liability	22	16,542,970	17,210,565
Unclaimed dividend		1,927,815	1,935,706
Taxation - net		35,460,383	127,733,545
Accrued mark-up	25	1,257,863	24,822,022
		2,253,889,140	3,670,390,199
TOTAL EQUITY AND LIABILITIES		10,934,776,927	11,163,189,383
CONTINGENCIES AND COMMITMENTS	26		

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------(Rupees)-----	
Operating revenue	27	644,984,524	1,600,410,686
Net (loss) / gain on investments			
Gain / (loss) on sale of short term investments 'at fair value through profit and loss' - net	28	562,212,467	(657,302,094)
Unrealised loss on re-measurement of short term investments 'at fair value through profit or loss' -net	13.1	(275,089,927)	(199,790,205)
		287,122,540	(857,092,299)
Dividend income		199,536,495	87,644,421
Mark-up / profit on bank deposits and other receivables	29	369,138,317	244,348,901
		1,500,781,876	1,075,311,709
Operating and administrative expenses	30	(902,774,410)	(999,046,540)
Impairment on long-term investment - subsidiary	9.2	(239,116)	(187,866)
(Allowance) / reversal against expected credit loss	14.1	(137,539,298)	(58,155,366)
		(1,040,552,824)	(1,057,389,772)
Operating profit		460,229,052	17,921,937
Finance cost	31	(116,678,584)	(105,195,429)
		343,550,468	(87,273,492)
Other income	32	15,533,039	4,851,436
Profit / (loss) before taxation		359,083,507	(82,422,056)
Taxation	33	47,672,214	(241,806,853)
Profit / (loss) after taxation		406,755,721	(324,228,909)
Other comprehensive income / (loss) for the year			
Items that will not be reclassified subsequently to profit or loss:			
Unrealized gain / (loss) arising on re-measurement of long term investment at fair value through other comprehensive income-net	9.3.4	440,280,713	(134,334,672)
Total comprehensive income / (loss) for the year		847,036,434	(458,563,581)
Earnings / (loss) per share - basic and diluted	34	0.78	(3.24)

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Share capital	Shares to be issued in accordance with scheme of merger	Share premium	Revenue reserves		Fair value reserve	Total
				General reserve	Accumulated loss		
------(Rupees)-----							
Balance as at July 01, 2021	1,000,000,000	-	-	18,752,260	(202,222,482)	117,830,557	934,360,335
Dividend paid during the year	-	-	-	-	(50,000,000)	-	(50,000,000)
Loss for the year	-	-	-	-	(324,228,909)	-	(324,228,909)
Other comprehensive loss for the year	-	-	-	-	-	(134,334,672)	(134,334,672)
	1,000,000,000	-	-	18,752,260	(576,451,391)	(16,504,115)	425,796,754
Shares to be issued in accordance with scheme of merger	-	4,578,341,705	2,302,905,878	-	-	-	6,881,247,583
Balance as at June 30, 2022	1,000,000,000	4,578,341,705	2,302,905,878	18,752,260	(576,451,391)	(16,504,115)	7,307,044,337
Shares issued in accordance with scheme of merger	4,578,341,705	(4,578,341,705)	-	-	-	-	-
Profit for the year	-	-	-	-	406,755,721	-	406,755,721
Other comprehensive income for the year	-	-	-	-	-	440,280,713	440,280,713
Balance as at June 30, 2023	5,578,341,705	-	2,302,905,878	18,752,260	(169,695,670)	423,776,599	8,154,080,772

PKM

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer

AKD SECURITIES LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2023

Note	2023	2022
	----(Rupees)----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	359,083,507	(82,422,056)
Non-cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation	72,258,868	67,782,098
Amortization	1,337,764	1,264,310
Gain / (loss) on sale of short term investments 'at fair value through profit and loss' - net	(562,212,467)	657,302,094
Gain on sale of property and equipment	(12,517,722)	(320,437)
Unrealised loss on re-measurement of short term investments 'at fair value through profit or loss' - net	275,089,927	199,790,205
Impairment on long-term investment - subsidiary	239,116	187,866
Provision of doubtful debts-net	137,539,298	58,155,366
Bad debts written off during the year	-	27,644
Finance cost	116,678,584	105,195,429
Dividend income	(199,536,495)	(87,644,421)
	<u>(169,773,127)</u>	<u>1,001,740,154</u>
	189,310,379	919,318,098
Working capital adjustments:		
Decrease / (Increase) in current assets		
Trade debts	(45,804,157)	(201,900,353)
Deposits, prepayments and other receivables	375,571,146	2,638,046,527
Loan and advances	286,896,911	(830,199,663)
	<u>616,663,900</u>	<u>1,605,946,511</u>
Decrease in current liabilities		
Trade and other payables	(584,988,253)	(1,874,942,875)
	<u>220,986,027</u>	<u>650,321,734</u>
Finance cost paid	(135,104,396)	(82,236,189)
Income tax paid	(130,042,497)	(80,666,209)
	<u>(44,160,867)</u>	<u>487,419,337</u>
Net cash flows (used in) / generated from operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	1,502,988,678	(1,039,290,242)
Purchase of property and equipment	(1,583,545,072)	(50,952,093)
Purchase of intangible assets	(687,554)	(997,845)
Net cash flows from merger	-	618,200,245
Proceeds from disposal of property and equipment	21,841,638	1,400,476
Dividend received	199,536,495	87,644,421
Net cash flows generated from / (used in) investing activities	<u>140,134,185</u>	<u>(383,995,038)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	341,000	218,450
Repayment of loan-net	(515,000,000)	-
Lease liability	(14,753,774)	(29,221,311)
Long-term deposits and prepayments	19,892,800	(3,874,789)
Dividend paid	(7,891)	(49,466,601)
	<u>(509,527,865)</u>	<u>(82,344,251)</u>
Net cash flows used in financing activities	<u>(413,554,547)</u>	<u>21,080,045</u>
Net (decrease) / increase in cash and cash equivalents	<u>1,140,384,549</u>	<u>1,054,304,505</u>
Cash and cash equivalents at the beginning of the year	<u>726,830,002</u>	<u>1,075,384,549</u>
Cash and cash equivalents at the end of the year		
Cash and cash equivalents comprises of:		
Cash and bank balances	17 876,830,002	1,140,384,549
Short term financing-secured	24 (150,000,000)	(65,000,000)
	<u>726,830,002</u>	<u>1,075,384,549</u>

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.


 Chief Executive Officer


 Director


 Chief Financial Officer

1 STATUS AND NATURE OF BUSINESS

1.1 AKD Securities Limited (the company) was incorporated in Pakistan on 24 October 2000 under the Companies Ordinance, 1984 [(repealed with the enactment of Companies Act, 2017 (the Act)] and commenced its operations effective from 01 January 2003. On 03 June 2022 the transfer of assets and liabilities of AKD Securities Limited under a Scheme of Arrangement approved by the High Court of Sindh. The shares of the company are listed on the Pakistan Stock Exchange Limited (PSX). The company is licensed to operate as securities broker, consultant to the issue, and underwriter from the Securities Exchange Commission of Pakistan and holds a Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited and Membership card of Pakistan Mercantile Exchange Limited. The principal activities of the company are brokerage of shares and/or commodities/ money market / forex trading, financial research, book building, underwriting, investments in securities/commodities, corporate advisory and consultancy services. The registered office of the company is situated at 602 Continental Trade Center, Block-8, Clifton, Karachi.

The detail of immovable fixed assets / owned property are given below :

- Room No 501 to 508, 5th floor, Trade Centre, I.I. Chundrigar Road, Karachi. Covered Area 6,000 Sq. Ft.
- Room No 601 to 608, 6th floor, Trade Centre, I.I. Chundrigar Road, Karachi. Covered Area 6,500 Sq. Ft.
- Room No 1005 to 1008, 10th floor, Trade Centre, I.I. Chundrigar Road, Karachi. Covered Area 3,081 Sq. Ft.
- Room No 93 to 95, 2nd floor, PSX Building, Stock Exchange Road, Covered Area 690 Sq. Ft.
- Booth No. 25, 30 & 54, located in the Trading Hall of the Pakistan Stock Exchange.

The branch offices are situated at:

S.NO	City	Address
1	Faisalabad	Office 3, 1st Floor, Meezan Executive Tower, Cargo Side Liaquat Road.
2	Faisalabad	Room # 509 & 510, 5th Floor, State Life Building, Liaquat Road.7
3	Gujranwala	81, Ground Floor, GDA Trust Plaza.
4	Islamabad	90-91, Razia Sharif Plaza, Jinnah Avenue, Blue Area.
5	Islamabad	Office # 313, ISE Tower, Jinnah Avenue, Blue Area
6	Islamabad	Office 302-303, 3rd Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Blue Area.
7	Karachi	5th Floor Stock Exchange Building.
8	Karachi	Shop A, 2nd Floor, Measuring 2,375 Square Feet Project Known As 1. F. Plaza, Plot No.D-1, Block-D, North Nazimabad.
9	Karachi	Friends Paradise, 1st Floor, SB-36, Block No. 13D, KDA Scheme 24, Main University Road
10	Karachi	Room No 93-95, 2nd floor, Pakistan Stock Exchange Building, Stock Exchange Road.
11	Karachi	Room No 501 to 508, 5th floor, Trade Centre, I.I. Chundrigar Road, Karachi.
12	Karachi	Building # 141 Midday Commercial Area Block-A, Bahria Town (Private) Limited, Bahria Town.
13	Lahore	Office 512-513, 5th Floor, Lahore Stock Exchange Building, 19, Khayaban-e-Aiwan-e-Iqbal Road.
14	Lahore	2nd Floor Fountain Avenue Building, 64-A, Main Boulevard, Main Gulberg.
15	Multan	Ground Floor, State Life Building, Abdali Road.
16	Peshawar	1st Floor, State Life Building, 34-The Mall, Peshawar Cantt.
17	Rahim Yar Khan	Plot # 24, City Park Chowk, Model Town
18	Sialkot	Ground Floor, City Tower, Shahab Pura Road

1.2 The company is a subsidiary of AKD Group Holdings (Pvt) Limited (the Parent), who holds 95.87% (2022: AKD Securities Limited 95.90%) shares of the company.

1.3 Merger of AKD Securities Limited with and into the company

AKD Securities Limited (AKDSL) was a public limited unlisted company in Pakistan with its registered office at 602, Continental Trade Center, Block-8, Clifton, Karachi. AKDSL was engaged in the brokerage of shares and/or commodities, financial research, book building, underwriting, investments in securities/commodities, corporate advisory and consultancy services.

A scheme of arrangement of merger ("the Merger Scheme") of AKDSL with and into the company with effect from 01 July 2021, was approved by Board of Directors of both the companies through resolutions dated 28 September 2021. The Merger Scheme was also approved of the company in their Extraordinary General Meeting held on 29 November 2021. Subsequently, the Merger Scheme sanctioned by the Honourable High Court of Sindh on 03 June 2022 and it was effective on 01 July 2021 ("Effective Date"), as approved by the company. That upon sanction of the Merger Scheme, the name of the company has been changed to AKD Securities Limited on 22 July 2022.

- The authorised capital of the company, after the sanction of the Merger Scheme, has been increased from PKR 2,000,000,000/- (Pak Rupees Two Billion) to PKR 7,000,000,000/- (Pak Rupees Seven Billion), divided into 700,000,000 (Seven Hundred Million) shares of PKR 10/- (Pak Rupees Ten) each, by merger of the existing authorized share capital of the company and AKDSL and by virtue of an additional increase of Rs. 2,500,000,000/- (Pak Rupees Two Billion and Five Hundred Million) to accommodate the swap ratio, and that the Memorandum and Articles of Association of the company stand amended in terms of the Merger Scheme.

Consequently, as of 01 July 2021, the entire undertaking of AKDSL stands merged with and into the company and the entire business of AKDSL including its properties, assets, liabilities and rights and obligations vested into the company.

In accordance with the substance of transaction, management believes that acquisition accounting in accordance with the requirements of International Financial Reporting Standard 3 'Business Combinations' is appropriate to present the merger. Consequently, the acquisition of AKDSL has therefore been accounted for in these financial statements from 01 July 2021 ("effective date") being the date on which the AKDSL assumed management control of company.

1.3.1 The amalgamated entity results and statement of financial position have been incorporated prospectively from the date on which the merger occurred. Consequently, these financial statements do not reflect the results of the merged entities for the period before the transaction occurred and the corresponding amounts for the previous year presented have not been restated, and therefore, are not comparable.

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- 1.3.2 Acquired assets and assumed liabilities have been recognised at the fair values in comparative financial statements using acquisition method, as of the effective date. Details of the provisional fair values of the assets acquired, liabilities assumed and purchase consideration and resultant goodwill recognized are as follows:

	Carrying amounts as at 01 July 2021	Fair value and other adjustments -----Rupees-----	Fair value as at 01 July 2021
Assets			
Property and equipment	175,056,137	61,861,267	236,917,404
Right of use asset	24,224,480	-	24,224,480
Intangibles	13,308,798	-	13,308,798
Long term investments	2,078,627,417	(2,074,460,750)	4,166,667
Long term deposits	13,216,258	-	13,216,258
Short term investments	3,178,992,921	-	3,178,992,921
Trade debts	65,500,092	-	65,500,092
Loan and advances	91,588,507	-	91,588,507
Deposits and prepayments	3,262,378,322	-	3,262,378,322
Other receivables	3,949,696	-	3,949,696
Accrued mark-up	63,837,664	-	63,837,664
Cash and bank balances	618,200,245	-	618,200,245
	9,588,880,537	(2,012,599,483)	7,576,281,054
Liabilities			
Liabilities against right use assets	12,734,819	-	12,734,819
Long term financing	700,000,000	-	700,000,000
Trade and other payables	3,047,600,089	57,346,308	3,104,946,397
Current portion of liabilities against right of use assets	14,090,467	-	14,090,467
Accrued mark-up on long term financing	1,088,548	-	1,088,548
	3,775,513,923	57,346,308	3,832,860,231
Net assets acquired	5,813,366,614	(2,069,945,791)	3,743,420,823

Although the company comes under common control, but due to the nature of the transaction, AKDSL held the shares of BIPLS for transitory period, hence the transaction comes under the ambit of IFRS-3 "Business Combination". The reason for the transitory nature of the transaction is because of the regulatory bar for the company (brokerage houses) to keep two TRECs at any given point of time. The Securities & Exchange Commission of Pakistan ("SECP"), apex regulator of the company has given number of exemptions through its letter dated 06 April 2021 for an interim period i.e. till the conclusion of transaction. Accordingly Goodwill under the Merger Scheme is recognized directly into balance sheet as intangible asset, as a results of aggregate of the consideration transferred over the fair value of net assets acquired. Details of the fair values of the net assets acquired and purchase consideration are as follows:

Fair value of net assets acquired	3,743,420,823
Purchase consideration (457,834,171 shares of the company issued @ Rs. 15.03 per share)*	6,881,247,590
Goodwill recognised under the Merger scheme	3,137,826,767

*The fair value of the shares issued to the shareholders of the AKDSL is based on the value of BIPLS as of June 30, 2021, worked out at Rs.15.03/- under Comparable company Approach (P/B).

1.4 Significant Non Adjusting Events After Reporting Date

- 1.4.1 The name of the company has been changed to AKD Securities Limited on 22 July 2022.
- 1.4.2 AKDSL has been merged with and into the company and against which 457,834,171/- (Four Hundred Fifty Seven Million Eight Hundred Thirty Four Thousand One Hundred Seventy One) ordinary shares of the company [176,769,950*2.59], having a face value of PKR 10/- (Pak Rupees Ten) each, have been allotted and issued in aggregate by the company to the shareholders of AKDSL, as fully paid up, on the basis of a swap ratio of 2.59 shares of the company for every 1 (one) share of AKDSL held by each of the shareholders of AKDSL.
- 1.4.3 The authorized capital of AKDSL has been merged into the authorized capital of the company; and, the issued share capital of AKDSL has been eliminated in consequence of issuance of new shares of the company to the shareholders of AKDSL. Subsequent to the balance sheet date the authorized capital of the company has been increased from PKR 2,000,000,000/- (Pak Rupees Two Billion) to PKR 7,000,000,000/- (Pak Rupees Seven Billion), divided into 700,000,000 (Seven Hundred Million) shares of PKR 10/- (Pak Rupees Ten) each.
- 1.4.4 The Loss per share is based on the 100,000,000 shares (pre-merger). However, subsequent to the year end 457,834,171 shares were issued. Had the Loss per share been calculated on the enhanced paid-up capital, loss per share would have been Rs 0.58/share.

1.5 Change of financial year of the company

The Taxation Authority has granted approval for change in financial year end from December to June on August 10, 2022. The company has changed its financial year end to align it with the normal tax year.

The corresponding figures shown in these financial statements pertain to the period of twelve months from July 01, 2021 to June 30, 2022.

- 1.6 These are separate Financial Statements of the company in which investment in subsidiary is reported on the basis of cost.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated financial statements of the company for the year ended June 30, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act); and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

BHM

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention, except for certain assets and liabilities as specified in the relevant notes.

3 Functional and presentation currency.

These unconsolidated financial statements are presented in Pakistani Rupees, which is company's functional and presentation currency.

4 NEW ACCOUNTING PRONOUNCEMENTS

4.1 Initial application of a standard, amendment or an interpretation to an existing standard

Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2023

There were certain amendments to accounting and reporting standards which became effective for the company for the current year. However, these are considered not to be relevant or to have any significant impact on the company's financial reporting and, therefore, have not been disclosed in these financial statements.

4.2 Standard, amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the company

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 IFRS 8: Operating Segments

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components. An operating segment's operating results are reviewed regularly by the Board of Directors and Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The company applied IFRS 8 and presented income from its business segments as per the requirements of the standard. The main operating segments identified are:

- (i) Brokerage
- (ii) Financial Advisory
- (iii) Underwriting
- (iv) Other Operations

These segments are based on the percentage of gross revenue.

Brokerage

The brokerage activities include services provided in respect of share brokerage, money market brokerage, forex brokerage, commodity brokerage and share subscription commission.

Financial Advisory

It consists of advisory and consultancy to various clients.

Underwriting

It consists of underwriting fee for shares issues, IPOs and debt securities etc.

Other operations

The activities include profit / mark-up on bank deposit, term deposit receipts, capital gains on equity and debt securities, mark-up income on margin financing, term finance certificates, profit and dividend income.

5.2 Business Combinations

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognized directly in the profit and loss account.

5.3 Property and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Such costs include the cost of replacing parts of property and equipment when that cost is incurred. Maintenance and normal repairs are charged to income as and when incurred. Depreciation is charged to income over the useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 7 to the financial statements.

Property and equipment are assessed for impairment whenever there is an indication that the same are impaired. Depreciation is charged from the day of purchase and no depreciation is charged from the day of disposal.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The asset's residual values, useful lives and methods are reviewed and adjusted, if appropriate at each financial year end.

Gains and losses on disposals, if any, of assets are included in income currently.

5.4 Intangible assets

-Goodwill

Goodwill arising on the acquisition of business represents future economic benefits arising from assets that are not capable of being individually identified and separately recognized. Goodwill is initially recognized at a cost which is determined as the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities, and contingent liabilities of the acquiree. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

-Other intangible assets

Intangible assets with definite useful lives are stated at cost less accumulated amortisation and impairment, if any. Amortisation is charged over the useful life of the asset on a systematic basis to income applying the straight line method at the rate specified in note 8 to the financial statements.

Intangible assets with indefinite useful lives are not amortised. These are annually tested for impairment to assess whether these are in excess of their recoverable amounts, and where the carrying amounts exceeds the estimated recoverable amounts, the carrying amounts are written down to the estimated recoverable amounts.

Intangible assets are assessed for impairment whenever there is an indication that the same are impaired. Costs associated with maintaining assets are recognized as an expense in the period in which these are incurred. Gains and losses on disposals, if any, of assets are included in income currently.

5.5 Investment properties

Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged at specified rates. Subsequent expenditures, depreciation and gains or losses on disposals are accounted for in the same manner as property and equipment.

5.6 Financial Instruments

5.6.1 The company classifies its financial assets in the following three categories

- (a) financial assets measured at amortized cost;
- (b) financial assets measured at fair value through other comprehensive income (FVOCI); and
- (c) financial assets measured at fair value through profit or loss (FVTPL).

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when either:

- (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or
- (ii) it is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the company at initial recognition.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value.

5.6.2 Initial recognition

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees / counter parties and due to counterparties, are initially recognised on the settlement date, i.e., the date that the company settles the transaction. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss'.

5.6.3 Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses. Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the profit and loss account.

(b) Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(c) Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method. Foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

(d) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in profit and loss account.

5.6.4 Impairment of Financial assets

The company's financial assets that are subject to the impairment requirements of IFRS 9 are trade receivables, debt instruments accounted for at amortised cost or at FVTOCI, most loan commitments, financial guarantee contracts, and lease receivables under IFRS 16 Leases.

For trade and other receivables, the company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The company has established a provision matrix that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

5.7 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets.

5.8 Impairment

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of that asset is estimated and impairment losses are recognized in the profit and loss account.

5.9 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also accordingly offset.

5.10 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer.

- Brokerage, consultancy and advisory fee, underwriting commission etc. are recognized as and when such services are provided.
- Capital gains and losses on sale of securities is recognised as and when transaction occurred.
- Mark-up income, return on bank deposits and balances are recognized on accrual basis.
- Dividend income is recorded when the right to receive the dividend is established.

5.11 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits, rebates and tax exemptions available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessment framed / finalised during the year.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences arising between tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the profit and loss account.

Deferred tax, if any, on revaluation of investments is recognised as an adjustment to surplus arising on revaluation.

5.12 Dividend distributions and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

5.13 Employees' benefits

Defined contribution plan

The company operates a defined contribution plan i.e. recognized provident fund ("the Fund") for all of its eligible employees in accordance with trust deed and rules made there under. Monthly contributions at the rate of 5% of basic salary are made to the Fund by the company and the employees. Whereas after sanction of merger scheme monthly contribution rate has been increased from 5% to 10% of basic salary.

Employee compensated absences

The company allows its management and non-management employees' to avail 30 days annual earned leave. The unutilized portion of the earned leave is accumulated but not encashable.

5.14 Cash and cash equivalents

Cash in hand and at banks is carried at cost. For the purposes of cash flow statement, cash and cash equivalents consist of cash in hand and bank balances. For the purposes of statement of cash flows, cash and cash equivalents are presented net of short term borrowings which are repayable on demand or in the short term and form an integral part of the company's cash management.

5.15 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing on the balance sheet date. Gains and losses on translation are taken into income currently. Non-monetary-items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

5.16 Provisions

Provisions are recognized when the company has the legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

5.17 Trade and other receivables

Trade and other receivables are recognised and carried at transaction price less an allowance for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

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The allowance for doubtful debts of the company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

5.18 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable costs, if any, and subsequently measured at carrying value.

5.19 Ijarah

An agreement under Islamic mode in which a significant portion of the risks and rewards of ownership is retained by the Muj'ir is classified as Ijarah. Payments made under Ijarah are charged to profit or loss on a straight-line basis over the period of Ijarah.

5.20 Borrowing costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date the respective assets are available for intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss directly.

5.21 Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

5.22 Lease liabilities

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

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

5.23 Short term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

5.24 Fiduciary Assets

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

5.25 Related Party Transactions

Related party transactions are carried out on an arm's length basis and exceptions are backed by the approval of board of directors. Pricing of these transactions are determined on the basis of comparable uncontrolled price methods, which sets the price by reference to the comparable goods and services sold in an economical comparable market to the buyer unrelated to the seller.

5.26 CHANGE IN ACCOUNTING POLICY

Reason and effect of the change in accounting policy is as follows:

The policy for regular way sale and purchase of financial assets is changed from trade date to settlement date accounting i.e. on the date on which settlement of sale or purchase of regular way financial assets takes place and brokerage revenue arising from sales / purchase of securities is now recognized on settlement basis of the transaction by the clearing house. Subsequent to the merger of BIPL Securities Limited and AKD Securities Limited as at 01 July 2021 the Company adopted trade date accounting for the year ended June 2022 but due to the better reporting to the clients of the Company changed its policy for regular way sale and purchase of financial assets and brokerage revenue recognition to settlement date accounting. Following this change in policy the impacts are as follows:

	Before change in policy	After change in policy	Impact
	-----June 30, 2022-----		
Impact on condensed Interim Statement of Financial Position			
Increase in Receivable against purchase of marketable securities	631,516,215	635,831,723	4,315,507
Increase in Trade and other payables	2,337,871,786	2,359,183,789	(21,312,003)
Decrease in Payable to National Clearing Company of Pakistan Limited	15,737,968	-	15,737,968
Net impact on condensed Interim Statement of Financial Position			(1,258,528)
Impact on condensed Interim Statement of Profit or Loss and Other Comprehensive Income			
Decrease in Operating revenue	1,205,287,796	1,204,029,268	(1,258,528)
Increase in Loss per share - basic and diluted (Rupees)	(3.24)	(3.25)	(0.01)
Impact on condensed Interim Statement of Change in Equity			
Increase in Accumulated (loss) / profit	(576,451,391)	(577,709,919)	1,258,528

As the net impact of above changes are immaterial on the financial statements, the above changes are not considered as change in accounting policy as per para 16 (b) of International Accounting Standard - 8 (accounting policies, changes in accounting estimates and errors), therefore the financial statements are not restated retrospectively.

6 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates, judgments and assumptions that have significant effect on the financial statements are as follows:

	<u>Notes</u>
Useful lives of property & equipment and methods of depreciation and impairment	5.3 & 7
Useful lives of goodwill and other intangibles and methods of amortization and impairment	5.4 & 8
Classification of investments	5.6, 9 & 13
Provision for doubtful debts	5.17 & 14
Deferred taxation and taxation	5.11, 12 & 33

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7 PROPERTY AND EQUIPMENT

		2023	2022
		------(Rupees)-----	
Operating fixed assets	7.1	157,996,337	199,943,230
Right to use asset under IFRS 16	7.2	42,370,780	56,035,043
Advance against capital expenditure	7.3	1,629,300,000	71,726,556
		<u>1,829,667,116</u>	<u>327,704,829</u>

7.1 OPERATING FIXED ASSETS

	2023				
	Office premises on lease hold land	Furniture and fixtures	Computers and office equipment	Motor vehicles	Total
	------(Rupees)-----				
As at July 01, 2022					
Cost	47,932,654	89,785,143	265,179,809	170,641,834	573,539,440
Accumulated depreciation	<u>(35,722,137)</u>	<u>(56,016,453)</u>	<u>(199,478,455)</u>	<u>(82,379,166)</u>	<u>(373,596,210)</u>
Net book value at the beginning of the year	12,210,517	33,768,690	65,701,355	88,262,668	199,943,230
Changes during the year					
Additions during the year	-	1,065,606	13,880,191	272,400	15,218,197
Disposals during the year					
-Cost	-	(603,952)	(8,816,308)	(28,138,755)	(37,559,015)
-Depreciation	-	264,357	8,093,176	19,877,566	28,235,099
	-	(339,595)	(723,132)	(8,261,189)	(9,323,916)
Transferred from lease (Note 7.2)					
-Cost	-	-	-	32,983,267	32,983,267
-Depreciation	-	-	-	(32,409,511)	(32,409,511)
	-	-	-	573,756	573,756
Depreciation charge for the year	<u>(1,706,309)</u>	<u>(3,973,471)</u>	<u>(19,153,348)</u>	<u>(23,581,803)</u>	<u>(48,414,930)</u>
	<u>(1,706,309)</u>	<u>(3,247,460)</u>	<u>(5,996,289)</u>	<u>(30,996,836)</u>	<u>(41,946,893)</u>
Net book value at the end of the year	<u>10,504,209</u>	<u>30,521,231</u>	<u>59,705,065</u>	<u>57,265,832</u>	<u>157,996,337</u>
Analysis of net book value					
As at June 30, 2023					
Cost	47,932,654	90,246,797	270,243,692	175,758,745	584,181,889
Accumulated depreciation	<u>(37,428,446)</u>	<u>(59,725,567)</u>	<u>(210,538,627)</u>	<u>(118,492,913)</u>	<u>(426,185,552)</u>
Net book value	<u>10,504,209</u>	<u>30,521,231</u>	<u>59,705,065</u>	<u>57,265,832</u>	<u>157,996,337</u>
Depreciation rate (% per annum)	<u>5</u>	<u>10</u>	<u>20-45</u>	<u>20</u>	

	2022				
	Office premises on lease hold land	Furniture and fixtures	Computers and office equipment	Motor vehicles	Total
	------(Rupees)-----				
As at July 01, 2021					
Cost	47,932,654	25,886,767	109,920,390	2,736,534	186,476,345
Accumulated depreciation	<u>(34,004,581)</u>	<u>(23,702,025)</u>	<u>(98,747,237)</u>	<u>(2,189,303)</u>	<u>(158,643,146)</u>
Net book value at the beginning of the year	13,928,073	2,184,742	11,173,153	547,231	27,833,199
Changes during the year					
Additions during the year	-	8,331,893	30,908,147	21,021,475	60,261,515
Disposals during the year					
-Cost	-	(522,000)	(4,796,826)	(3,531,534)	(8,850,360)
-Depreciation	-	4,350	4,558,530	3,207,441	7,770,321
	-	(517,650)	(238,296)	(324,093)	(1,080,039)
Acquisition through merger					
-Cost	-	56,088,483	129,148,098	150,415,359	335,651,940
-Depreciation	-	(28,850,924)	(88,779,248)	(60,957,130)	(178,587,302)
	-	27,237,559	40,368,850	89,458,229	157,064,638
Depreciation charge for the year	<u>(1,717,556)</u>	<u>(3,467,854)</u>	<u>(16,510,499)</u>	<u>(22,440,174)</u>	<u>(44,136,083)</u>
	<u>(1,717,556)</u>	<u>31,583,948</u>	<u>54,528,202</u>	<u>87,715,437</u>	<u>172,110,031</u>
Net book value at the end of the year	<u>12,210,517</u>	<u>33,768,690</u>	<u>65,701,355</u>	<u>88,262,668</u>	<u>199,943,230</u>
As at June 30, 2022					
Cost	47,932,654	89,785,143	265,179,809	170,641,834	573,539,440
Accumulated depreciation	<u>(35,722,137)</u>	<u>(56,016,453)</u>	<u>(199,478,455)</u>	<u>(82,379,166)</u>	<u>(373,596,210)</u>
Net book value	<u>12,210,517</u>	<u>33,768,690</u>	<u>65,701,355</u>	<u>88,262,668</u>	<u>199,943,230</u>
Depreciation rate (% per annum)	<u>5</u>	<u>10</u>	<u>20-45</u>	<u>20</u>	

7.1.1 Net book value of assets disposed off during the current year having book value of Rs 5 mn and individual book value of Rs 0.5 mn is as follows:

2023							
Vehicle	Cost	Written down value	Sale Proceeds	Gain	Particulars of buyers	Mode of disposal	Relationship
BMW	4,938,764	552,510	654,151	101,641	Muhammad Haris Aslam	Negotiation	Ex-employee
Pegout 2008	5,881,000	4,704,800	6,400,000	1,695,200	Jawad Safdar	Negotiation	Independent Buyer
Toyota Altis	3,305,000	2,038,083	4,950,000	2,911,917	Muhammad Ishaq	Negotiation	Independent Buyer
	14,124,764	7,295,393	12,004,151	4,708,758			

2022							
Vehicle	Cost	Written down value	Sale Proceeds	Gain	Particulars of buyers	Mode of disposal	Relationship

7.1.2 The office premises on lease hold land constitute the offices of BIPL Securities Limited that have been vacated after the merger with AKDSL and the management is yet to decide upon the utilization of these properties. These properties are mortgaged with Bankislami Pakistan Limited.

7.2 RIGHT-OF-USE ASSETS

	2023	2022
	------(Rupees)-----	
Opening balance	56,035,043	8,222,019
Additions during the year-net	17,262,712	48,417,771
Acquisition under merger scheme	-	24,224,481
Deletions during the year-net	(6,509,280)	(1,183,213)
Transferred to owned assets	(573,756)	-
Depreciation for the year	(23,843,938)	(23,646,015)
Closing balance	42,370,780	56,035,043
Depreciation rate (% per annum)	20 - 33.33	20 - 33.33

7.3 ADVANCE AGAINST CAPITAL EXPENDITURE

Opening	71,726,556	-
Advance against properties	1,557,573,444	71,556,366
Additions	-	14,290
Transfer to PPE	-	-
Others	-	155,900
	1,629,300,000	71,570,656
	1,629,300,000	71,726,556

7.3.1 This represents advance paid to Mr. Aqeel Karim Dhedhi against purchase of office premises measuring 38,322 square feet at an agreed price of Rupees 970 million. The said property will be transferred to the company after its clearance from financial institution with which it is mortgaged. The company has not paid any rent expense during the year against possession of such premises in lieu of the above agreement.

7.3.2 This represent the partial advance of Rs. 659.3mn paid to Mr. Aqeel Karim Dhedhi against purchase of office premises measuring 4,888 square feet for a total agreed price of Rs 920 million.

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8 INTANGIBLE ASSETS

	2023						
	Computer software	Membership and booth of PMEX	Booths at PSX	License and trademark	TREC -PSX (Note 8.1 & 8.2)	Good will under merger scheme	Total
	(Rupees)						
As at July 01, 2022							
Cost	28,368,637	8,500,000	950,200	1,223,050	3,850,000	3,137,826,767	3,180,718,653
Accumulated amortization	(25,025,515)	-	-	(523,000)	-	-	(25,548,515)
Net book value at the beginning of the year	3,343,122	8,500,000	950,200	700,050	3,850,000	3,137,826,767	3,155,170,139
Deletion / Surrender							
-Cost	-	-	-	-	(1,350,000)	-	(1,350,000)
-Accumulated amortization	-	-	-	-	(1,350,000)	-	(1,350,000)
Addition during the year	687,554	-	-	-	-	-	687,554
Amortization for the year	(1,337,764)	-	-	-	-	-	(1,337,764)
Net book value at the end of the year	2,692,912	8,500,000	950,200	700,050	2,500,000	3,137,826,767	3,153,169,929
Analysis of Net Book Value							
Cost	29,056,191	8,500,000	950,200	1,223,050	2,500,000	3,137,826,767	3,180,056,208
Accumulated amortization	(26,363,279)	-	-	(523,000)	-	-	(26,886,279)
Net book value as at June 30, 2023	2,692,912	8,500,000	950,200	700,050	2,500,000	3,137,826,767	3,153,169,929
Amortization rate (% per annum)	25-33.33	-	-	0-33.33	-	-	-
	2022						
	Computer software	Membership of PMEX	Booths at PSX	License and trademark	TREC -PSX (Note 8.1 & 8.2)	Goodwill	Total
	(Rupees)						
As at July 01, 2021							
Cost	13,196,205	750,000	950,200	1,223,050	1,350,000	-	17,469,455
Accumulated amortization	(12,645,415)	-	-	(523,000)	-	-	(13,168,416)
Net book value at the beginning of the year	550,789	750,000	950,200	700,050	1,350,000	-	4,301,039
Acquisition through merger							
-Cost	14,174,587	7,750,000	-	-	2,500,000	3,137,826,767	3,162,251,354
-Accumulated amortization	(11,115,789)	-	-	-	-	-	(11,115,789)
	3,058,798	7,750,000	-	-	2,500,000	3,137,826,767	3,151,135,565
Addition during the year	997,845	-	-	-	-	-	997,845
Amortization for the year	(1,264,310)	-	-	-	-	-	(1,264,310)
Net book value at the end of the year	3,343,122	8,500,000	950,200	700,050	3,850,000	3,137,826,767	3,155,170,139
Analysis of Net Book Value							
Cost	28,368,637	8,500,000	950,200	1,223,050	3,850,000	3,137,826,767	3,180,718,653
Accumulated amortization	(25,025,515)	-	-	(523,000)	-	-	(25,548,515)
Net book value as at June 30, 2022	3,343,122	8,500,000	950,200	700,050	3,850,000	3,137,826,767	3,155,170,139
Amortization rate (% per annum)	25-33.33	-	-	0-33.33	-	-	-

8.1 The company has pledged / hypothecated its TREC in favor of PSX to meet the requirement of Base Minimum Capital (BMC) under clause 19.2 of the Risk Management Regulation of PSX Rule Book.

8.2 At reporting date the company held to two TREC licenses i.e. TREC of AKDSL and BIPLS. Subsequent to the merger scheme the TREC of BIPLS has been surrendered dated 1 August 2022 and only the AKDSL TREC remains.

8.3 Goodwill and other intangible assets acquired in business combination

Effective 01 July 2021, a Scheme of Arrangement of AKDSL with and into the company approved by the Honourable Sindh High Court through its Order dated 03 June 2022. International Financial Reporting Standard 3, (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's statement of financial position and any intangible assets acquired in the business combination are required to be separately recognised and carried at fair values. IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalise the determination of the fair values of the assets and liabilities and to determine the value of any intangible assets separately identified. The fair valuation exercise of the recorded tangible assets and liabilities was completed at the time of acquisition.

Impairment testing

company engaged an independent valuer for impairment testing of the recoverable amount of goodwill amounting to Rs. 3.138 billion including intangible assets acquired through a business combination has been tested for impairment as at 30 June 2023. This represents excess over fair value of net assets of AKD Securities Limited (AKDSL) on its acquisition. The recoverable amount of goodwill was tested for impairment by allocating the amount of goodwill to respective assets on which it arose, based on value in use in accordance with IAS-36 "Impairment of Assets". The value in use calculations are based on cash flow projections. These are then extrapolated for a period of 5 years using a steady long term expected demand growth of 3% and terminal value determined based on long term earning multiples. The cash flows are discounted using a discount rate of 23.83%. Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill.

	Note	2023		2022	
		(Rupees)			
9 LONG TERM INVESTMENTS					
Subsidiary company -Structured Venture (Private) Limited (SVPL)	9.2	36,373		275,489	
At fair value through Other Comprehensive Income:	9.3	641,040,953		200,760,239	
Investment in other entity at amortized cost:	9.4	-		833,334	
		<u>641,077,326</u>		<u>201,869,062</u>	

9.1 Structured Venture (Private) Limited (SVPL) is a subsidiary of the company. The total amount of investment approved by the shareholders of the company in the extra-ordinary general meeting held on June 22, 2010, was Rs. 625 million. As of the balance sheet date, the company has invested a total sum of Rs. 488.581 million.

9.2 Subsidiary company

Cost	488,581,200	488,581,200
Less: Provision for impairment	(488,544,827)	(488,305,711)
	<u>36,373</u>	<u>275,489</u>

The net assets of the subsidiary company have reduced due to full impairment of investment of Rs. 81.567 million in an associated company - New Horizon Exploration and Production Limited (NHEPL), and provision against advance for purchase of land of Rs. 375 million.

Structured Venture (Private) Limited (SVPL) had given advance against purchase of property Rs. 375 million which was being developed as a Housing Scheme (the 'Project') by M/s. Noor Developer (Private) Limited (the 'Developer'), the majority shareholder of which is Mr. Arif Ali Shah Bukhari. This amount includes development charges of Rs. 75 million paid to the Developer. The Developer had communicated in the previous years that the Project was pending final approval from the Cantonment Board Korangi Creek (CBKC) for last few years due to modification and revision required by the CBKC in the Project.

During the year 2015, the Developer cancelled provisional booking vide its letter dated June 15, 2015 and in response, SVPL has filed legal suit for specific performance, declaration, injunction, partition and damages in the Sindh High Court.

In addition to the above, as per CBKC letter to Military Lands and Cantonments dated July 04, 2011, the land on which provisional booking was made is not eligible for the type of allotment made to SVPL as per sale agreement dated November 10, 2010 between SVPL and the Developer. Further, the development work on the Project, as communicated by the Developer vide their letter dated December 28, 2013, has also not been undertaken.

Moreover, verification from the Registrar of Housing Society has revealed that no record exists for the said Project, namely Noor Town, situated at survey number 288, 289 and 290 at Deh Korangi Township Karachi. Prima facie a fraud was committed with the company against which, criminal and civil proceedings have already been initiated.

Considering the facts stated above, the history of this transaction and legal implications, SVPL as a matter of prudence, has fully provided this amount. Hence, the company's investment in SVPL stands impaired.

On request of the company for complaints against Criminal Acts of Noor Developers (Private) Limited, SECP vide its letter dated September 27, 2017, has informed that appropriate steps have been taken as to referring the matter to National Accountability Bureau (NAB) under Section 41-B of Securities and Exchange Commission of Pakistan (Amendment) Act, 2016. On the recommendation/ approval of SECP, NAB has initiated enquiry into the matter.

During the period, the company has recognized further impairment as the net assets of SVPL has decreased due to operating losses.

9.3 Investment 'at fair value through Other Comprehensive Income

2023	2022	Name of the Investee company	Note	2023		2022	
				Cost	Carrying value	Cost	Carrying value
(Rupees)							
Quoted shares							
1,602,953	1,602,953	Pakistan Stock Exchange Limited	9.3.1 & 9.3.4	1,438,000	11,861,852	1,438,000	16,398,209
Unquoted shares							
3,370	3,370	Al Jomaih Power Limited	9.3.2 & 9.3.4	184,196,957	629,179,100	184,196,957	184,367,030
14,760,000	14,760,000	New Horizon Exploration and Production Limited (Related Party) - Class 'A' ordinary shares Less: impairment	9.3.3	31,628,571 (31,628,571)	- -	31,628,571 (31,628,571)	- -
				<u>185,634,957</u>	<u>641,040,953</u>	<u>185,634,957</u>	<u>200,760,239</u>

9.3.1 Fair value of the investment as the year end was Rs. 7.40 per share (2022: 10.23 per share) as per quoted market price.

9.3.2 The company's investment in unquoted shares of Al Jomaih Power Limited (AJPL) incorporated in Cayman island are valued at its fair value based on the net assets value of the investee company as at June 30, 2023. The above figures are based on unaudited financial statements. The company holds 1.55% of total issued certificates of AJPL. To date company has received a return of Rs 72mn in forms of dividends and the total cost of investment is Rs 184.19mn (2022: 184.19mn).

9.3.3 In year 2015, the management recorded impairment of its investment in New Horizon Exploration and Production Limited (NHEPL) in accordance with IAS-36 which was again tested for impairment as required by IFRS 9 adopted by the company on January 01, 2019. The recoverable amount of investment was estimated using "Value in use" approach. In considering the impairment, various business assumptions for estimating cash flows were used, which includes but are not limited to, historical performance of the investment, development and production activity in NHEPL's working interests, recoverability of future cash flows from the investment etc. Based on such analysis, the company fully impaired its investment in NHEPL and an impairment loss of Rs. 31.63 million was recognised up to year 2016. As of reporting date there is no change in management assumption of recoverability of this investment, accordingly no impairment loss has been reversed.

	Note	2023		2022	
		(Rupees)			
9.3.4 Reconciliation of unrealized (loss) / gain on investment 'at fair value through Other Comprehensive Income					
Pakistan Stock Exchange Limited					
Opening		14,960,209		34,323,881	
unrealized loss during year	9.3.1	(4,536,357)		(19,363,672)	
Closing		<u>10,423,852</u>		<u>14,960,209</u>	
Al Jomaih Power Limited					
Opening		165,073		115,136,073	
unrealized gain / (loss) during year	9.3.2	444,817,070		(114,971,000)	
Closing		<u>444,982,143</u>		<u>165,073</u>	
Total unrealized gain / (loss) during year		<u>440,280,713</u>		<u>(134,334,672)</u>	

9.4 Investment in other entity - At fair value through other comprehensive income

Kashaf Foundation PPTFC	833,334	4,166,667
Current portion	(833,334)	(3,333,333)
	-	<u>833,334</u>

The company has acquired privately placed term finance certificates (PPTFCs) with the face value of Rupees 10 million. These certificates carry profit equal to 3 month KIBOR plus 2.25% receivable quarterly in arrears with a grace period of one year and will mature in December 2023. The company holds these certificates in the business model with the objective to collect cash flows (principal and interest) over the term of these certificates till maturity.

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	Note	2023		2022	
		----- (Rupees) -----			
10 LONG-TERM LOANS AND ADVANCES - Considered Good					
Loans and advances to:					
Employees	10.1	4,310,435		1,843,642	
Current maturity shown in current assets	16	(4,310,435)		(1,502,642)	
		-		341,000	

10.1 These are given to employees for general purpose in accordance with their terms of employment. The loans and advances are secured against staff provident fund balance.

11 LONG-TERM DEPOSITS AND PREPAYMENTS

		2023		2022	
		----- (Rupees) -----			
Deposits with:					
- Pakistan Stock Exchange Limited (PSX)	11.1	21,611,500		43,211,500	
- National Clearing company of Pakistan Limited (NCCPL)		-		400,000	
- Pakistan Mercantile Exchange Limited (PMEX)		4,000,000		4,000,000	
- Central Depository company of Pakistan Limited (CDC)		200,000		200,000	
- Rent deposits against rented premises		5,932,640		6,312,795	
- Others		8,294,862		5,807,507	
		40,039,002		59,931,802	
Prepayments		18,000		18,000	
- Impact of expected credit loss	11.2	(177,951)		(177,951)	
		39,879,051		59,771,851	

11.1 It represents cash deposit with PSX to fulfill the Base Minimum Capital (BMC) requirement in Compliance with clause 19.2 of the Risk Management Regulation of PSX Rule Book.

	2023	2022
	----- (Rupees) -----	
11.2 Impact of expected credit loss		
- Rent deposits	(177,951)	(177,951)

12 DEFERRED TAX ASSET - NET

	Opening balance	2023		Closing balance
		(Charge) / reversal to statement of profit / (loss)	(Charge) / reversal to statement of other comprehensive income	
----- Rupees -----				
Deductible temporary differences				
Allowance for expected credit losses	98,062,966	(11,617,838)	-	86,445,128
Re-measurement of investments	29,968,531	11,294,958	-	41,263,489
Losses available for offsetting against future taxable income	-	-	-	-
- carry forward of minimum tax and ACT	-	61,966,266	-	61,966,266
Taxable temporary differences				
Accelerated tax depreciation / amortization	(13,726,665)	7,264,038	-	(6,462,627)
Lease liability net	(16,250,162)	16,534,131	-	283,969
	98,054,670	85,441,555	-	183,496,225

	Opening balance	2022		Closing balance
		(Charge) / reversal to statement of profit / (loss)	(Charge) / reversal to statement of other comprehensive income	
----- Rupees -----				
Deductible temporary differences				
Allowance for expected credit losses	19,700,938	78,362,028	-	98,062,966
Re-measurement of investments	-	29,968,531	-	29,968,531
Losses available for offsetting against future taxable income	-	-	-	-
- carry forward of minimum tax and ACT	10,609,362	(10,609,362)	-	-
Taxable temporary differences				
Accelerated tax depreciation / amortization	526,165	(14,252,830)	-	(13,726,665)
Lease liability net	(370,393)	(15,879,767)	-	(16,250,160)
	30,466,072	67,588,600	-	98,054,672

13 SHORT-TERM INVESTMENTS

		2023		2022	
		----- (Rupees) -----			
'At fair value through profit or loss'					
- Quoted equity securities	13.1	2,318,059,059		3,530,591,864	
- Term finance certificates - Pace Pakistan Ltd.	13.2	-		-	
		2,318,059,059		3,530,591,864	
'At fair value through other comprehensive income'					
- Privately Placed Term Finance Certificate - Kashaf Foundation	13.3	833,334		3,333,333	
		2,318,892,393		3,533,925,197	

13.1 Quoted equity securities

	2023		2022	
	Cost	Carrying value	Cost	Carrying value
----- (Rupees) -----				
- Investment in shares of quoted equity securities	2,593,148,987	2,318,059,059	3,730,382,069	3,530,591,864

This includes shares with carrying value of Rs. 152,971 million (2022: 1,171,989 million) pledged with NCCPL against exposure margin.

13.2 Term finance certificates

2023	2022		Note	2023	2022
Number of certificates		Name of investee company		-----[Rupees]-----	
4,000	4,000	Pace Pakistan Ltd. (Face value Rs. 5,000/- each)		18,147,464	18,147,464
		Opening		-	-
		Less: Sold during the year		18,147,464	18,147,464
		Closing	13.2.1	(18,147,464)	(18,147,464)
4,000	4,000	Less: Provision for impairment		-	-

13.2.1 Impairment

Opening balance	18,147,464	18,147,464
Impairment: balance written off	-	-
	18,147,464	18,147,464

13.3 Privately placed term finance certificate - at fair value through other comprehensive income

Current portion of PPTFC of Kashaf Foundation	9.4	833,334	3,333,333
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14 TRADE DEBTS

Receivable against purchase of marketable securities - net of provisions	191,511,678	296,951,085	
Receivable from National Clearing company of Pakistan Limited	-	10,397	
Inter-bank brokerage	13,718,436	6,605,849	
Receivable against consultancy, advisory & underwriting	24,927,200	23,582,326	
Considered good	230,157,314	327,149,658	
Considered doubtful	294,493,225	334,554,733	
	14.1	524,650,539	661,704,391
Less: Provision for doubtful debts	14.2	(294,493,225)	(334,554,733)
		230,157,314	327,149,658

14.1 These receivables include Rs. 153,800,488 (2022: Rs. 83,320,790) due from the related parties. The maximum aggregate amount outstanding during the year from such parties (with reference to month-end balances) amounted to Rs. 153,800,488 (2022: Rs. 179,461,176).

14.2 Reconciliation of provisions against trade debts

Opening balance	334,554,733	64,340,065
Allowance against ECL on debtors acquired under merger scheme	-	212,059,302
Allowance against expected credit loss for the year	142,796,501	60,757,338
Bad debts written off	(182,858,009)	-
Reversal during the year	-	(2,101,973)
	(40,061,508)	270,214,668
	294,493,225	334,554,733

15 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Deposits:

Exposure deposit with -NCCPL	1,053,530,734	1,347,174,639	
Exposure deposit with -PMEX	10,956,124	9,360,839	
Ijarah deposits	-	-	
Others	2,100,000	2,100,000	
	15.1	1,066,586,858	1,358,635,478
-Impact of expected credited loss	15.3	(2,100,000)	(2,100,000)
		1,064,486,858	1,356,535,478

Prepayments:

Insurance	3,623,481	1,287,581
Software development and maintenance	2,598,050	1,816,565
Rent	3,371,004	2,414,230
Others	12,780,622	4,095,871
	22,373,157	9,614,247

Other receivables:

Profit on bank deposits	2,576,731	6,579,766	
Profit on exposure deposit with -NCCPL	-	2,044,077	
Receivable against margin finance	-	96,940,198	
Others	32,854,003	26,148,130	
	15.2	35,430,735	131,712,171
-Impact of expected credited loss	15.3	(5,248,912)	(10,506,115)
		30,181,822	121,206,056
		1,117,041,837	1,487,355,781

15.1 This includes amounts deposited with the Honorable District and Sessions Court Karachi South in the form of Defense Saving Certificates (DSCs) having face value Rs. 2.1 million. These DSCs carry yield of 7.34% per annum and will mature in August 2026 (June 30, 2022 :7.34%). These certificates are in name of ex-employee who, by a letter has accepted to surrender the principal amount and the interest accrued on them to the entity upon maturity.

15.2 This includes an amount of Rs. 1.3mn paid against an award made by PSX

15.3 Impact of credit loss

Deposits	2,100,000	2,100,000
Other receivables	5,248,912	10,506,115
	7,348,912	12,606,115

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16 LOANS AND ADVANCES	Note	2023	2022	
		(Rupees)		
Advances to:				
Current portion of long-term loans and advances to employees and executives	10	4,310,435	1,502,647	
Short term advances to employees against commission and expenses	16.1	28,536,619	19,811,774	
		32,847,054	40,934,416	
Short term loan to:				
Holding company	16.2	504,578,011	727,521,537	
Creek Developers (Private) Limited	16.3	5,799,426	17,871,360	
		510,377,437	745,392,897	
Markup on short term loan to:				
Holding company	16.2	1,326,003	44,305,309	
Creek Developers (Private) Limited	16.3	15,240	1,050,078	
		1,341,244	45,355,387	
		544,565,734	831,462,645	
16.1 These represent interest free loans to executives and staff for the purchase of vehicles and for other purposes in accordance with the terms of employment repayable over a year through deduction from salaries. These loans are secured against commission payable and balance of respective employees in Staff Provident Fund of respective employees.				
16.2 The company has reclassified its balance receivable from holding company to short term loan receivable on demand under the authority of a special resolution passed in extra ordinary general meeting of the company held on 28 November 2015 whereby it was resolved that the company may lend its surplus funds to Aqee Karim Dhedhi Securities (Private) Limited (Holding company). Mark-up on outstanding balance of such loan is 3MK+2% per annum receivable in arrears. The maximum aggregate amount outstanding during the year from such parties (with reference to month-end balances) amounted to Rs. 989,053,990 (2022: Rs. 792,188,373).				
16.3 This represents loan provided to Creek Developers Private Limited (a related party) on request and is receivable on demand. This carries mark-up on outstanding balance of 3MK+2% per annum receivable in arrears. The maximum aggregate amount outstanding during the year from such parties (with reference to month-end balances) amounted to Rs. 41,770,253 (2022: Rs. 18,298,641).				
17 CASH AND BANK BALANCES				
company accounts				
Current accounts		20,846,789	12,057,891	
Saving accounts	17.1	3,015,663	4,471,881	
		23,862,452	16,531,772	
Client accounts				
Current accounts		829,234,355	91,480,887	
Saving accounts	17.1	23,419,465	1,032,369,847	
		852,653,820	1,123,750,734	
Cash in hand		310,432	96,661	
Stamps in hand		3,297	5,817	
		876,830,002	1,140,184,549	
17.1 These carry profit at rates ranging from 3.40% to 19.50% (2022: 7.14% to 13%) per annum.				
18 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL				
89,867,900	89,867,900	Ordinary shares of Rs. 10 each fully paid-up in cash	898,679,000	898,679,000
10,132,100	10,132,100	Ordinary shares of Rs. 10 each fully paid-up as part of the scheme of arrangement	101,321,000	101,321,000
457,834,171	-	Ordinary shares of Rs. 10 each fully paid-up as part of the scheme of merger	4,578,341,705	-
557,834,171	100,000,000		5,578,341,705	1,000,000,000
The company has single class of ordinary shares which carry no right to fixed income. The Holders are entitled to receive dividends as declared from time to time and are entitled to single vote at the company. All shares rank equal with regards to the company's residual assets.				
19 SHARES TO BE ISSUED IN ACCORDANCE WITH SCHEME OF MERGER				
Number of Shares to be issued		-	457,834,171	
Amount in regards to shares to be issued		-	4,578,341,705	
The shares have been issued as fully paid for consideration other than cash to the shareholders of AKD Securities Limited, pursuant to the Merger Scheme.				
20 SHARE PREMIUM		2,302,905,878	2,302,905,878	
This represents the difference between nominal value of Rs. 10 per share of 457,834,171 ordinary shares and the value of these shares under the Merger Scheme amounting to Rs. 6,881,247,590.				
21 LONG-TERM FINANCING - SECURED				
BankIslami Pakistan Limited	21.1	150,000,000	150,000,000	
Al-Baraka Bank Limited- Diminishing musharakah facility	21.2	500,000,000	700,000,000	
Less: Current Portion		(150,000,000)	(170,000,000)	
		500,000,000	150,000,000	
21.1 This represents long-term financing obtained from BankIslami Pakistan Ltd on December 31, 2015. The financing is secured by way of Exclusive Charge over DM Assets along with equitable mortgage over all other commercial properties of the company as disclosed in note 7.1.2. The financing was payable as a bullet payment in December 2020. BIPL is entitled to rental payments for use of musharakah assets. Rental payments are calculated to provide return equal to 3 months KIBOR + 3% per annum payable on quarterly basis from March 2016 till the date of bullet payment. The said financing has been rescheduled according to which company will pay off the financing as a bullet payment in December 2023, keeping other terms and conditions same.				
21.2 The AKD Securities Ltd obtained a diminishing musharakah facility from Al-Baraka Bank (Pakistan) Limited (ABPL) amounting to Rupees 500 million under mark-up arrangement at the rate of 3 months KIBOR + 2% to be charged and paid on quarterly basis. The principal is repayable quarterly in 2 years including grace period of 1 year. This loan is secured against the equitable mortgage of properties of the sponsor and pledge of shares and personal guarantees of the sponsor and director.				

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22 LEASE LIABILITIES	Note	2023	2022
		--(Rupees)--	
Opening		52,965,412	6,943,667
Additions during the year		17,262,712	48,417,771
Acquisition under merger scheme		-	24,224,481
Deletions during the year		(6,509,280)	(1,183,213)
Payments made during the year		(20,368,859)	(25,437,294)
		43,349,984	52,965,412
Transferred to current maturity		(16,542,970)	(17,210,565)
		26,807,015	35,754,847

22.1 The future minimum lease payments to which the company is committed to is as follows:

	Not later than one year	Later than one year not later than five years
As at June 30, 2023		
Principal	16,542,970	26,807,015
Finance charges allocated to future years	5,687,038	6,472,779
	22,230,008	33,279,794
As at June 30, 2022		
Principal	17,210,565	35,754,847
Finance charges allocated to future years	6,348,978	9,524,869
	23,559,543	45,279,716

This represents present value of multiple lease commitments entered into with financial institutions and individuals for vehicles and office premises having a lease term ranging between 3 to 5 years. When measuring lease liability for office premises, the company discounted lease payments using an estimated incremental borrowing rate of 10%. However, monthly lease rentals of vehicles included finance charge ranging from 17.20% - 23.60% per annum which is used as discounting factor for vehicles.

Taxes, repairs and insurance costs are to be borne by the company. In case of early termination of lease of vehicles, the company shall pay entire amount of rentals for unexpired period of respective lease agreements.

23 TRADE AND OTHER PAYABLES

Trade creditors	23.1	1,755,799,710	2,337,708,178
Payable to National Clearing company of Pakistan Limited		-	15,748,365
Accrued liabilities		164,974,886	152,933,392
Withholding tax		35,680,901	67,183,715
Provision for Workers' Welfare Fund - Sindh		17,769,394	10,248,830
Payable to Staff Provident Fund	23.2	15,862,590	5,496,712
Unclaimed deposits by clients		29,132,842	21,376,575
Others	23.3	29,479,786	22,992,594
		2,048,700,109	2,633,688,361

23.1 This includes Rs. 16,237,903 (2022: 15,903,644) payable to related parties.

23.2 Overdue balance of payable to staff provident fund carries markup at the rate 6MK+0.5% per annum.

23.3 This includes Rs. 1,049,453 (2022: 7,673,533) payable to related parties.

24 SHORT - TERM FINANCING - SECURED

Loan from financial institution		-	165,000,000
Current Portion of loan of diminishing musharakah facility	24.2	150,000,000	700,000,000
		150,000,000	865,000,000

24.1 This represents running musharakah facility obtained from BankIslami Pakistan Ltd which is secured by way of Hypothecation charge over shares / receivables equivalent to amount of financing obtained. This facility carries markup at the rate of 1 week KIBOR plus 2% (2022: 1 week KIBOR plus 2%) per animate payment frequency is maximum 30 days from the date of financing obtained.

24.2 This represents long-term financing obtained from BankIslami Pakistan Ltd on December 31, 2015. The financing is secured by way of Exclusive Charge over DM Assets along with equitable mortgage over all other commercial properties of the company as disclosed in note 7.1.2. The financing was payable as a bullet payment in December 2020. BIPL is entitled to rental payments for use of musharakah assets. Rental payments are calculated to provide return equal to 3 months KIBOR + 3% per annum payable on quarterly basis from March 2016 till the date of bullet payment. The said financing has been rescheduled according to which company will pay off the financing as a bullet payment in December 2023, keeping other terms and conditions same.

25 ACCRUED MARK-UP:	Note	2023	2022
		----- (Rupees) -----	
Accrued mark-up		1,257,863	24,822,022

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26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies:

- 26.1.1** For tax year 2013, an amended assessment order has been passed under section 122(5A) of the Income Tax Ordinance, 2001 by the Additional Commissioner Inland Revenue (ACIR), raised a demand of Rs 17.39 million dated June 28, 2019. In pursuance of such order, company filed an appeal before CIR-A, Upon Appeal filed, CIR-Appeal maintained the order of ACIR's order vide its order No. 97 dated October 23, 2020. In pursuance of the order of CIR-A, the company has filed appeal before ATIR which is pending for hearing.
- 26.1.2** The Securities and Exchange Commission of Pakistan (SECP) served a show cause notice dated 25 February 2016 wherein several alleged contravention of the laws of SECP are leveled against the company. The company filed suit against the show cause in the Honourable High Court of Sindh. The Honourable High Court of Sindh via order dated 03 March 2016 directed SECP to refrain from taking any coercive action against the company in relation to the instant matter. No further progress on the matter has been made during the year. The management and legal counsel of the company are of the view that ultimate outcome will be in our favour.
- 26.1.3** Burj Bank Limited (previously, Dawood Islamic Bank Limited) filed a Suit against the number of brokers including the company in Sindh High Court on the termination of "Underwriting Agreement" in the year 2008 and prayed to declare the act of the company as unlawful / unauthorized, to pass judgment for damages to the tune of Rupees 200 million with applicable mark-up at the State Bank Rate, to recover the cost of the Suit and for any other relief. The management and the legal counsel of the company are confident that the suit will be decided in the favor of the company; therefore, no provision has been made in these financial statements.
- 26.1.4** Order in original No. 23/34/2015 dated 27 June 2015 was passed by the Deputy Commissioner Sindh Revenue Board and demand of Rs. 90,542,868 as sales tax for the tax years 2010 to 2013 has been raised. The company along with other stock brokers has instituted a Writ Petition before the Honourable Sindh High Court, Karachi, which has been pleased to direct the respondents to restrain from initiating any coercive action against the petitioners (including the company) on the basis of impugned order till the next date of hearing.
- 26.1.5** Return of Income for the tax year 2012 has been selected for tax audit of the company's income tax affairs under section 177 of the Ordinance by the learned Commissioner Inland Revenue, Zone - 1, Regional Tax Office, Karachi. The company has filed a Writ Petition under Article 199 of the Constitution of the Islamic Republic of Pakistan, 1973 challenging the vires of selection of case for tax audit of income tax affairs of the company under aforesaid section vide C.P No. D-2867/2014 dated May 27, 2014 which is subjudice before the Honourable Sindh High Court, Karachi. However, the amended assessment order has been passed by the learned Deputy Commissioner Inland Revenue, Audit Unit - 01, Zone - 1, Corporate Regional Tax Office, Karachi vide his order bearing D/C No.15/15 dated April 5, 2017. The company being dissatisfied of the aforesaid order has instituted an appeal before the Honourable Commissioner Inland Revenue (Appeals - III), Regional Tax Office, Karachi, which is subjudice.
- 26.1.6** Return of Income for the tax year 2015 has been selected for tax audit of the company's income tax affairs under section 177 of the Ordinance. In this regard, the company has complied with the notices received from the department from time to time and the proceedings are pending. However, at this stage, as per the tax advisor of the company, it is not possible to assess the outcome of the aforesaid proceedings.
- 26.1.7** The Securities and Exchange Commission of Pakistan (SECP) has imposed penalties of Rs. 1,775,000 on the company for contravening the provisions of Anti Money Laundering Regulations & Licensing Regulations. The management of the company has filed an appeal against the order in the Appellate Tribunal of SECP. The hearing of the tribunal is yet to be started but the management is confident that the ultimate outcome will be in favour of the company.
SECP has imposed penalty of Rs. 100,000 on the company for contravening the provisions of Anti Money Laundering Regulations and Licensing Regulations. The management of the company has filed an appeal against the order in the Appellate Tribunal of SECP and the Appellate Tribunal upheld the order of SECP. The Company is filing an appeal with the High Court against the order of the Appellate Tribunal. The management is confident that the ultimate outcome will be in favour of the company.
- 26.1.8** For the tax year 2016, an amended assessment order passed under section 122(1) of the Income Tax Ordinance, 2001 by the Deputy Commissioner Inland Revenue (DCIR), raised a demand of Rs. 194,845,167/- dated June 30, 2022. In pursuance of such order, the company filed an appeal before CIR-A, Upon Appeal filed, CIR- Appeal passed appellate order dated December 22, 2022, through which the company was granted partial relief, As a result, the tax payable was reduced from Rs. 194,845,167/- to Rs. 155,682,240/-. That being aggrieved of the appellate order issued by CIR-Appeals, the company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) dated January 13, 2013, against which ATIR granted a stay subsequent to the balance sheet date on August 03, 2023, against recovery of impugned tax demand.

	Note	2023	2022
		------(Rupees)-----	
26.2 Commitments:			
Net-future sale transactions of equity securities entered into by the company in respect of which the settlement is outstanding		-	94,001,310
Against capital expenditure	7.3	260,700,000	69,986,444
27 OPERATING REVENUE			
Brokerage		669,849,832	1,361,975,209
Subscription research income		-	225,192
Financial advisory fee		19,649,575	338,657,544
Custody services		17,624,353	55,186,985
Underwriting commission		19,417,588	45,244,837
Less: sales tax on services		(81,556,822)	(200,879,081)
		644,984,524	1,600,410,686
28 GAIN / (LOSS) ON SALE OF SHORT TERM INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT AND LOSS' - NET			
Quoted equity securities		556,859,349	(665,603,209)
Debt securities		5,353,118	8,301,115
		562,212,467	(657,302,094)

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29 MARK-UP / PROFIT ON BANK DEPOSITS AND OTHER RECEIVABLES	Note	2023	2022
		----- (Rupees) -----	
Profit on bank deposits		190,317,480	178,116,041
Margin finance income		14,074,988	20,200,483
Mark up on loan to related parties		163,975,799	45,155,332
Profit on PPTFCs		535,884	658,887
Others		234,166	218,158
		<u>369,138,317</u>	<u>244,348,901</u>

30 OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	30.1	426,931,099	464,778,638
Commission expense		63,637,227	137,431,007
Staff training and development-Directors		-	10,500
Rent, rates and taxes		14,861,958	10,475,549
Insurance charges		2,938,122	8,466,230
Depreciation	30.2	72,258,868	67,782,098
Amortization of intangible assets		1,337,764	1,264,310
Repairs and maintenance		15,923,122	15,874,094
Power and utilities		20,410,796	21,923,247
Communication		43,682,509	39,838,313
Trading costs		64,317,845	88,368,102
Information technology related cost		23,071,875	17,321,869
Fees and subscription		63,359,819	20,557,052
Director fee		1,248,000	1,320,000
Printing and stationery		9,625,939	8,319,954
Papers and periodicals		315,215	368,040
Advertisement and business promotion		1,903,198	3,210,937
Sales and marketing		3,376,324	15,671,699
Travelling and conveyance		10,762,131	16,483,406
Entertainment		3,618,201	3,417,016
Legal and professional charges		4,597,850	12,497,178
Auditor's remuneration	30.3	5,825,101	3,425,628
Stamp charges		4,567	567,306
Donations	30.4	4,197,000	13,750,000
Workers' welfare fund		7,328,235	-
Kitchen expenses		7,794,643	5,395,589
Profit -paid to clients	30.5	26,508,886	18,929,831
Ijara rental		-	232,796
Bad debts written off		-	27,644
TREC impairment	8.2	1,350,000	-
Others		1,588,117	1,338,507
		<u>902,774,410</u>	<u>999,046,540</u>

30.1 Salaries, allowances and benefits include company's contribution to provident fund amount to Rs 17.40 million (2022: Rs 17.67 million).

30.2 Depreciation			
Property and equipment	7.1	48,414,930	44,136,083
Right-of-use assets	7.2	23,843,938	23,646,015
		<u>72,258,868</u>	<u>67,782,098</u>

30.3 Auditor's Remuneration (inclusive of sales tax)			
Statutory audit fee		2,300,000	2,000,000
Review of compliance with COCG		75,000	50,000
Consolidation fee		75,000	50,000
Half-yearly review fee and other certifications		1,550,000	1,061,268
Special audit		1,076,539	-
Out of pocket expenses		385,240	147,000
Sales tax on services		363,323	117,360
		<u>5,825,101</u>	<u>3,425,628</u>

30.4 None of the directors or their spouses had any interest in donee. The particulars of the donees are as under:

Pakistan Rangers Sindh Foundation	-	10,000,000
Millions Smile Foundation	4,197,000	-
Others	-	3,750,000
	<u>4,197,000</u>	<u>13,750,000</u>

30.5 This relates to share of client in mark-up income earned against their unutilised fund balances in PLS bank accounts of the company as per the notice no. KSE/N-1479 dated March 17, 2015 of Pakistan Stock Exchange Limited. The gross markup earned is recorded as profit on bank deposits and client share is charged as expense.

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31 FINANCE COST	Note	2023	2022
--(Rupees)--			
Mark-up on:			
Long-term loan		111,046,828	98,349,455
Short-term loan-RF		282,264	2,613,255
Lease liabilities		5,138,347	3,868,569
Bank charges		211,146	364,150
		<u>116,678,584</u>	<u>105,195,429</u>
32 OTHER INCOME			
Gain on disposal of property and equipment		12,517,722	320,437
Mark up staff loan		86,249	116,362
Reversal of provision against Workers' Welfare Fund - Federal	23.3	-	2,647,171
Others		2,929,068	1,767,466
		<u>15,533,039</u>	<u>4,851,436</u>
33 TAXATION			
Current			
for the year		103,244,693	309,461,853
for prior year		(65,475,354)	(66,403)
Deferred		(85,441,553)	(67,588,597)
		<u>(47,672,214)</u>	<u>241,806,853</u>
33.1			
Income tax assessments of the company have been finalized up to and including the tax year 2022 (income year ended June 30, 2022). Tax returns filed with the revenue authority are deemed to be assessed under the provisions of section 120 of the Income Tax Ordinance, 2001 unless a return is selected for re-assessment by the revenue authority. The Commissioner of Inland Revenue may, at any time during a period of five years from the date of filing of return, select a deemed assessment order for the purpose of issuing an amended assessment order.			
33.2 Relationship between tax expense and accounting profit			
For the year		103,244,693	309,461,853
Prior year		(65,475,354)	(66,403)
Deferred tax		(85,441,553)	(67,588,597)
		<u>(47,672,214)</u>	<u>241,806,853</u>
Profit / (loss) before taxation		<u>359,083,507</u>	<u>(82,422,056)</u>
Tax at the applicable rate of 29% (2022 : 29%)		104,134,217	(23,902,396)
Tax effect of non-deductible expenses		23,798,169	(6,838,377)
Tax effect of Income at reduced rate and exempt income		(61,157,809)	205,295,089
Tax effect of Minimum Tax and Alternative Corporate Tax (ACT)		(43,740,894)	98,093,012
Tax effect of prior year charges		(65,475,354)	(66,403)
Tax effect of Super Tax u/s 4C		(4,768,116)	(39,833,050)
Others		(462,427)	9,058,978
		<u>(47,672,214)</u>	<u>241,806,853</u>
34 EARNINGS / (LOSS) PER SHARE-BASIC AND DILUTED			
34.1 Basic earnings / (loss) per share			
Profit / (loss) for the year attributable to ordinary shareholders		<u>406,755,721</u>	<u>(324,228,909)</u>
Weighted average number of ordinary shares	34.2	<u>519,681,323</u>	<u>100,000,000</u>
Earnings / (loss) per share - Basic and diluted	34.3	<u>0.78</u>	<u>(3.24)</u>

34.2 During the year 457,834,171 shares were allotted therefore the weighted average number of shares have been calculated accordingly.

34.3 Diluted earnings per share

Diluted earnings per share has not been presented as the company does not have any convertible instruments in issue as at 30 June 2023 (2022: Nil) which would have any effect on the earnings per share if the option to convert is exercised.

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35 REMUNERATION OF DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the company are as follows:

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	----(Rupees)-----			----(Rupees)-----		
Managerial remuneration	12,138,372	10,075,627	154,495,437	24,297,814	24,068,290	155,798,103
Fee (note 35.2)	-	1,248,000	-	-	1,320,000	-
Bonus / commission	3,399,046	466,383	25,600,252	18,488,123	11,386,407	120,216,080
Contribution to provident fund	545,496	545,496	6,642,561	952,584	1,458,694	7,448,139
	<u>16,082,914</u>	<u>12,335,506</u>	<u>186,738,250</u>	<u>43,738,521</u>	<u>38,233,391</u>	<u>283,462,322</u>
Number of persons	1	3	31	2	6	37

35.1 Certain executives of the company are provided company owned and maintained car.

35.2 The fee was paid to the independent Directors for attending the Board of Directors, Audit Committee and HR&R committee meetings of the company.

35.3 The change in Directors' offices during the year has been disclosed in the Statement of Compliance with the Code of Corporate Governance.

35.4 As per the requirement under Regulation 5(4) of Research Analyst Regulation 2015, following are the details of Research Analyst employed by the company;

Managerial remuneration	<u>19,182,750</u>	<u>22,427,659</u>
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All Research Analysts report to Head of Research who in turn reports to the Chief Executive Officer of the company.

36 RELATED PARTY TRANSACTIONS

Related parties comprise of Parent company, major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefit fund, directors, key management personnel and their close family members. Contribution to defined contribution plan (provident fund) are made as per the terms of employment. Remuneration of key management personnel are in accordance with their terms of engagements. Transactions with other related parties are entered into at rates negotiated with them (agreed terms).

The related parties of the company comprise of Parent company, associated undertakings including companies under common directorship, employee benefit plans and its key management personnel. The balances with related parties as at June 30, 2022 and June 30, 2021 and transactions with related parties during the year ended June 30, 2023 and June 30, 2022 are as follows:

Details of transactions and balances at year end with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Relationship with the company	Nature of transactions / balances	2023	2022
		----(Rupees)-----	
Holding company (AKD Group Holding (Pvt.) Limited)	Opening balance/ balance acquired through merger	771,626,846	71,070,992
	Mark up accrued on loan during the year	157,454,846	44,105,309
	Mark up received on loan during the year	(200,234,151)	(57,988,876)
	Rent paid	(2,949,600)	(2,844,866)
	Disbursement during the year	3,204,139,994	1,720,983,500
	Receipts during the year	(3,424,133,920)	(1,003,699,213)
	Balance receivable at year end	505,904,014	771,626,846
Other Related Parties	Opening balance/ balance acquired through merger	15,098,510	4,158,071
	Mark up accrued on loan during the year	6,520,953	1,050,023
	Mark up received on loan during the year	(7,555,736)	(5,839,211)
	Rent paid	(360,000)	(360,000)
	Brokerage earned	264,278	249,000
	Company contribution to provident fund	(17,396,678)	(17,070,757)
	Disbursement / adjustments during the year	226,628,085	63,992,002
	Receipts / adjustment during the year	(237,153,526)	(31,080,618)
Balance payable / receivable at year end	(13,954,114)	15,098,510	
Key Personnel	Brokerage earned	11,632,891	35,251,253
	Managerial and commission	32,379,428	89,071,522
	Meeting fee	1,248,000	1,320,000
	company contribution to provident fund	1,472,830	2,905,186
	Balance receivable at year end	153,798,628	2,546,474
	Balance payable at year end	-	85,057,226

Particulars relating to remuneration of Chief Executive Officer, Directors and Executives who are key management personnel are disclosed in note 35.

36.1 RELATED PARTY RELATIONSHIP

Following are the name of associated companies, related parties and associated undertakings with whom the company had entered into transactions or had agreements in place during the year:

Name of Related parties	Relationship	% equity interest
AKD Group Holdings (Private) Limited	Parent company	95.87%
AKD Investment Management Limited	Associate	-
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund	Associate	-
Oil & Gas investments Limited	Associate	-
AKD Capital Limited	Associate	-
DVCOM Limited	Associate	-
Post Amazar (Private) Limited	Associate	-
TMT Ventures Limited	Associate	-
AKD REITS Management company Limited	Associate	-
AKD Commodities (Private) Limited	Associate	-
Creek Developers (Private) Limited	Associate	-
AKD Farms (Private) Limited	Associate	-
AKD Analytics (Private) Limited	Associate	-
AKD-ICA (Private) Limited	Associate	-
Transgas Limited	Associate	-
Mr. Salman Wahid Balaghamwala	Other Related	-
Ms. Anum Dhedhi	Other Related	-
Ms. Ayesha Dhedhi	Other Related	-
Mr. Junaid Balagham Wala	Other Related	-
Mr. Muhammad Farid Alam	Chief Executive	-
Ms. Sadaf Farid	Other Related	-
Mr. Aqeel Karim Dhedhi	Other Related	-
Mr. Tariq Adam Ghumra	Other Related	-
Ms. Hina Junaid	Other Related	-

37 PROVIDENT FUND RELATED DISCLOSURE

37.1 The following information is based on latest un-audited Financial Statements of the KASB Employees Provident Fund:

	Note	Un-Audited	Audited
		2023	2022
----- (Rupees) -----			
Size of the fund-Net assets		45,419,628	56,593,836
Cost of investments made		37,355,092	32,540,568
Percentage of investments made		99.95%	94.75%
Fair value of investments	37.1.1	45,396,793	53,625,402

37.1.1 Break-up of fair value of investments is:

	2023 (Un-Audited)		2022 (Audited)	
	(Rs.)	%	(Rs.)	%
Investments in various Funds / Government Securities	40,487,382	89.19%	34,223,926	63.82%
Saving accounts	4,909,411	10.81%	19,401,476	36.18%
	45,396,793	100.00%	53,625,402	100.00%

37.1.2 The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

37.2 PROVIDENT FUND RELATED DISCLOSURE

The following information is based on latest un-audited Financial Statements of the Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund:

	Note	Un-Audited	Un-Audited
		2023	2022
----- (Rupees) -----			
Size of the fund-Net assets		213,124,096	243,732,703
Cost of investments made		208,847,423	33,135,589
Percentage of investments made		78.78%	90.58%
Fair value of investments	37.2.1	167,890,639	220,764,080

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37.2.1 Break-up of fair value of investments is:

	2023 (Un-Audited)		2022 (Un-Audited)	
	(Rs.)	%	(Rs.)	%
Investments in various Funds / Government Securities	-	0.00%	-	0.00%
Saving accounts	16,362,281	9.75%	968,574	0.44%
Term finance certificates (PPTFC)	416,667	0.25%	5,000,000	2.26%
Mutual funds units	25,657,875	15.28%	60,218,789	27.28%
Listed shares	125,453,816	74.72%	154,576,717	70.02%
	167,890,639	100.00%	220,764,080	100.00%

37.2.2 The above investment / placement of funds has not been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose. These investments / placements shall be regularized in due course.

38 OPERATING SEGMENTS

	2023				
	Brokerage	Financial Advisory	Underwriting	Other Operation	Total
Segment revenues	669,849,832	19,649,575	19,417,588	876,350,773	1,585,267,767
Administrative and operating expenses (other than depreciation and amortization)	(350,366,422)	(10,277,753)	(10,156,412)	(458,377,191)	(829,177,777)
Impairment on long-term investment - subsidiary (Provision) / reversal against doubtful debts-net	(239,116)				(239,116)
Depreciation	(30,532,754)	(895,657)	(885,083)	(39,945,375)	(72,258,868)
Amortisation of intangible assets	(565,268)	(16,582)	(16,386)	(739,528)	(1,337,764)
Finance cost	(49,302,163)	(1,446,244)	(1,429,170)	(64,501,007)	(116,678,584)
Sales Tax on Services	(77,062,370)	(2,260,571)	(2,233,882)	-	(81,556,822)
	24,242,441	4,752,768	4,696,656	312,787,672	346,479,537
Gain on sale of operating assets					12,517,777
Mark up staff loan					86,249
Taxation					47,672,214
Profit after taxation					406,755,721
Segment assets	2,654,729,093	46,842,332	46,289,302	8,186,916,200	10,934,776,927
Segment liabilities	1,913,679,499	4,631,293	4,576,615	857,808,748	2,780,696,155

	2022				
	Brokerage	Financial Advisory	Underwriting	Other Operation	Total
Segment revenues	1,361,975,209	338,657,544	45,244,837	(467,919,334)	1,277,958,257
Administrative and operating expenses (other than depreciation and impairment on long-term investment - subsidiary (Provision) / reversal against doubtful debts-net	(991,141,234)	(246,449,021)	(32,925,727)	340,515,850	(930,000,132)
Depreciation	(187,866)				(187,866)
Depreciation	(58,155,366)				(58,155,366)
Amortisation of intangible assets	(72,238,304)	(17,962,182)	(2,399,758)	24,818,146	(67,782,098)
Finance cost	(1,347,430)	(335,041)	(44,762)	462,922	(1,264,310)
Sales Tax on Services	(112,111,304)	(27,876,674)	(3,724,339)	38,516,888	(105,195,429)
	(156,687,413)	(38,960,602)	(5,205,158)	(25,907)	(200,879,081)
	(29,893,708)	7,074,024	945,094	(63,631,435)	(85,506,025)
Gain on sale of operating assets					120,437
Mark up staff loan					116,162
Provision for Sindh Workers' Welfare Fund					2,647,171
Taxation					(241,806,853)
Loss after taxation					(324,228,909)
Segment assets	4,477,741,596	758,493,204	101,335,116	5,825,619,467	11,163,189,383
Segment liabilities	2,847,788,652	126,832,412	16,944,881	864,579,100	3,856,145,046

39 NUMBER OF EMPLOYEES

Average number of employees during the year	256	313
Total number of employees as at year end	244	306

40 FINANCIAL INSTRUMENTS

Financial Risk Factors

The company's activities expose it to a variety of financial risks: market risk (interest/mark-up rate risk, foreign currency and price risk), liquidity risk and credit risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the company's financial assets and liabilities are limited. The company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

40.1 Market risk

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

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of the financial instruments. As of the balance sheet date, the company is exposed to such risk mainly in respect of bank balances, lease liabilities, short term and long term loan. Effective interest rates on such instruments are disclosed in respective notes to the financial statements.

With 100 basis point increase / (decrease) in the market interest rate, with all other factors remaining constant, would decrease the company's total comprehensive income by Rs. 6.699 million (2022: Rs. 0.312 million).

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of change in foreign exchange rates relates only to the investment in Al Jomaih Power Limited maintained in US dollars amounting to Rs.629.17 million (2022: Rs. 184.36 million) [US dollars 2.2 million (2022: US dollars 0.9 million)].

With 10% increase / (decrease) in the exchange rate between US dollars and Pak Rupees, comprehensive income of the company would have increased / (decreased) by Rs. 62.91 million (2022: Rs. 18.44 million).

(iii) Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The management believes that 10% increase or decrease in the value of investments at fair value through profit and loss, with all other factors remaining constant would result in increase or decrease of the company's profit by Rs. 231.81 million (2022: Rs. 353.06) and 10% of such increase or decrease would result in increase or decrease of unrealized gain on re-measurement of long term investment at fair value through other comprehensive income by Rs. 1.186 million (2022: Rs 1.640 million).

40.2 Liquidity risk

Liquidity risk is the risk that an enterprise may encounter difficulty in raising funds to meet commitments associated with financial instruments. The company manages liquidity risk by following internal guidelines of the company executive committee such as monitoring maturities of financial assets and financial liabilities and investing in liquid financial assets.

On the reporting date, the company has liquid asset of Rs. 877.63 million (2022:Rs. 1,143.72 million), unutilized credit lines nil (2022: nil) to manage the liquidity issues (details of credit facility as under) and liquid assets in the form of short term securities Rs. 2,318.89 million (2022: 3,530.59 million).

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The following are the contractual maturities of financial liabilities, including estimated interest payments:

The table below summaries the maturity profile of the company's financial liabilities:

	2023				
	On Demand	Up to three months	More than three months and up to one year	More than one year	Total
	------(Rupees)-----				
Long-term loan	-	-	-	500,000,000	500,000,000
Trade and other payables	2,013,019,208	-	-	-	2,013,019,208
Lease liability	1,566,984	2,781,020	12,194,966	26,807,015	43,349,984
Accrued mark-up	1,257,863	-	-	-	1,257,863
Short term loan	-	150,000,000	-	-	150,000,000
	<u>2,015,844,054</u>	<u>152,781,020</u>	<u>12,194,966</u>	<u>526,807,015</u>	<u>2,707,627,055</u>
	2022				
	On Demand	Up to three months	More than three months and up to one year	More than one year	Total
	------(Rupees)-----				
Long-term loan	-	-	-	150,000,000	150,000,000
Trade and other payables	2,566,504,646	-	-	-	2,566,504,646
Lease liability	878,804	1,812,750	14,519,011	35,754,847	52,965,412
Accrued mark-up	24,822,022	-	-	-	24,822,022
Short term loan	-	865,000,000	-	-	865,000,000
	<u>2,592,205,473</u>	<u>866,812,750</u>	<u>14,519,011</u>	<u>185,754,847</u>	<u>3,659,292,081</u>

40.3 Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continuously assessing the credit worthiness of counter parties. The company seeks to minimise the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The table below analyses the company's maximum exposure to credit risk:

	Note	2023	2022
		------(Rupees)-----	
Short term investments in debt securities		833,334	3,333,333
Trade debts	40.3.1	524,650,539	661,704,391
Bank balances	40.3.2	876,516,273	1,140,282,471
Long-term loans and advances		-	341,000
Long-term deposits and prepayments		40,039,002	59,931,802
Deposits, prepayments and other receivables		1,094,668,680	1,477,741,534
Loans and advances		544,565,734	831,462,645
		<u>3,081,273,563</u>	<u>4,174,797,176</u>

40.3.1 The aging analysis of trade debts are as follows:

	2023		2022	
	------(Rupees)-----		------(Rupees)-----	
	Gross	Impairment	Gross	impairment
Past due 1 - 30 days	94,328,860	18,547,293	201,023,709	98,551,668
Past due 31 - 180 days	108,817,626	40,474,922	92,064,033	47,645,377
Past due 181 days - 1 year	190,931,403	140,823,489	34,010,087	17,599,258
More than one year	130,572,651	94,647,521	334,606,562	170,758,429
	<u>524,650,539</u>	<u>294,493,225</u>	<u>661,704,391</u>	<u>334,554,732</u>

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40.3.2 The analysis below summarises the credit quality of the company's bank balances with banks / financial institutions:

Rating (short-term) of Banks and Financial Institutions*	2023	2022
	----- (Rupees) -----	
A1	507,981,856	659,754,560
A1+	367,519,758	479,792,574
A2	-	11,401
Unrated	1,014,658	181,200
	<u>876,516,272</u>	<u>1,139,739,735</u>

*Rating of banks performed by PACRA and VIS.

40.4 Financial instruments by categories

Financial assets as per balance sheet	As at June 30, 2023			Total
	Asset at fair value through profit and loss	Asset at fair value through OCI	Amortized cost	
----- (Rupees) -----				
Long term investments	-	641,040,953	36,373	641,077,326
Long term deposits	-	-	40,039,002	40,039,002
Long term loans an advances	-	-	-	-
Short term investments	2,318,059,059	833,334	-	2,318,892,393
Trade debts	-	-	230,157,314	230,157,314
Deposits, prepayments and other receivables	-	-	1,094,668,680	1,094,668,680
Loans and advances	-	-	544,565,734	544,565,734
Cash and bank balances	-	-	876,826,705	876,826,705
	<u>2,318,059,059</u>	<u>641,874,287</u>	<u>2,786,293,809</u>	<u>5,746,227,154</u>

As at June 30, 2023

Financial liabilities at amortized cost

Financial liabilities as per balance sheet

----- Rupees -----	
Long-term loan-secured	500,000,000
Short-term loan-secured	150,000,000
Lease liability	43,349,984
Trade and other payables	2,013,019,208
Accrued mark-up	1,257,863
	<u>2,707,627,055</u>

Financial assets as per balance sheet	As at June 30, 2022			Total
	Asset at fair value through profit and loss	Asset at fair value through OCI	Amortized cost	
----- (Rupees) -----				
Long term investments	-	200,760,239	1,108,823	201,869,062
Long term deposits	-	-	59,931,802	59,931,802
Long term loans an advances	-	-	341,000	341,000
Short term investments	3,530,591,864	3,333,333	-	3,533,925,197
Trade debts	-	-	327,149,658	327,149,658
Deposits, prepayments and other receivables	-	-	1,477,741,534	1,477,741,534
Loans and advances	-	-	831,462,645	831,462,645
Cash and bank balances	-	-	1,140,379,132	1,140,379,132
	<u>3,530,591,864</u>	<u>204,093,572</u>	<u>3,838,114,594</u>	<u>7,572,800,030</u>

Financial liabilities as per balance sheet

Financial liabilities at amortized cost

	----- Rupees -----
Long-term loan-secured	150,000,000
Short-term loan-secured	865,000,000
Lease liability	52,965,412
Trade and other payables	2,566,504,646
Accrued mark-up	24,822,022
	<u>3,659,292,081</u>

41 CAPITAL RISK MANAGEMENT

The company's objectives when managing capital include :

- Reinforcing company's ability to continue as a going concern in order to provide returns to all its stakeholders with their corresponding risk
- Maintaining a strong capital base - resulting in enhancement of company's business operations.

In order to maintain the balance of its capital structure, the company may consider adjusting its dividend payouts, controlling non-developmental cash outflows and issuing fresh debt or capital instruments.

The company monitors capital on the basis of the gearing ratio and its related profitability ratios. Gearing is calculated as debt divided by debt plus equity. Debt represents redeemable capital and other long-term borrowings, if any, as shown in the balance sheet. Equity represents paid-up capital of the company, general reserve and unappropriated profit and loss.

Net capital requirements of the company are set and regulated by PSX. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities. The company manages its net capital requirements by assessing its capital structure against required capital level on a regular basis.

42 FAIR VALUE OF FINANCIAL INSTRUMENT

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying value and fair value estimates. The carrying values of all the financial assets and liabilities reflected in the financial statements approximate their fair values.

Under the definition of fair value is the presumption that the company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

42.1 Financial Assets Fair Value Hierarchy

All financial instruments carried at fair value are categorised in three categories defined as follows:

Level 1 - quoted prices in active markets for identical assets.

Level 2 - other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 - techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at year end, the company held the following financial instruments measured at fair value:

	2023			
	Total	Level 1	Level 2	Level 3
	----- (Rupees) -----			
Financial assets at fair value through profit or loss				
Quoted equity securities	2,318,059,059	2,318,059,059	-	-
Fair value through other comprehensive income				
Investment 'at fair value through other comprehensive income	641,874,287	11,861,852	-	630,012,434
	2022			
	Total	Level 1	Level 2	Level 3
	----- (Rupees) -----			
Financial assets at fair value through profit or loss				
Quoted equity securities	3,530,591,864	3,530,591,864	-	-
Fair value through other comprehensive income				
Investment 'at fair value through other comprehensive income	204,093,572	16,398,209	-	187,695,363

- 42.1.1 The company's investment in unquoted shares of Al Jomaih Power Limited (AJPL) incorporated in Cayman Island are valued at its fair value based on the net assets value of the investee company as at June 30, 2023. The reconciliation from the beginning to ending balances for assets measured at fair value using level 3 valuation technique is given below:

	2023	2022
	------(Rupees)-----	
Opening balance	184,362,030	299,333,030
Unrealized (loss) / gain arising on re-measurement of long term investment at fair value through OCI	444,817,070	(114,971,000)
Closing balance	<u>629,179,100</u>	<u>184,362,030</u>
Total outstanding units of AJPL	217,217	217,217
NAV per unit	186,700	54,707
Number of units hold by AKDSL in AJPL	3,370	3,370
AKDSL % of holding in AJPL	1.55%	1.55%

43 OTHER DISCLOSURES UNDER REGULATION 34(2) OF THE SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATION 2016:

The disclosures under the regulation 34(2), other than disclosed elsewhere in these annual financial statements are as follows:

43.1 Person holding more than 5% of shares

	2023	2022	2023	2022
	% of holding		No. of shares	
AKD Group Holdings (Pvt) Ltd (the Parent)	95.87%	77.12%	534,806,196	77,117,500
Mrs. Noor Jehan Bano	0.00%	6.55%	-	6,551,000
Mr. Mohammad Aslam Motiwala	0.00%	9.36%	-	9,360,000

- 43.2 During the year ended 2022 AKD Securities Limited merged into BIPLS Securities Limited and the shareholding of the company was transferred to AKD Group Holdings (Pvt) Limited (the Parent) who currently holds 95.87% equity interest in the company.

- 43.3 As at June 30, 2023, the value of shares pledged with financial institutions amounted to Rs. 1,064.09 million out of which the value of company's shares pledged with banks amounted to Rs. 579.26 million (2022: 905.99) and the value of customer shares maintained with the company pledged with financial institution is Rs. 484.83 million (June 30, 2022: Rs. 2,927.71 million).

- 43.4 As at June 30, 2023, the value of customer shares maintained with the company sub-Accounts held in the Central Depository company of Pakistan Limited is Rs.42,466.88 million (June 30, 2022: Rs. 38,202.63 million).

44 CAPITAL ADEQUACY LEVEL

Following is the Level of Capital Adequacy as required under clause 6.8.3 of CDC Regulations:

	Note	2023	2022
		------(Rupees)-----	
Total Assets		10,934,776,927	11,163,189,383
Adjustment for Notional value of TRE Certificate	8.2	-	(1,350,000)
Less: Total Liabilities		(2,780,696,155)	(3,856,145,046)
Less: Revaluation Reserves (created upon Revaluation of fixed assets)		-	-
		<u>8,154,080,772</u>	<u>7,305,694,337</u>

- 44.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by the company as at the year ended June 30, 2022 as determined by Pakistan Stock Exchange has been considered.

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

1. Assets

1.1	Property and Equipment	1,829,667,116	100.00%	-
1.2	Intangible Assets	3,153,169,929	100.00%	-
1.3	Investment in Govt. Securities	-	-	-
	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure up to 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
1.4	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure up to 1 year.	833,334	10.00%	750,001
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15.00%	-
	Investment in Equity Securities			
1.5	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	2,298,029,997	982,660,817	1,315,369,180
	ii. If unlisted, 100% of carrying value.	629,179,100	100.00%	-
	iii. Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	iv. 100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)	-	100.00%	-
1.6	Investment in subsidiaries	36,373	100.00%	-
	Investment in associated companies/undertaking			
1.7	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	31,890,915	19,134,549	12,756,366
	ii. If unlisted, 100% of net value.	-	100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	25,811,500	100.00%	-
1.9	Margin deposits with exchange and clearing house.	1,064,486,858	-	1,064,486,858
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	64,045,798	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil)	2,576,731	-	2,576,731
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	1,341,244	100.00%	-
1.13	Dividends receivables.	-	-	-
	Amounts receivable against Repo financing.	-	-	-
1.14	Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)	-	-	-
	Advances and Receivables other than trade receivables			
1.15	1) No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months.	32,847,054	-	32,847,054
	2) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation	693,873,662	-	-
	3) In all other cases 100% of net value	-	100.00%	-
	Receivables from clearing house or securities exchange(s)			
1.16	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	claims on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. <i>i. Lower of net balance sheet value or value determined through adjustments.</i>	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>	-	5.00%	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>	-	-	-
1.17	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	3,943,527	-	3,943,527
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. <i>v. Lower of net balance sheet value or value determined through adjustments</i>	72,413,299	48,014,476	48,014,476
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. vi. Lower of net balance sheet value or value determined through adjustments	153,800,488	84,437,891	69,362,596

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	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts	22,361,821	-	22,361,821
	ii. Bank balance-customer accounts	854,154,451	-	854,154,451
	iii. Cash in hand	313,730	-	313,730
1.19	Subscription money against investment in IPO/ offer for sale (asset)	-	-	-
1.20	Total Assets	10,934,776,927		3,426,936,790
	2. Liabilities			
	Trade Payables			
2.1	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	1,755,799,710	-	1,755,799,710
	Current Liabilities			
	i. Statutory and regulatory dues	35,680,901	-	35,680,901
	ii. Accruals and other payables	227,739,712	-	227,739,712
	iii. Short-term borrowings	150,000,000	-	150,000,000
2.2	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	16,542,970	-	16,542,970
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	35,460,383	-	35,460,383
	ix. Other liabilities as per accounting principles and included in the financial statements	32,665,464	-	32,665,464
	Non-Current Liabilities			
	i. Long-Term financing	-	100.00%	-
	a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease	526,807,015	100.00%	-
	b. Other long-term financing	-	100.00%	-
	ii. Staff retirement benefits	-	-	-
2.3	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.	-	-	-
	iv. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	Subordinated Loans			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	-	-	-
2.4	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	-	-	-
2.5	Advance against shares for increase in capital of securities broker	-	-	-
2.6	Total Liabilities	2,780,696,155		2,253,889,140
	3. Ranking Liabilities Relating to:			
	Concentration in Margin Financing			
3.1	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
	Concentration in securities lending and borrowing			
	The amount by which the aggregate of:			
3.2	(i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
	Net underwriting Commitments			
	(a) in the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of:			
3.3	(i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting	-	-	-
	(b) in any other case : 12.5% of the net underwriting commitments	-	-	-

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3.4	Negative equity of subsidiary The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-	-
3.5	Foreign exchange agreements and foreign currency positions 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Repo adjustment Amount Payable under REPO	-	-	-
3.7	Repo adjustment In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
3.8	Concentrated proprietary positions If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	163,697,251	163,697,251
3.9	Opening Positions in futures and options i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	5,509,408	5,509,408
3.10	Short sell positions i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	Total Ranking Liabilities	-	169,206,659	169,206,659
	Liquid Capital	8,154,080,772	Liquid Capital	1,003,840,991

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	3,426,936,790
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(2,253,889,140)
(iii) Less: Total ranking liabilities (series number 3.11)	(169,206,659)
	<u>1,003,840,991</u>

46 DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the company on 05 October 2023.


47 GENERAL

47.1 Corresponding figures have been rearranged and reclassified, wherever necessary.

47.2 Figures have been rounded off to the nearest Rupees.



Chief Executive Officer



Director



Chief Financial Officer

A hand is shown holding a small green plant with a few leaves, which is growing out of a stack of silver coins. The coins are stacked on a patch of green grass. The entire scene is set against a dark blue background with a subtle pattern of light blue dots.

Consolidated Financial Statements

- Independent Auditor's Report to the Members
- Statement of Financial Position
- Statement of Profit and Loss Account and Other Comprehensive Income
- Statement of Changes in Equity
- Cashflow Statement
- Notes to the Financial Statement

DIRECTORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors present the report on consolidated financial statements of AKD Securities Limited [Formerly: BIPL Securities Limited] and its wholly owned subsidiary namely Structured Venture (Private) Limited, for the year ended June 30, 2023.

The consolidated financial results of the group for the year ended June 30, 2023, under review, are summarized as follows:

	2023	2022
	------(Rupees in '000)-----	
Net revenue	644,985	1,600,410
Gross profit	460,220	17,922
Profit / (loss) before tax	359,084	(82,422)
Profit / (loss) after taxation	406,756	(324,228)
	------(Rupees)-----	
Earnings / (loss) per share	0.78	(3.24)

Summary of changes in equity

The Group's profit after tax was PKR 406.755 million, Earning per share 0.78 in FY23 as compared to loss after tax PKR (324.228) million, loss per share is (3.24) in FY22.

Pattern of Shareholding

The pattern of shareholding as at June 30,, 2023 along with disclosure required under the code of Corporate Governance is annexed to the report.

On behalf of the Board of Directors



Director

Karachi: October 05, 2023



Chief Executive Officer

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AKD SECURITIES LIMITED
REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Opinion

We have audited the annexed consolidated financial statements of **AKD Securities Limited** and its subsidiary (the Group), which comprise the consolidated statement of financial position as at **June 30, 2023** and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p>Advance against Properties:</p> <p>As disclosed in Note 7.3 the group has paid advance against property amounting to Rs. 1,629.30 million to Mr. Aqeel Karim Dhedhi a related party.</p> <p>As the transactions are with a related party therefore by nature and significance of amounts involved in our course of audit this was considered as a key audit matter.</p>	<p>Our audit procedures, amongst others, included the following:</p> <p>Obtain agreements of sale to understand nature of transaction of such advance.</p> <p>Obtained minutes of meetings of board of directors to trace approval of such transactions.</p> <p>Traced the amount paid against such properties.</p> <p>Validated that the transactions were carried out at arm's length by obtaining independent reports for valuation of properties.</p> <p>Obtained confirmation from related party for the amount paid as advance against property.</p> <p>Checked that appropriate disclosures were made in the financial statements.</p> <p>Checked compliance of the Companies Act, 2017 and obtain necessary documents in this respect.</p>
2.	<p>Valuation of Goodwill and its impairment</p> <p>As disclosed in notes 1.3 and 8 the group has recorded goodwill amounting to Rs. 3,137.82 million on merger.</p> <p>The valuation of goodwill was significant to the audit due to the amount involved and its valuation requires complex calculations therefore the matter was addressed as a key audit matter.</p>	<p>Our audit procedures, amongst others, included the following:</p> <p>We obtained independent valuers' report used by the management to calculate the carrying value and recoverable amount of the cash generating units involved.</p> <p>Test the data used by the valuer for assessing the reasonableness of assumptions.</p> <p>Perform other audit procedures as per requirements of International Auditing Standards as applicable in Pakistan.</p> <p>Checked that appropriate disclosures were made in the financial statements.</p>

<p>3.</p>	<p>Valuation of Al Jomaih Power Limited (AJPL).</p> <p>As disclosed in Note 9.3.2 the group's financial statements include investment at Fair value through Other Comprehensive Income in unquoted foreign company AJPL amounting to Rs. 629.18 million.</p> <p>The valuation of investment in AJPL was significant to the audit due to foreign currency risk involved in the investment and the categorization of the investment is level 3 of the Fair Value hierarchy which uses input other than the observable market date.</p>	<p>Our audit procedures, amongst others, included the following:</p> <p>We obtained confirmation of AJPL in respect of shareholding of the company in AJPL and net assets value per share as at year end, as per books and records of AJPL.</p> <p>We checked that the investment at the year-end has been translated using appropriate exchange rate.</p> <p>We checked that at the year end, the investment is adjusted for changes if any in the net assets value on the basis of information received from AJPL.</p> <p>We checked that basis of valuation of investment is adequately disclosed in the financial statements of the group.</p>
<p>4.</p>	<p>Recognition and realization of deferred tax asset:</p> <p>As disclosed in note 12, the group has recognized deferred tax asset amounting to Rs 183.49 million.</p> <p>In order to ascertain that sufficient future taxable profit will be available, the management has prepared future projections of taxable profit by taking into account various assumptions mainly comprising of expected future revenues, business and operational assumptions and timing of reversals.</p> <p>The analysis of the recognition and recoverability of the deferred tax asset was significant to our audit because of the material amount of deferred tax asset and because the assessment of future taxable income involves significant management judgment about future business and economic factors.</p>	<p>Our audit procedures, amongst others, included the following:</p> <p>We obtained working of the deferred taxation and re-performed calculations.</p> <p>We checked and examined components of deferred taxation from relevant tax records.</p> <p>We checked the realization of deductible temporary differences and unused tax losses during the year against current taxation.</p> <p>We tested and documented the process used by management to assess the likelihood of realizing the deferred tax asset.</p> <p>We tested whether any subsequent events or transactions have occurred up to the date of our report that could affect the likelihood of realizing the deferred tax assets.</p> <p>We used our internal tax specialist and considered the appropriateness of the application of relevant tax laws by the Group.</p> <p>We also assessed the adequacy of the related disclosures pertaining to deferred taxation in</p>

		accordance with applicable financial reporting framework.
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Information Other than the Financial Statements and Auditor’s Report Thereon

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

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

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

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

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

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

The Board of Directors is responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

We also provide the Board of Directors with the statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statement of the current period and are therefore the key

audit matters. We describe these matters in our auditor's report unless law or regulations precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public benefits of such communications.

The engagement partner on the audit resulting in this independent auditor's report is Syed Naveed Abbas.

— Sd —

Chartered Accountants
Karachi

Dated: **06 OCT 2023**

UDIN: AR202310239v0ZlrBcfO

AKD SECURITIES LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
		----- (Rupees) -----	
ASSETS			
Non-current assets			
Property and equipment	7	1,829,667,116	327,704,829
Intangible assets	8	3,153,169,929	3,155,170,139
Long-term investments	9	641,040,953	201,593,573
Long-term loans and advances	10	-	341,000
Long-term deposits and prepayments	11	39,879,051	59,771,851
Deferred tax asset - net	12	183,496,225	98,054,672
		<u>5,847,253,274</u>	<u>3,842,636,064</u>
Current assets			
Short-term investments	13	2,318,892,393	3,533,925,197
Trade debts	14	230,157,314	327,149,658
Deposits, prepayments and other receivables	15	1,117,043,837	1,487,357,417
Loans and advances	16	544,565,734	831,462,645
Cash and bank balances	17	877,396,098	1,140,996,686
		<u>5,088,055,376</u>	<u>7,320,891,603</u>
TOTAL ASSETS		<u>10,935,308,650</u>	<u>11,163,527,667</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Capital			
700,000,000 (2022:200,000,000) Ordinary shares of Rs. 10 each	1.4.3	<u>7,000,000,000</u>	<u>2,000,000,000</u>
Issued, subscribed and paid-up capital	18	5,578,341,705	1,000,000,000
Shares to be issued in accordance with scheme of merger	19	-	4,578,341,705
Share premium	20	2,302,905,878	2,302,905,878
Fair value reserve		380,405,718	(59,874,996)
General reserve		18,752,260	18,752,260
Accumulated loss		(126,324,789)	(533,080,510)
		<u>8,154,080,772</u>	<u>7,307,044,337</u>
Non-current liabilities			
Long-term financing-secured	21	500,000,000	150,000,000
Lease liability	22	26,807,015	35,754,847
		<u>526,807,015</u>	<u>185,754,847</u>
Current liabilities			
Trade and other payables	23	2,049,462,157	2,634,253,569
Short-term financing-secured	24	150,000,000	865,000,000
Current portion of lease liability	22	16,542,970	17,210,565
Unclaimed dividend		1,927,815	1,935,706
Taxation - net		35,230,059	127,506,621
Accrued mark-up	25	1,257,863	24,822,022
		<u>2,254,420,864</u>	<u>3,670,728,483</u>
TOTAL EQUITY AND LIABILITIES		<u>10,935,308,650</u>	<u>11,163,527,667</u>
CONTINGENCIES AND COMMITMENTS	26		

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		----- (Rupees) -----	
Operating revenue	27	644,984,524	1,600,410,686
Net (loss) / gain on investments			
Gain / (loss) on sale of short term investments 'at fair value through profit and loss' - net	28	562,212,467	(657,302,094)
Unrealised loss on re-measurement of short term investments 'at fair value through profit or loss' -net	13.1	(275,089,927)	(199,790,205)
		287,122,540	(857,092,299)
Dividend income		199,536,495	87,644,421
Mark-up / profit on bank deposits and other receivables	29	369,161,356	244,365,585
		1,500,804,915	1,075,328,394
Operating and administrative expenses	30	(903,036,565)	(999,251,090)
(Allowance) / reversal against expected credit loss	14.1	(137,539,298)	(58,155,366)
		(1,040,575,863)	(1,057,406,456)
Operating profit		460,229,052	17,921,937
Finance cost	31	(116,678,584)	(105,195,429)
		343,550,468	(87,273,492)
Other income	32	15,533,039	4,851,436
Profit / (loss) before taxation		359,083,507	(82,422,056)
Taxation	33	47,672,214	(241,806,853)
Profit / (loss) after taxation		406,755,721	(324,228,909)
Other comprehensive income / (loss) for the year			
Items that will not be reclassified subsequently to profit or loss:			
Unrealized gain / (loss) arising on re-measurement of long term investment at fair value through other comprehensive income-net	9.3.4	440,280,713	(134,334,672)
Total comprehensive income / (loss) for the year		847,036,434	(458,563,581)
Earnings / (loss) per share - basic and diluted	34	0.78	(3.24)

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Share capital	Shares to be issued in accordance with scheme of merger	Share premium	Revenue reserves		Fair value reserve	Total
				General reserve	Accumulated loss		
Note ----- (Rupees) -----							
Balance as at July 01, 2021	1,000,000,000	-	-	18,752,260	(158,851,601)	74,459,676	934,360,335
Dividend paid during the year	-	-	-	-	(50,000,000)	-	(50,000,000)
Loss for the year	-	-	-	-	(324,228,909)	-	(324,228,909)
Other comprehensive loss for the year	-	-	-	-	-	(134,334,672)	(134,334,672)
	1,000,000,000	-	-	18,752,260	(533,080,510)	(59,874,996)	425,796,754
Shares to be issued in accordance with scheme of merger	-	4,578,341,705	2,302,905,878	-	-	-	6,881,247,583
Balance as at June 30, 2022	1,000,000,000	4,578,341,705	2,302,905,878	18,752,260	(533,080,510)	(59,874,996)	7,307,044,337
Shares issued in accordance with scheme of merger	4,578,341,705	(4,578,341,705)	-	-	-	-	-
Profit for the year	-	-	-	-	406,755,721	-	406,755,721
Other comprehensive income for the year	-	-	-	-	-	440,280,713	440,280,713
Balance as at June 30, 2023	5,578,341,705	-	2,302,905,878	18,752,260	(126,324,789)	380,405,718	8,154,080,772

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The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2023

Note	2023	2022
	----(Rupees)----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	359,083,507	(82,422,056)
Non-cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation	72,258,868	67,782,098
Amortization	1,337,764	1,264,310
Gain / (loss) on sale of short term investments 'at fair value through profit and loss' - net	(562,212,467)	657,302,094
Gain on sale of property and equipment	(12,517,722)	(320,437)
Unrealised loss on re-measurement of short term investments 'at fair value through profit or loss' - net	275,089,927	199,790,205
Provision of doubtful debts-net	137,539,298	58,155,366
Bad debts written off during the year	-	27,644
Finance cost	116,678,584	105,195,429
Dividend income	(199,536,495)	(87,644,421)
	<u>(170,012,243)</u>	<u>1,001,552,288</u>
	189,071,264	919,130,232
Working capital adjustments:		
Decrease / (Increase) in current assets		
Trade debts	(45,804,157)	(201,900,353)
Deposits, prepayments and other receivables	375,570,782	2,638,065,308
Loan and advances	286,896,911	(830,199,663)
	<u>616,663,536</u>	<u>1,605,965,292</u>
Decrease in current liabilities		
Trade and other payables	(584,791,413)	(1,874,923,399)
	<u>220,943,387</u>	<u>650,172,125</u>
Finance cost paid	(135,104,396)	(82,236,189)
Income tax paid	(130,045,897)	(80,667,678)
Net cash flows (used in) / generated from operating activities	<u>(44,206,906)</u>	<u>487,268,258</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	1,502,988,678	(1,039,290,242)
Purchase of property and equipment	(1,583,545,072)	(50,952,093)
Purchase of intangible assets	(687,554)	(997,845)
Net cash flows from merger	-	618,200,245
Proceeds from disposal of property and equipment	21,841,638	1,400,476
Dividend received	199,536,495	87,644,421
Net cash flows generated from / (used in) investing activities	<u>140,134,185</u>	<u>(383,995,038)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	341,000	218,450
Repayment of loan-net	(515,000,000)	-
Lease liability	(14,753,774)	(29,221,311)
Long-term deposits and prepayments	19,892,800	(3,874,789)
Dividend paid	(7,891)	(49,466,601)
Net cash flows used in financing activities	<u>(509,527,865)</u>	<u>(82,344,251)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(413,600,588)</u>	<u>20,928,969</u>
Cash and cash equivalents at the beginning of the year	1,140,996,686	1,055,067,717
Cash and cash equivalents at the end of the year	<u>727,396,098</u>	<u>1,075,996,686</u>
Cash and cash equivalents comprises of:		
Cash and bank balances	17 877,396,098	1,140,996,686
Short term financing-secured	24 (150,000,000)	(65,000,000)
	<u>727,396,098</u>	<u>1,075,996,686</u>

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

- Holding Company - AKD Securities Limited - AKDSL
- Subsidiary Company - Structured Venture (Private) Limited (SVPL)

1.1 AKD Securities Limited (the Holding Company) was incorporated in Pakistan on 24 October 2000 under the Companies Ordinance, 1984 [(repealed with the enactment of Companies Act, 2017 (the Act)] and commenced its operations effective from 01 January 2003. On 03 June 2022 the transfer of assets and liabilities of AKD Securities Limited under a Scheme of Arrangement approved by the High Court of Sindh. The shares of the Holding Company are listed on the Pakistan Stock Exchange Limited (PSX). The Holding Company is licensed to operate as securities broker, consultant to the issue, and underwriter from the Securities Exchange Commission of Pakistan and holds a Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited and Membership card of Pakistan Mercantile Exchange Limited. The principal activities of the Holding Company are brokerage of shares and/or commodities/ money market / forex trading, financial research, book building, underwriting, investments in securities/commodities, corporate advisory and consultancy services. The registered office of the Company is situated at 602 Continental Trade Center, Block-8, Clifton, Karachi.

The detail of immovable fixed assets / owned property are given below :

- Room No 501 to 508, 5th floor, Trade Centre, I.I. Chundrigar Road, Karachi. Covered Area 6,000 Sq. Ft.
- Room No 601 to 608, 6th floor, Trade Centre, I.I. Chundrigar Road, Karachi. Covered Area 6,500 Sq. Ft.
- Room No 1005 to 1008, 10th floor, Trade Centre, I.I. Chundrigar Road, Karachi. Covered Area 3,081 Sq. Ft.
- Room No 93 to 95, 2nd floor, PSX Building, Stock Exchange Road, Covered Area 690 Sq. Ft.
- Booth No. 25, 30 & 54, located in the Trading Hall of the Pakistan Stock Exchange.

The branch offices are situated at:

S.NO	City	Address
1	Faisalabad	Office 3, 1st Floor, Meezan Executive Tower, Cargo Side Liaquat Road.
2	Faisalabad	Room # 509 & 510, 5th Floor, State Life Building, Liaquat Road.7
3	Gujranwala	81, Ground Floor, GDA Trust Plaza.
4	Islamabad	90-91, Razia Sharif Plaza, Jinnah Avenue, Blue Area.
5	Islamabad	Office # 313, ISE Tower, Jinnah Avenue, Blue Area
6	Islamabad	Office 302-303, 3rd Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Blue Area.
7	Karachi	5th Floor Stock Exchange Building.
8	Karachi	Shop A, 2nd Floor, Measuring 2,375 Square Feet Project Known As 1.F. Plaza, Plot No.D-1, Block-D, North Nazimabad.
9	Karachi	Friends Paradise, 1st Floor, SB-36, Block No. 13D, KDA Scheme 24, Main University Road
10	Karachi	Room No 93-95, 2nd floor, Pakistan Stock Exchange Building, Stock Exchange Road.
11	Karachi	Room No 501 to 508, 5th floor, Trade Centre, I.I. Chundrigar Road, Karachi.
12	Karachi	Building # 141 Miday Commercial Area Block-A, Bahria Town (Private) Limited, Bahria Town.
13	Lahore	Office 512-513, 5th Floor, Lahore Stock Exchange Building, 19, Khayaban-e-Aiwan-e-Iqbal Road.
14	Lahore	2nd Floor Fountain Avenue Building, 64-A, Main Boulevard, Main Gulberg.
15	Multan	Ground Floor, State Life Building, Abdali Road.
16	Peshawar	1st Floor, State Life Building, 34-The Mall, Peshawar Cantt.
17	Rahim Yar Khan	Plot # 24, City Park Chowk, Model Town
18	Sialkot	Ground Floor, City Tower, Shahab Pura Road

1.2 The Group is a subsidiary of AKD Group Holdings (Pvt) Limited (the Parent), who holds 95.87% (2022: AKD Securities Limited 95.90%) shares of the Company.

1.3 Merger of AKD Securities Limited with and into the holding company

AKD Securities Limited (AKDSL) was a public limited unlisted company in Pakistan with its registered office at 602, Continental Trade Center, Block-8, Clifton, Karachi. AKDSL was engaged in the brokerage of shares and/or commodities, financial research, book building, underwriting, investments in securities/commodities, corporate advisory and consultancy services.

A scheme of arrangement of merger ("the Merger Scheme") of AKDSL with and into the holding company with effect from 01 July 2021, was approved by Board of Directors of both the companies through resolutions dated 28 September 2021. The Merger Scheme was also approved of the Company in their Extraordinary General Meeting held on 29 November 2021. Subsequently, the Merger Scheme sanctioned by the Honourable High Court of Sindh on 03 June 2022 and it was effective on 01 July 2021 ("Effective Date"), as approved by the holding company. That upon sanction of the Merger Scheme, the name of the holding company has been changed to AKD Securities Limited on 22 July 2022.

- The authorised capital of the holding company, after the sanction of the Merger Scheme, has been increased from PKR 2,000,000,000/- (Pak Rupees Two Billion) to PKR 7,000,000,000/- (Pak Rupees Seven Billion), divided into 700,000,000 (Seven Hundred Million) shares of PKR 10/- (Pak Rupees Ten) each, by merger of the existing authorized share capital of the holding company and AKDSL and by virtue of an additional increase of Rs. 2,500,000,000/- (Pak Rupees Two Billion and Five Hundred Million) to accommodate the swap ratio, and that the Memorandum and Articles of Association of the Company stand amended in terms of the Merger Scheme.

Consequently, as of 01 July 2021, the entire undertaking of AKDSL stands merged with and into the holding company and the entire business of AKDSL including its properties, assets, liabilities and rights and obligations vested into the holding company.

In accordance with the substance of transaction, management believes that acquisition accounting in accordance with the requirements of International Financial Reporting Standard 3 'Business Combinations' is appropriate to present the merger. Consequently, the acquisition of AKDSL has therefore been accounted for in these financial statements from 01 July 2021 ("effective date") being the date on which the AKDSL assumed management control of holding company.

1.3.1 The amalgamated entity results and statement of financial position have been incorporated prospectively from the date on which the merger occurred. Consequently, these financial statements do not reflect the results of the merged entities for the period before the transaction occurred and the corresponding amounts for the previous year presented have not been restated, and therefore, are not comparable.

1.3.2 Acquired assets and assumed liabilities have been recognised at the fair values in these financial statements using acquisition method, as of the effective date. Details of the provisional fair values of the assets acquired, liabilities assumed and purchase consideration and resultant goodwill recognized are as follows:

AKD

	Carrying amounts as at 01 July 2021	Fair value and other adjustments	Fair value as at 01 July 2021
	-----Rupees-----		
Assets			
Property and equipment	175,056,137	61,861,267	236,917,404
Right of use asset	24,224,480	-	24,224,480
Intangibles	13,308,798	-	13,308,798
Long term investments	2,078,627,417	(2,074,460,750)	4,166,667
Long term deposits	13,216,258	-	13,216,258
Short term investments	3,178,992,921	-	3,178,992,921
Trade debts	65,500,092	-	65,500,092
Loan and advances	91,588,507	-	91,588,507
Deposits and prepayments	3,262,378,322	-	3,262,378,322
Other receivables	3,949,696	-	3,949,696
Accrued mark-up	63,837,664	-	63,837,664
Cash and bank balances	618,200,245	-	618,200,245
	9,588,880,537	(2,012,599,483)	7,576,281,054
Liabilities			
Liabilities against right use assets	12,734,819	-	12,734,819
Long term financing	700,000,000	-	700,000,000
Trade and other payables	3,047,600,089	57,346,308	3,104,946,397
Current portion of liabilities against right of use assets	14,090,467	-	14,090,467
Accrued mark-up on long term financing	1,088,548	-	1,088,548
	3,775,513,923	57,346,308	3,832,860,231
Net assets acquired	5,813,366,614	(2,069,945,791)	3,743,420,823

Although the holding company comes under common control, but due to the nature of the transaction, AKDSL held the shares of BIPLS for transitory period, hence the transaction comes under the ambit of IFRS-3 "Business Combination". The reason for the transitory nature of the transaction is because of the regulatory bar for the Company (brokerage houses) to keep two TRECs at any given point of time. The Securities and Exchange Commission of Pakistan ("SECP"), apex regulator of the holding company has given number of exemptions through its letter dated 06 April 2021 for an interim period i.e. till the conclusion of transaction. Accordingly Goodwill under the Merger Scheme is recognized directly into balance sheet as intangible asset, as a results of aggregate of the consideration transferred over the fair value of net assets acquired. Details of the fair values of the net assets acquired and purchase consideration are as follows:

Fair value of net assets acquired	3,743,420,823
Purchase consideration (457,834,171 shares of the Company issued @ Rs. 15.03 per share)*	<u>6,881,247,590</u>
Goodwill recognised under the Merger scheme	<u>3,137,826,767</u>

*The fair value of the shares issued to the shareholders of the AKDSL is based on the value of BIPLS as of June 30, 2021, worked out at Rs.15.03/- under Comparable Company Approach (P/B).

1.4 Significant Non Adjusting Events After Reporting Date

1.4.1 The name of the Company has been changed to AKD Securities Limited on 22 July 2022.

1.4.2 AKDSL has been merged with and into the holding company and against which 457,834,171/- (Four Hundred Fifty Seven Million Eight Hundred Thirty Four Thousand One Hundred Seventy One) ordinary shares of the Company [176,769,950*2.59], having a face value of PKR 10/- (Pak Rupees Ten) each, have been allotted and issued in aggregate by the holding company to the shareholders of AKDSL, as fully paid up, on the basis of a swap ratio of 2.59 shares of the holding company for every 1 (one) share of AKDSL held by each of the shareholders of AKDSL.

1.4.3 The authorized capital of AKDSL has been merged into the authorized capital of the holding company; and, the issued share capital of AKDSL has been eliminated in consequence of issuance of new shares of the holding company to the shareholders of AKDSL. Subsequent to the balance sheet date the authorized capital of the Company has been increased from PKR 2,000,000,000/- (Pak Rupees Two Billion) to PKR 7,000,000,000/- (Pak Rupees Seven Billion), divided into 700,000,000 (Seven Hundred Million) shares of PKR 10/- (Pak Rupees Ten) each.

1.4.4 The Loss per share is based on the 100,000,000 shares (pre-merger). However, subsequent to the year end 457,834,171 shares were issued. Had the Loss per share been calculated on the enhanced paid-up capital, loss per share would have been Rs 0.58/share.

1.5 Change of financial year of the holding company

The Taxation Authority has granted approval for change in financial year end from December to June on August 10, 2022. The holding company has changed its financial year end to align it with the normal tax year.

The corresponding figures shown in these financial statements pertain to the period of twelve months from July 01, 2021 to June 30, 2022.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements for the year ended June 30, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act); and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for certain assets and liabilities as specified in the relevant notes.

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3 Functional and presentation currency.

These consolidated financial statements are presented in Pakistani Rupees, which is group's functional and presentation currency.

4 NEW ACCOUNTING PRONOUNCEMENTS

4.1 Initial application of a standard, amendment or an interpretation to an existing standard

Amendments to published accounting and reporting standards which are effective for the year ended June 30, 2023

There were certain amendments to accounting and reporting standards which became effective for the group for the current year. However, these are considered not to be relevant or to have any significant impact on the group's financial reporting and, therefore, have not been disclosed in these financial statements.

4.2 Standard, amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Group

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the group's financial statements and operations and, therefore, have not been disclosed in these financial statements.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 IFRS 8: Operating Segments

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. An operating segment's operating results are reviewed regularly by the Board of Directors and Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is

The Group applies IFRS 8 and presented income from its business segments as per the requirements of the standard. The main operating segments identified are:

- (i) Brokerage
- (ii) Financial Advisory
- (iii) Underwriting
- (iv) Other Operations

These segments are based on the percentage of gross revenue.

Brokerage

The brokerage activities include services provided in respect of share brokerage, money market brokerage, forex brokerage, commodity brokerage and share subscription commission.

Financial Advisory

It consists of advisory and consultancy to various clients.

Underwriting

It consists of underwriting fee for shares issues, IPOs and debt securities etc.

Other operations

The activities include profit / mark-up on bank deposit, term deposit receipts, capital gains on equity and debt securities, mark-up income on margin financing, term finance certificates, profit and dividend income.

5.2 Business Combinations

Business combinations are accounted for by applying the acquisition method. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognized directly in the profit and loss account.

5.3 Property and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Such costs include the cost of replacing parts of property and equipment when that cost is incurred. Maintenance and normal repairs are charged to income as and when incurred. Depreciation is charged to income over the useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 7 to the financial statements.

Property and equipment are assessed for impairment whenever there is an indication that the same are impaired. Depreciation is charged from the day of purchase and no depreciation is charged from the day of disposal.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The asset's residual values, useful lives and methods are reviewed and adjusted, if appropriate at each financial year end.

Gains and losses on disposals, if any, of assets are included in income currently.

5.4 Intangible assets

-Goodwill

Goodwill arising on the acquisition of business represents future economic benefits arising from assets that are not capable of being individually identified and separately recognized. Goodwill is initially recognized at a cost which is determined as the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities, and contingent liabilities of the acquiree. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

-Other intangible assets

Intangible assets with definite useful lives are stated at cost less accumulated amortisation and impairment, if any. Amortisation is charged over the useful life of the asset on a systematic basis to income applying the straight line method at the rate specified in note 8 to the financial statements.

Intangible assets with indefinite useful lives are not amortised. These are annually tested for impairment to assess whether these are in excess of their recoverable amounts, and where the carrying amounts exceeds the estimated recoverable amounts, the carrying amounts are written down to the estimated recoverable amounts.

Intangible assets are assessed for impairment whenever there is an indication that the same are impaired. Costs associated with maintaining assets are recognized as an expense in the period in which these are incurred. Gains and losses on disposals, if any, of assets are included in income currently.

5.5 Investment properties

Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged at specified rates. Subsequent expenditures, depreciation and gains or losses on disposals are accounted for in the same manner as property and equipment.

5.6 Financial Instruments

5.6.1 The Group classifies its financial assets in the following three categories

- (a) financial assets measured at amortized cost;
- (b) financial assets measured at fair value through other comprehensive income (FVOCI); and
- (c) financial assets measured at fair value through profit or loss (FVTPL).

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(b) Financial assets at FVOCI

A financial asset is classified as at fair value through other comprehensive income when either:

- (i) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or
- (ii) It is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the group at initial recognition.

Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

(c) Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income, as aforesaid.

Such financial assets are initially measured at fair value.

5.6.2 Initial recognition

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees / counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the group becomes a party to the contractual provisions of the instrument. This includes regular way trades; purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss'.

5.6.3 Subsequent measurement

(a) Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses. Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in the profit and loss account.

(b) Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(c) Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method. Foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

(d) Financial assets at FVTPL

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These assets are subsequently measured at fair value. Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in profit and loss account.

5.6.4 Impairment of Financial assets

The group's financial assets that are subject to the impairment requirements of IFRS 9 are trade receivables, debt instruments accounted for at amortised cost or at FVTOCI, most loan commitments, financial guarantee contracts, and lease receivables under IFRS 16 Leases.

For trade and other receivables, the group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The group has established a provision matrix that is based on the group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

5.7 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets.

5.8 Impairment

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of that asset is estimated and impairment losses are recognized in the profit and loss account.

5.9 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the group has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also accordingly offset.

5.10 Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer.

- Brokerage, consultancy and advisory fee, underwriting commission etc. are recognized as and when such services are provided.
- Capital gains and losses on sale of securities is recognised as and when transaction occurred.
- Mark-up income, return on bank deposits and balances are recognized on accrual basis.
- Dividend income is recorded when the right to receive the dividend is established.

5.11 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits, rebates and tax exemptions available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessment framed / finalised during the year.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences arising between tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the profit and loss account.

Deferred tax, if any, on revaluation of investments is recognised as an adjustment to surplus arising on revaluation.

5.12 Dividend distributions and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

5.13 Employees' benefits

Defined contribution plan

The group operates a defined contribution plan i.e. recognized provident fund ("the Fund") for all of its eligible employees in accordance with trust deed and rules made there under. Monthly contributions at the rate of 10% of basic salary are made to the Fund by the group and the employees.

Employee compensated absences

The group allows its management and non-management employees' to avail 30 days annual earned leave. The unutilized portion of the earned leave is accumulated but not encashable.

5.14 Cash and cash equivalents

Cash in hand and at banks is carried at cost. For the purposes of cash flow statement, cash and cash equivalents consist of cash in hand and bank balances. For the purposes of statement of cash flows, cash and cash equivalents are presented net of short term borrowings which are repayable on demand or in the short term and form an integral part of the group's cash management.

5.15 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing on the balance sheet date. Gains and losses on translation are taken into income currently. Non-monetary-items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

5.16 Provisions

Provisions are recognized when the group has the legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

5.17 Trade and other receivables

Trade and other receivables are recognised and carried at transaction price less an allowance for impairment. A provision for impairment of trade receivables is established

when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

The allowance for doubtful debts of the group is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

5.18 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable costs, if any, and subsequently measured at carrying value.

5.19 Ijarah

An agreement under Islamic mode in which a significant portion of the risks and rewards of ownership is retained by the Muj'ir is classified as Ijarah. Payments made under Ijarah are charged to profit or loss on a straight-line basis over the period of Ijarah.

5.20 Borrowing costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date the respective assets are available for intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss directly.

5.21 Right-of-use assets

The group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

5.22 Lease liabilities

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

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

5.23 Short term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

5.24 Fiduciary Assets

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

5.25 Related Party Transactions

Related party transactions are carried out on an arm's length basis and exceptions are backed by the approval of board of directors. Pricing of these transactions are determined on the basis of comparable uncontrolled price methods, which sets the price by reference to the comparable goods and services sold in an economical comparable market to the buyer unrelated to the seller.

5.26 CHANGE IN ACCOUNTING POLICY OF HOLDING COMPANY

Reason and effect of the change in accounting policy is as follows:

The policy for regular way sale and purchase of financial assets is changed from trade date to settlement date accounting i.e. on the date on which settlement of sale or purchase of regular way financial assets takes place and brokerage revenue arising from sales / purchase of securities is now recognized on settlement basis of the transaction by the clearing house. Subsequent to the merger of BIPL Securities Limited and AKD Securities Limited as at 01 July 2021 the Company adopted trade date accounting for the year ended June 2022 but due to the better reporting to the clients of the Company changed its policy for regular way sale and purchase of financial assets and brokerage revenue recognition to settlement date accounting. Following this change in policy the impacts are as follows:

	Before change in policy	After change in policy	Impact
	-----June 30, 2022-----		
Impact on condensed Interim Statement of Financial Position			
Increase in Receivable against purchase of marketable securities	631,516,215	635,831,723	4,315,507
Increase in Trade and other payables	2,337,871,786	2,359,183,789	(21,312,003)
Decrease in Payable to National Clearing Company of Pakistan Limited	15,737,968	-	15,737,968
Net impact on condensed Interim Statement of Financial Position			(1,258,528)
Impact on condensed Interim Statement of Profit or Loss and Other Comprehensive Income			
Decrease in Operating revenue	1,205,287,796	1,204,029,268	(1,258,528)
Increase in Loss per share - basic and diluted (Rupees)	(3.24)	(3.25)	(0.01)
Impact on condensed Interim Statement of Change in Equity			
Increase in Accumulated (loss) / profit	(576,451,391)	(577,709,919)	1,258,528

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As the net impact of above changes are immaterial on the financial statements, the above changes are not considered as change in accounting policy as per para 16 (b) of International Accounting Standard - 8 (accounting policies, changes in accounting estimates and errors), therefore the financial statements are not restated retrospectively.

6 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates, judgments and assumptions that have significant effect on the financial statements are as follows:

	<u>Notes</u>
Useful lives of property & equipment and methods of depreciation and impairment	5.3 & 7
Useful lives of goodwill and other intangibles and methods of amortization and impairment	5.4 & 8
Classification of investments	5.6, 9 & 13
Provision for doubtful debts	5.17 & 14
Deferred taxation and taxation	5.11, 12 & 33

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7 PROPERTY AND EQUIPMENT

		2023	2022
		(Rupees)	
Operating fixed assets	7.1	157,996,337	199,943,230
Right to use asset under IFRS 16	7.2	42,370,780	56,035,043
Advance against capital expenditure	7.3	1,629,300,000	71,726,556
		1,829,667,116	327,704,829

7.1 OPERATING FIXED ASSETS

	2023				
	Office premises on lease hold land	Furniture and fixtures	Computers and office equipment	Motor vehicles	Total
	(Rupees)				
As at July 01, 2022					
Cost	47,932,654	89,785,143	265,179,809	170,641,834	573,539,440
Accumulated depreciation	(35,722,137)	(56,016,453)	(199,478,455)	(82,379,166)	(373,596,210)
Net book value at the beginning of the year	12,210,517	33,768,690	65,701,355	88,262,668	199,943,230
Changes during the year					
Additions during the year	-	1,065,606	13,880,191	272,400	15,218,197
Disposals during the year					
-Cost	-	(603,952)	(8,816,308)	(28,138,755)	(37,559,015)
-Depreciation	-	264,357	8,093,176	19,877,566	28,235,099
	-	(339,595)	(723,132)	(8,261,189)	(9,323,916)
Transferred from lease (Note 7.2)					
-Cost	-	-	-	32,983,267	32,983,267
-Depreciation	-	-	-	(32,409,511)	(32,409,511)
	-	-	-	573,756	573,756
Depreciation charge for the year	(1,706,309)	(3,973,471)	(19,153,348)	(23,581,803)	(48,414,930)
	(1,706,309)	(3,247,460)	(5,996,289)	(30,996,836)	(41,946,893)
Net book value at the end of the year	10,504,209	30,521,231	59,705,065	57,265,832	157,996,337
Analysis of net book value					
As at June 30, 2023					
Cost	47,932,654	90,246,797	270,243,692	175,758,745	584,181,889
Accumulated depreciation	(37,428,446)	(59,725,567)	(210,538,627)	(118,492,913)	(426,185,552)
Net book value	10,504,209	30,521,231	59,705,065	57,265,832	157,996,337
Depreciation rate (% per annum)	5	10	20-45	20	

	2022				
	Office premises on lease hold land	Furniture and fixtures	Computers and office equipment	Motor vehicles	Total
	(Rupees)				
As at July 01, 2021					
Cost	47,932,654	25,886,767	109,920,390	2,736,534	186,476,345
Accumulated depreciation	(34,004,581)	(23,702,025)	(98,747,237)	(2,189,303)	(158,643,146)
Net book value at the beginning of the year	13,928,073	2,184,742	11,173,153	547,231	27,833,199
Changes during the year					
Additions during the year	-	8,331,893	30,908,147	21,021,475	60,261,515
Disposals during the year					
-Cost	-	(522,000)	(4,796,826)	(3,531,534)	(8,850,360)
-Depreciation	-	4,350	4,558,530	3,207,441	7,770,321
	-	(517,650)	(238,296)	(324,093)	(1,080,039)
Acquisition through merger					
-Cost	-	56,088,483	129,148,098	150,415,359	335,651,940
-Depreciation	-	(28,850,924)	(88,779,248)	(60,957,130)	(178,587,302)
	-	27,237,559	40,368,850	89,458,229	157,064,638
Depreciation charge for the year	(1,717,556)	(3,467,854)	(16,510,499)	(22,440,174)	(44,136,083)
	(1,717,556)	31,583,948	54,528,202	87,715,437	172,110,031
Net book value at the end of the year	12,210,517	33,768,690	65,701,355	88,262,668	199,943,230
As at June 30, 2022					
Cost	47,932,654	89,785,143	265,179,809	170,641,834	573,539,440
Accumulated depreciation	(35,722,137)	(56,016,453)	(199,478,455)	(82,379,166)	(373,596,210)
Net book value	12,210,517	33,768,690	65,701,355	88,262,668	199,943,230
Depreciation rate (% per annum)	5	10	20-45	20	

As per

7.1.1 Net book value of assets disposed off during the current year having book value of Rs 5 mn and individual book value of Rs 0.5 mn is as follows:

2023							
Vehicle	Cost	Written down value	Sale Proceeds	Gain	Particulars of buyers	Mode of disposal	Relationship
BMW	4,938,764	552,510	654,151	101,641	Muhammad Haris Aslam	Negotiation	Ex-employee
Pegout 2008	5,881,000	4,704,800	6,400,000	1,695,200	Jawad Safdar	Negotiation	Independent Buyer
Toyota Altis	3,305,000	2,038,083	4,950,000	2,911,917	Muhammad Ishaq	Negotiation	Independent Buyer
	14,124,764	7,295,393	12,004,151	4,708,758			

2022							
Vehicle	Cost	Written down value	Sale Proceeds	Gain	Particulars of buyers	Mode of disposal	Relationship

7.1.2 The office premises on lease hold land constitute the offices of BIPL Securities Limited that have been vacated after the merger with AKDSL and the management is yet to decide upon the utilization of these properties. These properties are mortgaged with Bankislami Pakistan Limited.

7.2 RIGHT-OF-USE ASSETS

	2023	2022
	----- (Rupees) -----	
Opening balance	56,035,043	8,222,019
Additions during the year-net	17,262,712	48,417,771
Acquisition under merger scheme	-	24,224,481
Deletions during the year-net	(6,509,280)	(1,183,213)
Transferred to owned assets	(573,756)	-
Depreciation for the year	(23,843,938)	(23,646,015)
Closing balance	42,370,780	56,035,043
Depreciation rate (% per annum)	20 - 33.33	20 - 33.33

7.3 ADVANCE AGAINST CAPITAL EXPENDITURE

Opening	71,726,556	-
Advance against properties	1,557,573,444	71,556,366
Additions	-	14,290
Transfer to PPE	-	-
Others	1,629,300,000	71,570,656
	-	155,900
	1,629,300,000	71,726,556

7.3.1 This represents advance paid to Mr. Aqeel Karim Dhedhi against purchase of office premises measuring 38,322 square feet at an agreed price of Rupees 970 million. The said property will be transferred to the Holding Company after its clearance from financial institution with which it is mortgaged. The Holding Company has not paid any rent expense during the year against possession of such premises in lieu of the above agreement.

7.3.2 This represent the partial advance of Rs. 659.3mn paid to Mr. Aqeel Karim Dhedhi against purchase of office premises measuring 4,888 square feet for a total agreed price of Rs 920 million.

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8 INTANGIBLE ASSETS

	2023						
	Computer software	Membership and booth of PMEX	Booths at PSX	License and trademark	TREC -PSX (Note 8.1 & 8.2)	Good will under merger scheme	Total
	------(Rupees)-----						
As at July 01, 2022							
Cost	28,368,637	8,500,000	950,200	1,223,050	3,850,000	3,137,826,767	3,180,718,653
Accumulated amortization	(25,025,515)	-	-	(523,000)	-	-	(25,548,515)
Net book value at the beginning of the year	3,343,122	8,500,000	950,200	700,050	3,850,000	3,137,826,767	3,155,170,139
Deletion / Surrender							
-Cost	-	-	-	-	(1,350,000)	-	(1,350,000)
-Accumulated amortization	-	-	-	-	-	-	-
	-	-	-	-	(1,350,000)	-	(1,350,000)
Addition during the year							
Cost	687,554	-	-	-	-	-	687,554
Amortization for the year	(1,337,764)	-	-	-	-	-	(1,337,764)
Net book value at the end of the year	2,692,912	8,500,000	950,200	700,050	2,500,000	3,137,826,767	3,153,169,929
Analysis of Net Book Value							
Cost	29,056,191	8,500,000	950,200	1,223,050	2,500,000	3,137,826,767	3,180,056,208
Accumulated amortization	(26,363,279)	-	-	(523,000)	-	-	(26,886,279)
Net book value as at June 30, 2023	2,692,912	8,500,000	950,200	700,050	2,500,000	3,137,826,767	3,153,169,929
Amortization rate (% per annum)	25-33.33	-	-	0-33.33	-	-	-

	2022						
	Computer software	Membership of PMEX	Booths at PSX	License and trademark	TREC -PSX (Note 8.1 & 8.2)	Goodwill	Total
	------(Rupees)-----						
As at July 01, 2021							
Cost	13,196,205	750,000	950,200	1,223,050	1,350,000	-	17,469,455
Accumulated amortization	(12,645,415)	-	-	(523,000)	-	-	(13,168,416)
Net book value at the beginning of the year	550,789	750,000	950,200	700,050	1,350,000	-	4,301,039
Acquisition through merger							
-Cost	14,174,587	7,750,000	-	-	2,500,000	3,137,826,767	3,162,251,354
-Accumulated amortization	(11,115,789)	-	-	-	-	-	(11,115,789)
	3,058,798	7,750,000	-	-	2,500,000	3,137,826,767	3,151,135,565
Addition during the year							
Cost	997,845	-	-	-	-	-	997,845
Amortization for the year	(1,264,310)	-	-	-	-	-	(1,264,310)
Net book value at the end of the year	3,343,122	8,500,000	950,200	700,050	3,850,000	3,137,826,767	3,155,170,139
Analysis of Net Book Value							
Cost	28,368,637	8,500,000	950,200	1,223,050	3,850,000	3,137,826,767	3,180,718,653
Accumulated amortization	(25,025,515)	-	-	(523,000)	-	-	(25,548,515)
Net book value as at June 30, 2022	3,343,122	8,500,000	950,200	700,050	3,850,000	3,137,826,767	3,155,170,139
Amortization rate (% per annum)	25-33.33	-	-	0-33.33	-	-	-

- 8.1 The holding company has pledged / hypothecated its TREC in favor of PSX to meet the requirement of Base Minimum Capital (BMC) under clause 19.2 of the Risk Management Regulation of PSX Rule Book.
- 8.2 At reporting date the holding company held two TREC licenses i.e. TREC of AKDSL and BIPLS. Subsequent to the merger scheme the TREC of BIPLS has been surrendered dated 1 August 2022 and only the AKDSL TREC remains.
- 8.3 **Goodwill and other intangible assets acquired in business combination**
 Effective 01 July 2021, a Scheme of Arrangement of AKDSL with and into the holding company approved by the Honourable Sindh High Court through its Order dated 03 June 2022. International Financial Reporting Standard 3, (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's statement of financial position and any intangible assets acquired in the business combination are required to be separately recognised and carried at fair values. IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalise the determination of the fair values of the assets and liabilities and to determine the value of any intangible assets separately identified. The fair valuation exercise of the recorded tangible assets and liabilities was completed at the time of acquisition.

Impairment testing

Holding company engaged an independent valuer for impairment testing of the recoverable amount of goodwill amounting to Rs. 3.138 billion including intangible assets acquired through a business combination has been tested for impairment as at 30 June 2023. This represents excess over fair value of net assets of AKD Securities Limited (AKDSL) on its acquisition. The recoverable amount of goodwill was tested for impairment by allocating the amount of goodwill to respective assets on which it arose, based on value in use in accordance with IAS-36 "Impairment of Assets". The value in use calculations are based on cash flow projections. These are then extrapolated for a period of 5 years using a steady long term expected demand growth of 3% and terminal value determined based on long term earning multiples. The cash flows are discounted using a discount rate of 23.83%. Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill.

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9 LONG TERM INVESTMENTS

At fair value through Other Comprehensive Income investment in other entity at amortized cost

Note	2023	2022
	(Rupees)	
9.1	641,040,953	200,760,239
9.2	-	833,334
	<u>641,040,953</u>	<u>201,593,573</u>

9.1 Investment 'at fair value through Other Comprehensive Income

2023	2022	Name of the Investee Company	Note	2023		2022	
				Cost	Carrying value	Cost	Carrying value
(Rupees)							
Quoted shares							
1,602,953	1,602,953	Pakistan Stock Exchange Limited	9.3.1, & 9.3.4	1,438,000	11,861,852	1,438,000	16,398,209
Unquoted shares							
3,370	3,370	Al Jomaih Power Limited	9.3.2 & 9.3.4	184,196,957	629,179,100	184,196,957	184,362,030
New Horizon Exploration and Production Limited (Related Party)							
25,000,000	25,000,000	- Class 'A' ordinary shares	9.3.3	25,000,000	-	25,000,000	-
10,000,000	10,000,000	- Class 'B' ordinary shares		50,000,000	-	50,000,000	-
				<u>75,000,000</u>	<u>-</u>	<u>75,000,000</u>	<u>-</u>
Less: Impairment				<u>(75,000,000)</u>	<u>-</u>	<u>(75,000,000)</u>	<u>-</u>
				<u>185,634,957</u>	<u>641,040,953</u>	<u>185,634,957</u>	<u>200,760,239</u>

9.3.1 Fair value of the investment as the year end was Rs. 7.40 per share (2022: 10.23 per share) as per quoted market price.

9.3.2 The holding company's investment in unquoted shares of Al Jomaih Power Limited (AJPL) incorporated in Cayman Island are valued at its fair value based on the net assets value of the investee company as at June 30, 2023. The above figures are based on unaudited financial statements. The holding company holds 1.55% of total issued certificates of AJPL. To date holding company has received a return of Rs 72mn in forms of dividends and the total cost of investment is Rs 184.19mn (2022: 184.19mn).

9.3.3 In year 2015, the management recorded impairment of its investment in New Horizon Exploration and Production Limited (NHEPL) in accordance with IAS-36 which was again tested for impairment as required by IFRS 9 adopted by the holding company on January 01, 2019. The recoverable amount of investment was estimated using "Value in use" approach. In considering the impairment, various business assumptions for estimating cash flows were used, which includes but are not limited to, historical performance of the investment, development and production activity in NHEPL's working interests, recoverability of future cash flows from the investment etc. Based on such analysis, the Company fully impaired its investment in NHEPL and an impairment loss of Rs. 31.63 million was recognised up to year 2016. As of reporting date there is no change in management assumption of recoverability of this investment, accordingly no impairment loss has been reversed.

9.3.4 Reconciliation of unrealized (loss) / gain on investment 'at fair value through Other Comprehensive Income

	Note	2023	2022
		(Rupees)	
Pakistan Stock Exchange Limited			
Opening	9.3.1	14,960,209	34,323,881
unrealized loss during year		(4,536,357)	(19,363,672)
Closing		<u>10,423,852</u>	<u>14,960,209</u>
Al Jomaih Power Limited			
Opening	9.3.2	165,073	115,136,073
unrealized gain / (loss) during year		444,817,070	(114,971,000)
Closing		<u>444,982,143</u>	<u>165,073</u>
Total unrealized gain / (loss) during year		<u>440,280,713</u>	<u>(134,334,672)</u>

9.2 Investment in other entity - At fair value through other comprehensive income

Kashaf Foundation PPTFC	833,334	4,166,667
Current portion	(833,334)	(3,333,333)
	<u>-</u>	<u>833,334</u>

The holding company has acquired privately placed term finance certificates (PPTFCs) with the face value of Rupees 10 million. These certificates carry profit equal to 3 month KIBOR plus 2.25% receivable quarterly in arrears with a grace period of one year and will mature in December 2023. The holding company holds these certificates in the business model with the objective to collect cash flows (principal and interest) over the term of these certificates till maturity.

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	Note	2023	2022
----- (Rupees) -----			
10 LONG-TERM LOANS AND ADVANCES - Considered Good			
Loans and advances to:			
Employees	10.1	4,310,435	1,843,642
Current maturity shown in current assets	16	(4,310,435)	(1,502,642)
		-	341,000

10.1 These are given to employees of holding company for general purpose in accordance with their terms of employment. The loans and advances are secured against staff provident fund balance.

11 LONG-TERM DEPOSITS AND PREPAYMENTS

Deposits with:			
- Pakistan Stock Exchange Limited (PSX)	11.1	21,611,500	43,211,500
- National Clearing Company of Pakistan Limited (NCCPL)		-	400,000
- Pakistan Mercantile Exchange Limited (PMEX)		4,000,000	4,000,000
- Central Depository Company of Pakistan Limited (CDC)		200,000	200,000
- Rent deposits against rented premises		5,932,640	6,312,795
- Others		8,294,862	5,807,507
		40,039,002	59,931,807
Prepayments:		18,000	18,000
- Impact of expected credit loss	11.2	(177,951)	(177,951)
		39,879,051	59,771,851

11.1 It represents cash deposit with PSX y holding company to fulfill the Base Minimum Capital (BMC) requirement in Compliance with clause 19.2 of the Risk Management Regulation of PSX Rule Book.

11.2 Impact of expected credit loss

- Rent deposits		(177,951)	(177,951)
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12 DEFERRED TAX ASSET - NET

	2023			Closing balance
	Opening balance	(Charge) / reversal to statement of profit / (loss)	(Charge) / reversal to statement of other comprehensive income	
----- Rupees -----				
Deductible temporary differences				
Allowance for expected credit losses	98,062,966	(11,617,838)	-	86,445,128
Re-measurement of investments	29,968,531	11,294,958	-	41,263,489
Losses available for offsetting against future taxable income	-	-	-	-
- carry forward of minimum tax and ACT	-	61,966,266	-	61,966,265
Taxable temporary differences				
Accelerated tax depreciation / amortization	(13,726,665)	7,264,038	-	(6,462,627)
Lease liability net	(16,250,162)	16,534,131	-	283,969
	98,054,670	85,441,555	-	183,496,225

	2022			Closing balance
	Opening balance	(Charge) / reversal to statement of profit / (loss)	(Charge) / reversal to statement of other comprehensive income	
----- Rupees -----				
Deductible temporary differences				
Allowance for expected credit losses	19,700,938	78,362,028	-	98,062,966
Re-measurement of investments	-	29,968,531	-	29,968,531
Losses available for offsetting against future taxable income	-	-	-	-
- carry forward of minimum tax and ACT	10,609,362	(10,609,362)	-	-
Taxable temporary differences				
Accelerated tax depreciation / amortization	526,165	(14,252,830)	-	(13,726,665)
Lease liability net	(370,393)	(15,879,767)	-	(16,250,160)
	30,466,072	67,588,600	-	98,054,672

13 SHORT-TERM INVESTMENTS

'At fair value through profit or loss'			
- Quoted equity securities	13.1	2,318,059,059	3,530,591,864
- Term finance certificates - Pace Pakistan Ltd.	13.2	-	-
		2,318,059,059	3,530,591,864
'At fair value through other comprehensive income'			
- Privately Placed Term Finance Certificate - Kashaf Foundation	13.3	833,334	3,333,333
		2,318,892,393	3,533,925,197

13.1 Quoted equity securities

	2023		2022	
	Cost	Carrying value	Cost	Carrying value
----- (Rupees) -----				
- Investment in shares of quoted equity securities	2,593,148,987	2,318,059,059	3,730,382,069	3,530,591,864

13.1.1 This includes shares with carrying value of Rs. 152.971 million (2022: 1,171.989 million) pledged by holding company with NCCPL against exposure margin.

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13.2 Term finance certificates

2023	2022		Note	2023	2022
Number of certificates		Name of Investee Company		-----[Rupees]-----	
4,000	4,000	Face Pakistan Ltd. (Face value Rs. 5,000/- each)		18,147,464	18,147,464
		Opening		-	-
		Less : Sold during the year		18,147,464	18,147,464
		Closing	13.2.1	(18,147,464)	(18,147,464)
4,000	4,000	Less : Provision for impairment		-	-

13.2.1 Impairment

Opening balance	18,147,464	18,147,464
Impairment: balance written off	-	-
	18,147,464	18,147,464

13.3 Privately placed term finance certificate - at fair value through other comprehensive income

Current portion of PPTFC of Kashaf Foundation	9.2	833,334	833,333
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14 TRADE DEBTS

Receivable against purchase of marketable securities - net of provisions		191,511,678	296,951,086
Receivable from National Clearing Company of Pakistan Limited		-	10,197
Inter-bank brokerage		13,718,436	6,605,849
Receivable against consultancy, advisory & underwriting		24,927,200	23,582,326
Considered good		230,157,314	327,149,658
Considered doubtful	14.1	294,493,225	334,554,733
		524,650,539	661,704,391
Less: Provision for doubtful debts	14.2	(294,493,225)	(334,554,733)
		230,157,314	327,149,658

14.1 These receivables include Rs. 153,800,688 (2022: Rs. 83,320,790) due from the related parties. The maximum aggregate amount outstanding during the year from such parties (with reference to month-end balances) amounted to Rs. 153,800,688 (2022: Rs. 179,461,176).

14.2 Reconciliation of provisions against trade debts

Opening balance		334,554,733	64,340,065
Allowance against ECL on debtors acquired under merger scheme		-	212,059,307
Allowance against expected credit loss for the year		142,796,501	60,257,339
Bad debts written off		(182,858,009)	-
Reversal during the year		-	(2,101,973)
		(40,061,508)	270,214,668
		294,493,225	334,554,733

15 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Deposits:

Exposure deposit with -NCCPL		1,053,530,734	1,347,174,639
Exposure deposit with -PMEX		10,956,124	9,360,839
ijarah deposits		-	-
Others	15.1	2,100,000	2,100,000
		1,066,586,858	1,358,635,478
-Impact of expected credited loss	15.3	(2,100,000)	(2,100,000)
		1,064,486,858	1,356,535,478

Prepayments:

Insurance		3,623,481	1,287,581
Software development and maintenance		2,598,050	1,816,565
Rent		3,371,004	2,414,340
Others		12,780,622	4,095,821
		22,373,157	9,614,247

Other receivables:

Profit on bank deposits		2,578,731	6,581,402
Profit on exposure deposit with -NCCPL		-	2,044,077
Receivable against margin finance		-	96,940,198
Others	15.2	32,854,003	26,148,130
		35,432,735	131,711,806
-Impact of expected credited loss	15.3	(5,248,912)	(10,506,115)
		30,183,822	121,207,691
		1,117,043,837	1,487,357,417

15.1 This includes amounts deposited by the holding company with the Honorable District and Sessions Court Karachi South in the form of Defense Saving Certificates (DSCs) having face value Rs. 2.1 million. These DSCs carry yield of 7.34% per annum and will mature in August 2026 (June 30, 2022 : 7.34%). These certificates are in name of ex-employee who, by a letter has accepted to surrender the principal amount and the interest accrued on them to the entity upon maturity.

15.2 This includes an amount of Rs. 1.3mn paid by holding company against an award made by PSX.

15.3 Impact of credit loss

Deposits		2,100,000	2,100,000
Other receivables		5,248,912	10,506,115
		7,348,912	12,606,115

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16 LOANS AND ADVANCES	Note	2023	2022
		(Rupees)	
Advances to:			
Current portion of long-term loans and advances to employees and executives	10	4,310,435	1,502,642
Short term advances to employees against commission and expenses	16.1	28,536,619	39,411,724
		32,847,054	40,914,416
Short term loan to:			
Ultimate Holding company	16.2	504,578,011	727,521,537
Creek Developers (Private) Limited	16.3	5,799,426	17,871,360
		510,377,437	745,392,897
Markup on short term loan to:			
Ultimate Holding company	16.2	1,326,003	44,105,309
Creek Developers (Private) Limited	16.3	15,240	1,050,078
		1,341,244	45,155,387
		544,565,734	831,462,645

16.1 These represent interest free loans provided by holding company to its executives and staff for the purchase of vehicles and for other purposes in accordance with the terms of employment repayable over a year through deduction from salaries. These loans are secured against commission payable and balance of respective employees in Staff Provident Fund of respective employees.

16.2 The holding company has reclassified its balance receivable from ultimate holding company to short term loan receivable on demand under the authority of a special resolution passed in extra ordinary general meeting of the holding company held on 28 November 2015 whereby it was resolved that the holding company may lend its surplus funds to Aqeel Karim Dhedhi Securities (Private) Limited (ultimate holding company). Mark-up on outstanding balance of such loan is 3MK+2% per annum receivable in arrears. The maximum aggregate amount outstanding during the year from such parties (with reference to month-end balances) amounted to Rs. 989,053,990 (2022: Rs. 792,188,373)

16.3 This represents loan provided to Creek Developers Private Limited (a related party) on request and is receivable on demand. This carries mark-up on outstanding balance of 3MK+2% per annum receivable in arrears. The maximum aggregate amount outstanding during the year from such parties (with reference to month-end balances) amounted to Rs. 41,770,253 (2022: Rs. 18,298,641)

17 CASH AND BANK BALANCES

Company accounts			
Current accounts		20,846,789	12,057,891
Saving accounts	17.1	3,581,759	5,085,978
		24,428,548	17,143,869
Client accounts			
Current accounts		829,234,355	91,480,897
Saving accounts	17.1	23,419,465	1,032,268,847
		852,653,820	1,123,750,744
		877,082,369	1,140,894,608
Cash in hand		310,432	96,661
Stamps in hand		3,297	5,417
		877,396,098	1,140,996,686

17.1 These carry profit at rates ranging from 3.40% to 19.50% (2022: 2.14% to 13%) per annum.

18 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

89,867,900	89,867,900	Ordinary shares of Rs. 10 each fully paid-up in cash	898,679,000	898,679,000
10,132,100	10,132,100	Ordinary shares of Rs. 10 each fully paid-up as part of the scheme of arrangement	101,321,000	101,321,000
457,834,171	-	Ordinary shares of Rs. 10 each fully paid-up as part of the scheme of merger	4,578,341,705	
557,834,171	100,000,000		5,578,341,705	1,000,000,000

The Group has single class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to single vote at the company. All shares rank equal with regards to the company's residual assets.

19 SHARES TO BE ISSUED IN ACCORDANCE WITH SCHEME OF MERGER

	2023	2022
Number of Shares to be issued	-	457,834,171
Amount in regards to shares to be issued	-	4,578,341,705

The shares have been issued as fully paid for consideration other than cash to the shareholders of AKD Securities Limited, pursuant to the Merger Scheme.

20 SHARE PREMIUM

	2,302,905,878	2,302,905,878
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This represents the difference between nominal value of Rs. 10 per share of 457,834,171 ordinary shares and the value of these shares under the Merger Scheme amounting to Rs. 6,881,247,580

21 LONG-TERM FINANCING - SECURED

BankIslami Pakistan Limited	21.1	150,000,000	150,000,000
Al-Baraka Bank Limited- Diminishing musharakah facility	21.2	500,000,000	700,000,000
Less: Current Portion		(150,000,000)	(700,000,000)
		500,000,000	150,000,000

21.1 This represents long term financing obtained from BankIslami Pakistan Ltd on December 31, 2015. The financing is secured by way of Exclusive Charge over DM Assets along with equitable mortgage over all other commercial properties of the Company as disclosed in note 7.1.2. The financing was payable as a bullet payment in December 2020. BIPL is entitled to rental payments for use of musharakah assets. Rental payments are calculated to provide return equal to 3 months KIBOR + 3% per annum payable on quarterly basis from March 2016 till the date of bullet payment. The said financing has been rescheduled according to which company will pay off the financing as a bullet payment in December 2023, keeping other terms and conditions same.

21.2 The AKD Securities Ltd obtained a diminishing musharakah facility from Al-Baraka Bank (Pakistan) Limited (ABPL) amounting to Rupees 500 million under mark-up arrangement at the rate of 3 months KIBOR + 2% to be charged and paid on quarterly basis. The principal is repayable quarterly in 2 years including grace period of 1 year. This loan is secured against the equitable mortgage of properties of the sponsor and pledge of shares and personal guarantees of the sponsor and director.

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22 LEASE LIABILITIES	Note	2023	2022
		--(Rupees)--	
Opening:		52,965,412	6,943,667
Additions during the year		17,262,712	48,417,771
Acquisition under merger scheme		-	24,224,481
Deletions during the year		(6,509,280)	(1,183,213)
Payments made during the year		(20,368,859)	(25,437,294)
		<u>43,349,984</u>	<u>52,965,412</u>
Transferred to current maturity		(16,542,970)	(17,210,565)
		<u>26,807,015</u>	<u>35,754,847</u>

22.1 The future minimum lease payments to which the company is committed to is as follows:

	Not later than one year	Later than one year not later than five years
As at June 30, 2023		
Principal	16,542,970	26,807,015
Finance charges allocated to future years	5,687,038	6,472,779
	<u>22,230,008</u>	<u>33,279,794</u>
As at June 30, 2022		
Principal	17,210,565	35,754,847
Finance charges allocated to future years	6,348,978	9,524,869
	<u>23,559,543</u>	<u>45,279,716</u>

This represents present value of multiple lease commitments entered into with financial institutions and individuals for vehicles and office premises having a lease term ranging between 3 to 5 years. When measuring lease liability for office premises, the holding company discounted lease payments using an estimated incremental borrowing rate of 10%. However, monthly lease rentals of vehicles included finance charge ranging from 17.20% - 23.60% per annum which is used as discounting factor for vehicles.

Taxes, repairs and insurance costs are to be borne by the holding company. In case of early termination of lease of vehicles, the company shall pay entire amount of rentals for unexpired period of respective lease agreements.

23 TRADE AND OTHER PAYABLES

Trade creditors	23.1	1,755,799,710	2,337,708,178
Payable to National Clearing Company of Pakistan Limited		-	15,748,365
Accrued liabilities		165,736,934	153,498,600
Withholding tax		35,680,901	67,183,715
Provision for Workers' Welfare Fund - Sindh		17,769,394	10,248,830
Payable to Staff Provident Fund	23.2	15,862,590	5,496,712
Unclaimed deposits by clients		29,132,842	21,376,575
Others	23.3	29,479,786	22,992,594
		<u>2,049,462,157</u>	<u>2,634,253,569</u>

23.1 This includes Rs. 16,237,903 (2022: 15,903,644) payable to related parties.

23.2 Overdue balance of payable to staff provident fund carries markup at the rate 6MK+0.5% per annum.

23.3 This includes Rs. 1,049,453 (2022: 7,673,533) payable to related parties.

24 SHORT - TERM FINANCING- SECURED

Loan from financial institution		-	165,000,000
Current Portion of loan of diminishing musharakah facility	24.2	150,000,000	700,000,000
		<u>150,000,000</u>	<u>865,000,000</u>

24.1 This represents running musharakah facility obtained from BankIslami Pakistan Ltd which is secured by way of Hypothecation charge over shares / receivables equivalent to amount of financing obtained. This facility carries markup at the rate of 1 week KIBOR plus 2% (2022: 1 week KIBOR plus 2%) per annum payment frequency is maximum 30 days from the date of financing obtained.

24.2 This represents long-term financing obtained from BankIslami Pakistan Ltd on December 31, 2015. The financing is secured by way of Exclusive Charge over DM Assets along with equitable mortgage over all other commercial properties of the holding company as disclosed in note 7.1.2. The financing was payable as a bullet payment in December 2020. BIPL is entitled to rental payments for use of musharakah assets. Rental payments are calculated to provide return equal to 3 months KIBOR + 3% per annum payable on quarterly basis from March 2016 till the date of bullet payment. The said financing has been rescheduled according to which holding company will pay off the financing as a bullet payment in December 2023, keeping other terms and conditions same.

25 ACCRUED MARK-UP:

Accrued mark-up		<u>1,257,863</u>	<u>24,822,022</u>
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26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies:

- 26.1.1** For tax year 2013, an amended assessment order has been passed under section 122(5A) of the Income Tax Ordinance, 2001 by the Additional Commissioner Inland Revenue (ACIR), raised a demand of Rs 17.39 million dated June 28, 2019. In pursuance of such order, holding company filed an appeal before CIR-A, Upon Appeal filed, CIR-Appeal maintained the order of ACIR's order vide its order No. 97 dated October 23, 2020. In pursuance of the order of CIR-A, the Company has filed appeal before ATIR which is pending for hearing.
- 26.1.2** The Securities and Exchange Commission of Pakistan (SECP) served a show cause notice dated 25 February 2016 wherein several alleged contravention of the laws of SECP are leveled against the holding company. The company filed suit against the show cause in the Honourable High Court of Sindh. The Honourable High Court of Sindh via order dated 03 March 2016 directed SECP to refrain from taking any coercive action against the holding company in relation to the instant matter. No further progress on the matter has been made during the year. The management and legal counsel of the holding company are of the view that ultimate outcome will be in our favour.
- 26.1.3** Burj Bank Limited (previously, Dawood Islamic Bank Limited) filed a Suit against the number of brokers including the holding company in Sindh High Court on the termination of "Underwriting Agreement" in the year 2008 and prayed to declare the act of the holding company as unlawful / unauthorized, to pass judgment for damages to the tune of Rupees 200 million with applicable mark-up at the State Bank Rate, to recover the cost of the Suit and for any other relief. The management and the legal counsel of the holding company are confident that the suit will be decided in the favor of the holding company; therefore, no provision has been made in these financial statements.
- 26.1.4** Order in original No. 23/34/2015 dated 27 June 2015 was passed by the Deputy Commissioner Sindh Revenue Board and demand of Rupees 90,542,868 as sales tax for the tax years 2010 to 2013 has been raised. The holding company along with other stock brokers has instituted a Writ Petition before the Honourable Sindh High Court, Karachi, which has been pleased to direct the respondents to refrain from initiating any coercive action against the petitioners (including the holding company) on the basis of impugned order till the next date of hearing.
- 26.1.5** Return of Income for the tax year 2012 has been selected for tax audit of the holding company's income tax affairs under section 177 of the Ordinance by the learned Commissioner Inland Revenue, Zone - 1, Regional Tax Office, Karachi. The holding company has filed a Writ Petition under Article 199 of the Constitution of the Islamic Republic of Pakistan, 1973 challenging the vires of selection of case for tax audit of income tax affairs of the holding company under aforesaid section vide C.P No. D-2867/2014 dated May 27, 2014 which is subjudice before the Honourable Sindh High Court, Karachi. However, the amended assessment order has been passed by the learned Deputy Commissioner Inland Revenue, Audit Unit - 01, Zone - 1, Corporate Regional Tax Office, Karachi vide his order bearing D/C No.15/15 dated April 5, 2017. The holding company being dissatisfied of the aforesaid order has instituted an appeal before the Honourable Commissioner Inland Revenue (Appeals - III), Regional Tax Office, Karachi, which is subjudice.
- 26.1.6** Return of Income for the tax year 2015 has been selected for tax audit of the holding Company's income tax affairs under section 177 of the Ordinance. In this regard, the holding company has complied with the notices received from the department from time to time and the proceedings are pending. However, at this stage, as per the tax advisor of the Company, it is not possible to assess the outcome of the aforesaid proceedings.
- 26.1.7** The Securities and Exchange Commission of Pakistan (SECP) has imposed penalties of Rs. 1,775,000 on the holding company for contravening the provisions of Anti Money Laundering Regulations and Licensing Regulations. The management of the company has filed an appeal against the order in the Appellate Tribunal of SECP. The hearing of the tribunal is yet to be started but the management is confident that the ultimate outcome will be in favour of the holding company.
SECP has imposed penalty of Rs. 100,000 on the holdig company for contravening the provisions of Anti Money Laundering Regulations and Licensing Regulations. The management of the holding company has filed an appeal against the order in the Appellate Tribunal of SECP and the Appellate Tribunal upheld the order of SECP. The Company is filing an appeal with the High Court against the order of the Appellate Tribunal. The management is confident that the ultimate outcome will be in favour of the holding company.
- 26.1.8** For the tax year 2016, an amended assessment order passed under section 122(1) of the Income Tax Ordinance, 2001 by the Deputy Commissioner Inland Revenue (DCIR), raised a demand of Rs. 194,845,167/- dated June 30, 2022. In pursuance of such order, the holding company filed an appeal before CIR-A, Upon Appeal filed, CIR- Appeal passed appellate order dated December 22, 2022, through which the holding company was granted partial relief, As a result, the tax payable was reduced from Rs. 194,845,167/- to Rs. 155,682,240/-. That being aggrieved of the appellate order issued by CIR-Appeals, the holding company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) dated January 13, 2013, against which ATIR granted a stay subsequent to the balance sheet date on August 03, 2023, against recovery of impugned tax demand.

26.2 Commitments:

Net-future sale transactions of equity securities entered into by the holding company in respect of which the settlement is outstanding
Against capital expenditure

Note	2023	2022
	----- (Rupees) -----	
	-	94,001,310
7.3	260,700,000	69,986,444
27 OPERATING REVENUE		
Brokerage	669,849,832	1,361,975,209
Subscription research income	-	225,192
Financial advisory fee	19,649,575	338,657,544
Custody services	17,624,353	55,186,985
Underwriting commission	19,417,588	45,244,837
Less: sales tax on services	(81,556,822)	(200,879,081)
	644,984,524	1,600,410,686
28 GAIN / (LOSS) ON SALE OF SHORT TERM INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT AND LOSS' - NET		
Quoted equity securities	556,859,349	(665,603,209)
Debt securities	5,353,118	8,301,115
	562,212,467	(657,302,094)

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29 MARK-UP / PROFIT ON BANK DEPOSITS AND OTHER RECEIVABLES	Note	2023	2022
		----- (Rupees) -----	
Profit on bank deposits		190,340,519	178,132,725
Margin finance income		14,074,988	20,200,483
Mark up on loan to related parties		163,975,799	45,155,332
Profit on PPTFCs		535,884	658,887
Others		234,166	218,158
		<u>369,161,356</u>	<u>244,365,585</u>

30 OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	30.1	426,931,099	464,778,638
Commission expense		63,637,227	137,431,007
Staff training and development-Directors		-	10,500
Rent, rates and taxes		14,963,458	10,578,079
Insurance charges		2,938,122	8,466,230
Depreciation	30.2	72,258,868	67,782,098
Amortization of intangible assets		1,337,764	1,264,310
Repairs and maintenance		15,923,122	15,874,094
Power and utilities		20,410,796	21,923,247
Communication		43,682,509	39,838,313
Trading costs		64,317,845	88,368,102
Information technology related cost		23,071,875	17,321,869
Fees and subscription		63,367,834	20,561,252
Director fee		1,248,000	1,320,000
Printing and stationery		9,625,939	8,319,954
Papers and periodicals		315,215	368,040
Advertisement and business promotion		1,903,198	3,210,937
Sales and marketing		3,376,324	15,671,699
Travelling and conveyance		10,762,131	16,483,406
Entertainment		3,618,201	3,417,016
Legal and professional charges		4,633,850	12,533,178
Auditor's remuneration	30.3	5,887,741	3,486,448
Stamp charges		4,567	567,306
Donations	30.4	4,197,000	13,750,000
Workers' welfare fund		7,328,235	-
Kitchen expenses		7,794,643	5,395,589
Profit -paid to clients	30.5	26,508,886	18,929,831
Ijara rental		-	232,796
Bad debts written off		-	27,644
TREC impairment	8.2	1,350,000	-
Others		1,642,117	1,339,507
		<u>903,036,565</u>	<u>999,251,090</u>

30.1 Salaries, allowances and benefits include holding company's contribution to provident fund amount to Rs 17.40 million (2022: Rs 17.67 million).

30.2 Depreciation

Property and equipment	7.1	48,414,930	44,136,083
Right-of-use assets	7.2	23,843,938	23,646,015
		<u>72,258,868</u>	<u>67,782,098</u>

30.3 Auditor's Remuneration (inclusive of sales tax)

Statutory audit fee		2,362,640	2,060,820
Review of compliance with COCG		75,000	50,000
Consolidation fee		75,000	50,000
Half-yearly review fee and other certifications		1,550,000	1,061,268
Special audit		1,076,539	-
Out of pocket expenses		385,240	147,000
Sales tax on services		363,323	117,360
		<u>5,887,741</u>	<u>3,486,448</u>

30.4 None of the directors or their spouses had any interest in donee. The particulars of the donees are as under:

Pakistan Rangers Sindh Foundation		-	10,000,000
Millions Smile Foundation		4,197,000	-
Others		-	3,750,000
		<u>4,197,000</u>	<u>13,750,000</u>

30.5 This relates to share of client in mark-up income earned against their unutilised fund balances in PLS bank accounts of the holding company as per the notice no. KSE/N-1479 dated March 17, 2015 of Pakistan Stock Exchange Limited. The gross markup earned is recorded as profit on bank deposits and client share is charged as expense.

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31 FINANCE COST	Note	2023	2022
--(Rupees)--			
Mark-up on:			
Long-term loan		111,046,828	98,349,455
Short-term loan-RF		282,264	2,613,255
Lease liabilities		5,138,347	3,868,569
Bank charges		211,146	364,150
		<u>116,678,584</u>	<u>105,195,429</u>
32 OTHER INCOME			
Gain on disposal of property and equipment		12,517,722	320,437
Mark up staff loan		86,249	116,362
Reversal of provision against Workers' Welfare Fund - Federal	23.3	-	2,647,171
Others		2,929,068	1,767,466
		<u>15,533,039</u>	<u>4,851,436</u>
33 TAXATION			
Current		103,244,693	309,461,853
for the year		(65,475,354)	(66,403)
for prior year		(85,441,553)	(67,588,597)
Deferred		<u>(47,672,214)</u>	<u>241,806,853</u>

33.1 Income tax assessments of the group have been finalized up to and including the tax year 2022 (income year ended June 30, 2022). Tax returns filed with the revenue authority are deemed to be assessed under the provisions of section 120 of the Income Tax Ordinance, 2001 unless a return is selected for re-assessment by the revenue authority. The Commissioner of Inland Revenue may, at any time during a period of five years from the date of filing of return, select a deemed assessment order for the purpose of issuing an amended assessment order.

33.2 Relationship between tax expense and accounting profit

For the year	103,244,693	309,461,853
Prior year	(65,475,354)	(66,403)
Deferred tax	<u>(85,441,553)</u>	<u>(67,588,597)</u>
	<u>(47,672,214)</u>	<u>241,806,853</u>
Profit / (loss) before taxation	<u>359,083,507</u>	<u>(82,422,056)</u>
Tax at the applicable rate of 29% (2022 : 29%)	104,134,217	(23,902,396)
Tax effect of non-deductible expenses	23,798,169	(6,838,377)
Tax effect of Income at reduced rate and exempt income	(61,157,809)	205,295,089
Tax effect of Minimum Tax and Alternative Corporate Tax (ACT)	(43,740,894)	98,093,012
Tax effect of prior year charges	(65,475,354)	(66,403)
Tax effect of Super Tax u/s 4C	(4,768,116)	(39,833,050)
Others	(462,427)	9,058,978
	<u>(47,672,214)</u>	<u>241,806,853</u>

34 EARNINGS / (LOSS) PER SHARE-BASIC AND DILUTED

34.1 Basic earnings / (loss) per share

Profit / (loss) for the year attributable to ordinary shareholders		406,755,721	(324,228,909)
Weighted average number of ordinary shares	34.2	<u>519,681,323</u>	<u>100,000,000</u>
Earnings / (loss) per share - Basic and diluted	34.3	<u>0.78</u>	<u>(3.24)</u>

34.2 During the year 457,834,171 shares were allotted by holding company therefore the weighted average number of shares have been calculated accordingly.

34.3 Diluted earnings per share

Diluted earnings per share has not been presented as the group does not have any convertible instruments in issue as at 30 June 2023 (2022: Nil) which would have any effect on the earnings per share if the option to convert is exercised.

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35 REMUNERATION OF DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the holding company are as follows:

	2023			2022		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	----(Rupees)-----			----(Rupees)-----		
Managerial remuneration	12,138,372	10,075,627	154,495,437	24,297,814	24,068,290	155,798,103
Fee (note 35.2)	-	1,248,000	-	-	1,320,000	-
Bonus / commission	3,399,046	466,383	25,600,252	18,488,123	11,386,407	120,216,080
Contribution to provident fund	545,496	545,496	6,642,561	952,584	1,458,694	7,448,139
	<u>16,082,914</u>	<u>12,335,506</u>	<u>186,738,250</u>	<u>43,738,521</u>	<u>38,233,391</u>	<u>283,462,322</u>
Number of persons	1	3	31	2	6	37

- 35.1 Certain executives of the holding company are provided company owned and maintained car.
- 35.2 The fee was paid to the independent Directors for attending the Board of Directors, Audit Committee and HR&R committee meetings of the holding company.
- 35.3 The change in Directors' offices during the year has been disclosed in the Statement of Compliance with the Code of Corporate Governance.
- 35.4 As per the requirement under Regulation 5(4) of Research Analyst Regulation 2015, following are the details of Research Analyst employed by the holding company;

Managerial remuneration	19,182,750	22,427,659
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All Research Analysts report to Head of Research who in turn reports to the Chief Executive Officer of the holding company.

36 RELATED PARTY TRANSACTIONS

Related parties comprise of ultimate parent company, major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefit fund, directors, key management personnel and their close family members. Contribution to defined contribution plan (provident fund) are made as per the terms of employment. Remuneration of key management personnel are in accordance with their terms of engagements. Transactions with other related parties are entered into at rates negotiated with them (agreed terms).

The related parties of the group comprise of Ultimate parent company, associated undertakings including companies under common directorship, employee benefit plans and its key management personnel. The balances with related parties as at June 30, 2023 and June 30, 2022 and transactions with related parties during the year ended June 30, 2023 and June 30, 2022 are as follows:

Details of transactions and balances at year end with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Relationship with the group	Nature of transactions / balances	2023	2022
		----- (Rupees) -----	
Ultimate Parent (AKD Group Holding (Pvt.) Limited)	Opening balance/ balance acquired through merger	771,626,846	71,070,992
	Mark up accrued on loan during the year	157,454,846	44,105,309
	Mark up paid on loan during the year	(200,234,151)	(57,988,876)
	Rent paid	(2,949,600)	(2,844,866)
	Disbursement during the year	3,204,139,994	1,720,983,500
	Receipts during the year	(3,424,133,920)	(1,003,699,213)
	Balance receivable at year end	505,904,015	771,626,846
Other Related Parties	Balances acquired through merger	15,098,510	4,158,071
	Mark up accrued on loan during the year	6,520,953	1,050,023
	Mark up paid on loan during the year	(7,555,736)	(5,839,211)
	Rent paid	(360,000)	(360,000)
	Brokerage earned	264,278	249,000
	Company contribution to provident fund	(17,396,678)	(17,070,757)
	Disbursement / adjustments during the year	226,628,085	63,992,002
	Receipts / adjustment during the year	(237,153,526)	(31,080,618)
	Balance receivable at year end	(13,954,114)	15,098,510
Key Personnel	Brokerage earned	11,632,891	35,251,253
	Managerial and commission	32,379,428	89,071,522
	Meeting fee	1,248,000	1,320,000
	Company contribution to provident fund	1,472,830	2,905,186
	Balance receivable at year end	153,798,628	2,546,474
	Balance payable at year end	-	85,057,226

Particulars relating to remuneration of Chief Executive Officer, Directors and Executives who are key management personnel are disclosed in note 35.

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36.1 RELATED PARTY RELATIONSHIP

Following are the name of associated companies, related parties and associated undertakings with whom the group had entered into transactions or had agreements in place during the year:

Name of Related parties	Relationship	% equity interest
AKD Group Holdings (Private) Limited	Ultimate Parent	95.87%
AKD Investment Management Limited	Associate	-
Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund	Associate	-
Oil & Gas investments Limited	Associate	-
AKD Capital Limited	Associate	-
DVCOM Limited	Associate	-
Post Amazar (Private) Limited	Associate	-
TMT Ventures Limited	Associate	-
AKD REITS Management Company Limited	Associate	-
AKD Commodities (Private) Limited	Associate	-
Creek Developers (Private) Limited	Associate	-
AKD Farms (Private) Limited	Associate	-
AKD Analytics (Private) Limited	Associate	-
AKD-ICA (Private) Limited	Associate	-
Transgas Limited	Associate	-
Mr. Salman Wahid Balaghawala	Other Related	-
Ms. Anum Dhedhi	Other Related	-
Ms. Ayesha Dhedhi	Other Related	-
Mr. Junaid Balaghawala	Other Related	-
Mr. Muhammad Farid Alam	Chief Executive	-
Ms. Sadaf Farid	Other Related	-
Mr. Aqeel Karim Dhedhi	Other Related	-
Mr. Tariq Adam Ghumra	Other Related	-
Ms. Hina Junaid	Other Related	-

37 PROVIDENT FUND RELATED DISCLOSURE

37.1 The following information is based on latest un-audited Financial Statements of the KASB Employees Provident Fund:

	Note	Un-Audited	Un-Audited
		2023	2022
----- (Rupees) -----			
Size of the fund-Net assets		45,419,628	56,593,836
Cost of investments made		37,355,092	32,540,568
Percentage of investments made		99.95%	94.75%
Fair value of investments	37.1.1	45,396,793	53,625,402

37.1.1 Break-up of fair value of investments is:

	2023 (Un-Audited)		2022 (Un-Audited)	
	(Rs.)	%	(Rs.)	%
Investments in various Funds / Government Securities	40,487,382	89.19%	34,223,926	63.82%
Saving accounts	4,909,411	10.81%	19,401,476	36.18%
	45,396,793	100.00%	53,625,402	100.00%

37.1.2 The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

37.2 PROVIDENT FUND RELATED DISCLOSURE

The following information is based on latest un-audited Financial Statements of the Aqeel Karim Dhedhi Securities (Private) Limited - Staff Provident Fund:

	Note	Un-Audited	Un-Audited
		2023	2022
----- (Rupees) -----			
Size of the fund-Net assets		213,124,096	243,732,703
Cost of investments made		208,847,423	33,135,589
Percentage of investments made		78.78%	90.58%
Fair value of investments	37.2.1	167,890,639	220,764,080

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37.2.1 Break-up of fair value of investments is:

	2023 (Un-Audited)		2022 (Un-Audited)	
	(Rs.)	%	(Rs.)	%
Investments in various Funds / Government Securities:	-	0.00%	-	0.00%
Saving accounts	16,362,281	9.75%	968,574	0.44%
Term finance certificates (PPTFC)	416,667	0.25%	5,000,000	2.26%
Mutual funds units	25,657,875	15.28%	60,218,789	27.28%
Listed shares	125,453,816	74.72%	154,576,717	70.02%
	167,890,639	100.00%	220,764,080	100.00%

37.2.2 The above investment / placement of funds has not been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose. These investments / placements shall be regularized in due course.

38 OPERATING SEGMENTS

	2023				Total
	Brokerage	Financial Advisory	Underwriting	Other Operation	
Segment revenues	669,849,832	19,649,575	19,417,588	876,373,812	1,585,290,806
Administrative and operating expenses (other than depreciation and amortization)	(350,472,101)	(10,280,853)	(10,159,475)	(458,527,503)	(829,439,932)
Impairment on long-term investment - subsidiary (Provision) / reversal against doubtful debts-net	-	-	-	-	-
Depreciation	(137,539,298)	-	-	-	(137,539,298)
Amortisation of intangible assets	(30,532,310)	(895,644)	(885,070)	(39,945,844)	(72,258,868)
Finance cost	(565,260)	(16,581)	(16,386)	(739,537)	(1,337,764)
Sales Tax on Services	(49,301,446)	(1,446,223)	(1,429,149)	(64,501,765)	(116,678,584)
	(77,062,370)	(2,260,571)	(2,233,882)	-	(81,556,822)
	24,377,046	4,749,702	4,693,626	312,659,162	346,479,537
Gain on sale of operating assets					12,517,722
Mark up staff loan					86,249
Taxation					47,672,214
Profit after taxation					406,755,722
Segment assets	2,654,945,930	46,848,692	46,295,587	8,187,218,440	10,935,308,650
Segment liabilities	1,913,901,879	4,637,816	4,583,061	858,105,121	2,781,227,878

	2022				Total
	Brokerage	Financial Advisory	Underwriting	Other Operation	
Segment revenues	1,361,975,209	338,657,544	45,244,837	(467,902,649)	1,277,974,947
Administrative and operating expenses (other than depreciation and impairment on long-term investment - subsidiary (Provision) / reversal against doubtful debts-net	(991,346,289)	(246,500,008)	(32,932,539)	340,574,154	(930,204,682)
Depreciation	-	-	-	-	-
Amortisation of intangible assets	(58,155,366)	-	-	-	(58,155,366)
Finance cost	(72,237,361)	(17,961,948)	(2,399,726)	24,816,937	(67,782,098)
Sales Tax on Services	(1,347,412)	(335,036)	(44,761)	462,900	(1,264,310)
	(112,109,840)	(27,876,310)	(3,724,291)	38,515,012	(105,195,429)
	(156,687,413)	(38,960,602)	(5,205,158)	(25,907)	(200,879,081)
	(29,908,473)	7,023,640	938,362	(63,559,554)	(85,506,025)
Gain on sale of operating assets					320,437
Mark up staff loan					116,362
Provision for Sindh Workers' Welfare Fund					2,647,171
Taxation					(241,806,853)
Loss after taxation					(324,228,909)
Segment assets	4,478,355,888	758,645,949	101,355,523	5,825,170,307	11,163,527,667
Segment liabilities	2,848,142,512	126,920,400	16,956,636	864,463,781	3,856,483,329

39 NUMBER OF EMPLOYEES

Average number of employees during the year	256	313
Total number of employees as at year end	244	306

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40 FINANCIAL INSTRUMENTS

Financial Risk Factors

The group's activities expose it to a variety of financial risks: market risk (interest/mark-up rate risk, foreign currency and price risk), liquidity risk and credit risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the group's financial assets and liabilities are limited. The group consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of group's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

40.1 Market risk

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

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of the financial instruments. As of the balance sheet date, the group is exposed to such risk mainly in respect of bank balances, lease liabilities, short term and long term loan. Effective interest rates on such instruments are disclosed in respective notes to the financial statements.

With 100 basis point increase / (decrease) in the market interest rate, with all other factors remaining constant, would decrease the group's total comprehensive income by Rs. 6.699 million (2022: Rs. 0.312 million).

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of change in foreign exchange rates relates only to the investment in Al Jomaih Power Limited maintained in US dollars amounting to Rs.629.17 million (2022: Rs. 184.36 million) [US dollars 2.2 million (2022: US dollars 0.9 million)].

With 10% increase / (decrease) in the exchange rate between US dollars and Pak Rupees, comprehensive income of the group would have increased / (decreased) by Rs. 62.91 million (2022: Rs. 18.44 million).

(iii) Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The management believes that 10% increase or decrease in the value of investments at fair value through profit and loss, with all other factors remaining constant would result in increase or decrease of the group's profit by Rs. 231.81 million (2022: Rs. 353.06) and 10% of such increase or decrease would result in increase or decrease of unrealized gain on re-measurement of long term investment at fair value through other comprehensive income by Rs. 1.186 million (2022: Rs 1.640 million).

40.2 Liquidity risk

Liquidity risk is the risk that an enterprise may encounter difficulty in raising funds to meet commitments associated with financial instruments. The group manages liquidity risk by following internal guidelines of the company executive committee such as monitoring maturities of financial assets and financial liabilities and investing in liquid financial assets.

On the reporting date, the group has liquid asset of Rs. 877.63 million (2022:Rs. 1,143.72 million), unutilized credit lines nil (2022: nil) to manage the liquidity issues (details of credit facility as under) and liquid assets in the form of short term securities Rs. 2,318.89 million (2022: 3,530.59 million).

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The following are the contractual maturities of financial liabilities, including estimated interest payments:

The table below summaries the maturity profile of the group's financial liabilities:

	2023				Total
	On Demand	Up to three months	More than three months and up to one year	More than one year	
	----- (Rupees) -----				
Long-term loan	-	-	-	500,000,000	500,000,000
Trade and other payables	2,013,781,256	-	-	-	2,013,781,256
Lease liability	1,566,984	2,781,020	12,194,966	26,807,015	43,349,984
Accrued mark-up	1,257,863	-	-	-	1,257,863
Short term loan	-	150,000,000	-	-	150,000,000
	2,016,606,102	152,781,020	12,194,966	526,807,015	2,708,389,103
	----- (Rupees) -----				
	2022				Total
	On Demand	Up to three months	More than three months and up to one year	More than one year	
	----- (Rupees) -----				
Long-term loan	-	-	-	150,000,000	150,000,000
Trade and other payables	2,567,069,854	-	-	-	2,567,069,854
Lease liability	878,804	1,812,750	14,519,011	35,754,847	52,965,411
Accrued mark-up	24,822,022	-	-	-	24,822,022
Short term loan	-	865,000,000	-	-	865,000,000
	2,592,770,681	866,812,750	14,519,011	185,754,847	3,659,857,289

40.3 Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continuously assessing the credit worthiness of counter parties. The group seeks to minimise the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The table below analyses the group's maximum exposure to credit risk:

	Note	2023	2022
		----- (Rupees) -----	
Short term investments in debt securities		833,334	3,333,333
Trade debts	40.3.1	524,650,539	661,704,391
Bank balances	40.3.2	877,082,369	1,140,894,608
Long-term loans and advances		-	341,000
Long-term deposits and prepayments		40,039,002	59,931,802
Deposits, prepayments and other receivables		1,094,670,680	1,477,743,170
Loans and advances		544,565,734	831,462,645
		3,081,841,659	4,175,410,949

40.3.1 The aging analysis of trade debts are as follows:

	2023		2022	
	----- (Rupees) -----		----- (Rupees) -----	
	Gross	Impairment	Gross	Impairment
Past due 1 - 30 days	94,328,860	18,547,293	201,023,709	98,551,668
Past due 31 - 180 days	108,817,626	40,474,922	92,064,033	47,645,377
Past due 181 days - 1 year	190,931,403	140,823,489	34,010,087	17,599,258
More than one year	130,572,651	94,647,521	334,606,562	170,758,429
	524,650,539	294,493,225	661,704,391	334,554,732

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40.3.2 The analysis below summarises the credit quality of the group's bank balances with banks / financial institutions:

Rating (short-term) of Banks and Financial Institutions*	2023	2022
	----- (Rupees) -----	
A1	508,547,952	660,366,698
A1+	367,519,758	479,792,574
A2	-	11,401
Unrated	662,068	181,200
	<u>876,729,778</u>	<u>1,140,351,873</u>

*Rating of banks performed by PACRA and VIS.

40.4 Financial instruments by categories

Financial assets as per balance sheet	As at June 30, 2023			
	Asset at fair value through profit and loss	Asset at fair value through OCI	Amortized cost	Total
	----- (Rupees) -----			
Long term investments	-	641,040,953	-	641,040,953
Long term deposits	-	-	40,039,002	40,039,002
Long term loans an advances	-	-	-	-
Short term investments	2,318,059,059	833,334	-	2,318,892,393
Trade debts	-	-	230,157,314	230,157,314
Deposits, prepayments and other receivables	-	-	1,094,670,680	1,094,670,680
Loans and advances	-	-	544,565,734	544,565,734
Cash and bank balances	-	-	877,392,801	877,392,801
	<u>2,318,059,059</u>	<u>641,874,287</u>	<u>2,786,825,532</u>	<u>5,746,758,877</u>

Financial liabilities as per balance sheet

	As at June 30, 2023	
	Financial liabilities at amortized cost	
	----- Rupees -----	
Long-term loan-secured		500,000,000
Short-term loan-secured		150,000,000
Lease liability		43,349,984
Trade and other payables		2,013,781,256
Accrued mark-up		1,257,863
		<u>2,708,389,103</u>

Financial assets as per balance sheet	As at June 30, 2022			
	Asset at fair value through profit and loss	Asset at fair value through OCI	Amortized cost	Total
	----- (Rupees) -----			
Long term investments	-	201,593,573	-	201,593,573
Long term deposits	-	-	59,931,802	59,931,802
Long term loans an advances	-	-	341,000	341,000
Short term investments	3,530,591,864	3,333,333	-	3,533,925,197
Trade debts	-	-	327,149,658	327,149,658
Deposits, prepayments and other receivables	-	-	1,477,743,170	1,477,743,170
Loans and advances	-	-	831,462,645	831,462,645
Cash and bank balances	-	-	1,140,991,269	1,140,991,269
	<u>3,530,591,864</u>	<u>204,926,906</u>	<u>3,837,619,544</u>	<u>7,573,138,315</u>

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Financial liabilities as per balance sheet:

Financial liabilities at amortized cost

	----- Rupees -----
Long-term loan-secured	150,000,000
Short-term loan-secured	865,000,000
Lease liability	52,965,411
Trade and other payables	2,567,069,854
Accrued mark-up	24,822,022
	<u>3,659,857,289</u>

41 CAPITAL RISK MANAGEMENT

The group's objectives when managing capital include:

- Reinforcing group's ability to continue as a going concern in order to provide returns to all its stakeholders with their corresponding risk profiles;
- Maintaining a strong capital base - resulting in enhancement of group's business operations.

In order to maintain the balance of its capital structure, the group may consider adjusting its dividend payouts, controlling non-developmental cash outflows and issuing fresh debt or capital instruments.

The group monitors capital on the basis of the gearing ratio and its related profitability ratios. Gearing is calculated as debt divided by debt plus equity. Debt represents redeemable capital and other long-term borrowings, if any, as shown in the balance sheet. Equity represents paid-up capital of the group, general reserve and unappropriated profit and loss.

Liquid capital requirements of the holding company are set and regulated by PSX. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities. The holding company manages its liquid capital requirements by assessing its capital structure against required capital level on a regular basis.

42 FAIR VALUE OF FINANCIAL INSTRUMENT

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying value and fair value estimates. The carrying values of all the financial assets and liabilities reflected in the financial statements approximate their fair values.

Under the definition of fair value is the presumption that the group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

42.1 Financial Assets Fair Value Hierarchy

All financial instruments carried at fair value are categorised in three categories defined as follows:

Level 1 - quoted prices in active markets for identical assets.

Level 2 - other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 - techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at year end, the Company held the following financial instruments measured at fair value:

	2023			
	Total	Level 1	Level 2	Level 3
	----- (Rupees) -----			
Financial assets at fair value through profit or loss				
Quoted equity securities	2,318,059,059	2,318,059,059	-	-
Fair value through other comprehensive income				
Investment 'at fair value through other comprehensive income	641,874,287	11,861,852	-	630,012,434
	2022			
	Total	Level 1	Level 2	Level 3
	----- (Rupees) -----			
Financial assets at fair value through profit or loss				
Quoted equity securities	3,530,591,864	3,530,591,864	-	-
Fair value through other comprehensive income				
Investment 'at fair value through other comprehensive income	204,093,572	16,398,209	-	187,695,363

42.1.1 The holding company's investment in unquoted shares of Al Jomaih Power Limited (AJPL) incorporated in Cayman Island are valued at its fair value based on the net assets value of the investee Company as at June 30, 2023. The reconciliation from the beginning to ending balances for assets measured at fair value using level 3 valuation technique is given below:

	2023	2022
	----- (Rupees) -----	
Opening balance	184,362,030	299,333,030
Unrealized gain / (loss) arising on re-measurement of long term investment at fair value through OCI	444,817,070	(114,971,000)
Closing balance	<u>629,179,100</u>	<u>184,362,030</u>
Total outstanding units of AJPL	217,217	217,217
NAV per unit	186,700	54,707
Number of units held by AKDSL in AJPL	3,370	3,370
AKDSL % of holding in AJPL	1.55%	1.55%

43 OTHER DISCLOSURES UNDER REGULATION 34(2) OF THE SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATION 2016:

The disclosures under the regulation 34(2), other than disclosed elsewhere in these annual financial statements are as follows:

43.1 Person holding more than 5% of shares

	2023	2022	2023	2022
	% of holding		No. of shares	
M/s. AKD Group Holdings (Pvt) Ltd (the Parent)	95.87%	77.12%	534,806,196	77,117,500
Mrs. Noor Jehan Bano	0.00%	6.55%	-	6,551,000
Mr. Mohammad Aslam Motiwala	0.00%	9.36%	-	9,360,000

43.2 During the year ended 2022 AKD Securities Limited merged into BIPLS Securities Limited and the shareholding of the holding company was transferred to AKD Group Holdings (Pvt) Limited (the Parent) who currently holds 95.87% equity interest in the holding company.

43.3 As at June 30, 2023, the value of shares pledged with financial institutions amounted to Rs. 1,064.09 million out of which the value of holding company's shares pledged with banks amounted to Rs. 579.26 million (2022: 905.99) and the value of customer shares maintained with the holding company pledged with financial institution is Rs. 484.83 million (June 30, 2022: Rs. 2,927.71 million).

43.4 As at June 30, 2023, the value of customer shares maintained with the holding company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.42,466.88 million (June 30, 2022: Rs. 38,202.63 million).

44 CAPITAL ADEQUACY LEVEL

Following is the Level of Capital Adequacy as required under clause 6.8.3 of CDC Regulations:

	Note	2023	2022
		----- (Rupees) -----	
Total Assets		10,935,308,650	11,163,527,667
Adjustment for Notional value of TRE Certificate	8.2	-	(1,350,000)
Less: Total Liabilities		(2,781,227,878)	(3,856,483,329)
Less: Revaluation Reserves (created upon Revaluation of fixed assets)		-	-
		<u>8,154,080,772</u>	<u>7,305,694,338</u>

44.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by the company as at the year ended June 30, 2022 as determined by Pakistan Stock Exchange has been considered.

AKD

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

1. Assets

1.1	Property and Equipment	1,829,667,116	100.00%	-
1.2	Intangible Assets	3,153,169,929	100.00%	-
1.3	Investment in Govt. Securities	-	-	-
	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure up to 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
1.4	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure up to 1 year.	833,334	10.00%	750,001
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15.00%	-
	Investment in Equity Securities			
1.5	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	2,298,029,997	982,660,817	1,315,369,180
	ii. If unlisted, 100% of carrying value.	629,179,100	100.00%	-
	iii. Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	iv. 100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)	-	100.00%	-
1.6	Investment in subsidiaries	36,373	100.00%	-
	Investment in associated companies/undertaking			
1.7	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	31,890,915	19,134,549	12,756,366
	ii. If unlisted, 100% of net value.	-	100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	25,811,500	100.00%	-
1.9	Margin deposits with exchange and clearing house.	1,064,486,858	-	1,064,486,858
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	64,045,798	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil)	2,576,731	-	2,576,731
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	1,341,244	100.00%	-
1.13	Dividends receivables.	-	-	-
	Amounts receivable against Repo financing.	-	-	-
1.14	Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)	-	-	-
	Advances and Receivables other than trade receivables			
1.15	1) No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months.	32,847,054	-	32,847,054
	2) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation	693,873,661	-	-
	3) In all other cases 100% of net value	-	100.00%	-
	Receivables from clearing house or securities exchange(s)			
1.16	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	claims on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
	Receivables from customers			
	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut. <i>i. Lower of net balance sheet value or value determined through adjustments.</i>	-	-	-
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. <i>ii. Net amount after deducting haircut</i>	-	5.00%	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, <i>iii. Net amount after deducting haircut</i>	-	-	-
1.17	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. <i>iv. Balance sheet value</i>	3,943,527	-	3,943,527
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts. <i>v. Lower of net balance sheet value or value determined through adjustments</i>	72,413,299	48,014,476	48,014,476
	vi. In the case of amount of receivables from related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner; (a) Up to 30 days, values determined after applying var based haircuts. (b) Above 30 days but upto 90 days, values determined after applying 50% or var based haircuts whichever is higher. (c) above 90 days 100% haircut shall be applicable. vi. Lower of net balance sheet value or value determined through adjustments	153,800,488	84,437,891	69,362,596

Adm

	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts	22,361,821	-	22,361,821
	ii. Bank balance-customer accounts	854,154,451	-	854,154,451
	iii. Cash in hand	313,730	-	313,730
1.19	Subscription money against investment in IPO/ offer for sale (asset)	-	-	-
1.20	Total Assets	10,934,776,927		3,426,936,790
	2. Liabilities			
	Trade Payables			
2.1	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	1,755,799,710	-	1,755,799,710
	Current Liabilities			
2.2	i. Statutory and regulatory dues	35,680,901	-	35,680,901
	ii. Accruals and other payables	227,739,712	-	227,739,712
	iii. Short-term borrowings	150,000,000	-	150,000,000
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	16,542,970	-	16,542,970
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	35,460,383	-	35,460,383
	ix. Other liabilities as per accounting principles and included in the financial statements	32,665,464	-	32,665,464
	Non-Current Liabilities			
2.3	i. Long-Term financing	-	100.00%	-
	a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease	526,807,015	100.00%	-
	b. Other long-term financing	-	100.00%	-
	ii. Staff retirement benefits	-	-	-
	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if:			
	a. The existing authorized share capital allows the proposed enhanced share capital			
	b. Board of Directors of the company has approved the increase in capital			
	c. Relevant Regulatory approvals have been obtained			
	d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed.			
	e. Auditor is satisfied that such advance is against the increase of capital.			
	iv. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	Subordinated Loans			
2.4	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified:			
	a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period			
	b. No haircut will be allowed against short term portion which is repayable within next 12 months.			
	c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted			
2.5	Advance against shares for increase in capital of securities broker			
2.6	Total Liabilities	2,780,696,155		2,253,889,140
	3. Ranking Liabilities Relating to:			
	Concentration in Margin Financing			
3.1	The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.			
	Concentration in securities lending and borrowing			
3.2	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed			
	Net underwriting Commitments			
3.3	(a) In the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting (b) in any other case : 12.5% of the net underwriting commitments			

Adm

Negative equity of subsidiary			
3.4	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	-	-
Foreign exchange agreements and foreign currency positions			
3.5	5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-
3.6	Amount Payable under REPO	-	-
Repo adjustment			
3.7	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-
Concentrated proprietary positions			
3.8	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	163,697,251
Opening Positions in futures and options			
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts	-	5,509,408
	ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	-
Short sell positions			
3.10	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-
3.11	Total Ranking Liabilities	-	169,206,659
	Liquid Capital	8,154,080,772	1,003,840,991

Calculations Summary of Liquid Capital

- (i) Adjusted value of Assets (serial number 1.20)
(ii) Less: Adjusted value of liabilities (serial number 2.6)
(iii) Less: Total ranking liabilities (series number 3.11)

3,426,936,790
(2,253,889,140)
(169,206,659)
1,003,840,991

46 DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the group on 05 October 2023.

47 GENERAL

- 47.1 Corresponding figures have been rearranged and reclassified, wherever necessary.
47.2 Figures have been rounded off to the nearest Rupees.



Chief Executive Officer



Director



Chief Financial Officer

PATTERN OF SHAREHOLDING

AS ON 30 JUNE 2023

Categories of Shareholders	From	To	Shares Held	Percentage
461	1	100	6,369	0.0011
3213	101	500	698,298	0.1252
181	501	1,000	141,469	0.0254
139	1,001	5,000	352,304	0.0632
22	5,001	10,000	169,000	0.0303
10	10,001	15,000	133,800	0.0240
4	15,001	20,000	76,300	0.0137
5	20,001	25,000	111,409	0.0200
1	25,001	30,000	30,000	0.0054
1	30,001	35,000	35,000	0.0063
2	35,001	40,000	77,500	0.0139
2	50,001	55,000	101,609	0.0182
1	75,001	80,000	75,918	0.0136
1	95,001	100,000	100,000	0.0179
1	105,001	110,000	110,000	0.0197
2	130,001	135,000	266,000	0.0477
1	395,001	400,000	400,000	0.0717
1	470,001	475,000	472,000	0.0846
1	495,001	500,000	500,000	0.0896
1	530,001	535,000	530,500	0.0951
1	1,000,001	1,005,000	1,000,500	0.1794
1	2,780,001	2,785,000	2,780,500	0.4984
1	6,495,001	6,500,000	6,500,000	1.1652
1	8,355,001	8,360,000	8,359,500	1.4986
1	78,975,001	78,980,000	78,979,795	14.1583
1	455,825,001	455,830,000	455,826,400	81.7136
4,056			557,834,171	100.0000

PATTERN OF SHAREHOLDING

AS ON 30 JUNE 2023

CATEGORIES OF SHAREHOLDERS	SHAREHOLDERS	SHARES HELD	PERCENTAGE
<u>Directors and their Spouse (s) & Minor Children:</u>			
1. Ms. Hina Junaid (Director)	1	3,885	0.0007
2. Mr. Muhammad Farid Alam (CEO / Director)	1	1,295	0.0002
3. Mr. Tariq (Director)	1	1,295	0.0002
4. Kamal Uddin Tipu (Director)	1	500	0.0001
5. Sikander (Director)	1	5,000	0.0009
6. Ms. Afsheen Aqeel (Director)	1	500	0.0001
7. Ms. Ayesha Aqeel Dhedhi (Director)	1	500	0.0001
<u>Associated Companies, Undertaking and Related Parties.</u>			
	1	534,806,196	95.8719
<u>Executives.</u>			
	-	-	-
<u>Public Sector Companies and Corporations.</u>			
	-	-	-
<u>Banks, development finance institutions, nonbanking, finance companies, insurance companies, takaful, modarabas and pension funds.</u>			
	1	20,509	0.0037
<u>Others.</u>			
	4047	22,994,491	4.1221
Total	4,056	557,834,171	100.00

Shareholders holding 5% or more voting rights in the Company.

NAME	SHARES HELD	PERCENTAGE
AKD Group Holdings (Private) Limited	534,806,196	95.8719%

اراکین کیلئے ڈائریکٹرز کی رپورٹ

اے کے ڈی سیکورٹیز لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون، 2023 کو اختتام پذیر ہونے والے سال کیلئے کمپنی کے پڑتال شدہ مالی گوشوارے بشمول آڈیٹر رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

30 جون، 2023 کو اختتام پذیر مالی سال کے پڑتال شدہ نتائج بمواز نہ گزشتہ سال درج ذیل ہے۔

روپے میں

تفصیلات	30 جون، 2023	30 جون، 2022
خالص محاصل	644,984,524	1,600,410,686
مجموعی منافع	460,220,051	17,921,937
قبل از ٹیکس منافع / (نقصان)	359,083,506	(82,422,056)
بعد از ٹیکس منافع / (نقصان)	406,755,721	(324,228,909)
فی حصص آمدنی	(352,117,596)	191,384,008
	0.78	(3.24)

سال کے دوران کمپنی نے 406.755 ملین روپے کی خالص آمدن حاصل کی۔ کمپنی کا آپریٹنگ محاصل 644.98 ملین روپے رہا جو گزشتہ سال کے 1600 ملین روپے کے مقابلہ میں سالانہ بنیادوں پر 60 فیصد کم ہے۔

مارکیٹ کے مخدوش حالات میں مختصر المدت کیلئے سرمایہ کاری پورٹ فولیو نے اچھی کارکردگی دکھائی اور مالی سال 2022 کے 857 ملین کے خالص نقصان کے مقابلے میں مالی سال 2023 میں 287 کا خالص منافع کمایا۔

کمپنی کے کل آپریٹنگ اور انتظامی اخراجات میں سخت کنٹرول اور مانیٹرنگ کی وجہ سے سالانہ بنیادوں پر 10 فیصد کمی واقع ہوئی۔

بروکر جی آپریشنز

کمپنی نے گزشتہ سال 1205 ملین روپے کے مقابلے میں بروکنگ سے 593 ملین روپے کمائے جو گزشتہ سال کے مقابلے میں پاکستان اسٹاک ایکس چینج (پی ایس ایکس) میں حجم میں کمی کی وجہ سے سالانہ بنیادوں پر 51 فیصد کم ہے۔ آپ کی کمپنی نے دانش مندانہ کوششیں کرتے ہوئے کمپنی کا مارکیٹ شیئر بڑھانے کیلئے ہر کیٹیگری یعنی ریٹیل میں 7 فیصد، ادارہ جاتی صارفین میں 3 فیصد اور ایچ این ڈبلیو آئی میں 2 فیصد کا کامیاب اضافہ کیا۔

اے کے ڈی سیکورٹیز لمیٹڈ (اے کے ڈی ایس ایل) کے بی آئی پی ایل سیکورٹیز لمیٹڈ (بی آئی پی ایل) کے انضمام کے تناظر میں شیئرز کا اجرا

سندھ ہائی کورٹ کے مورخہ 3 جون، 2022 کو جاری کردہ آرڈر جو ڈیشنل کمپنیز متفرق پٹیشن نمبر 36 آف 2021 کے ذریعے اے کے ڈی ایس ایل کو بی آئی پی ایل میں ضم کر دیا گیا اور بی آئی پی ایل کا نام تبدیل کر کے اے کے ڈی سیکورٹیز لمیٹڈ رکھا گیا۔ اس سلسلے میں کمپنی کا آپریشنل انضمام یکم اگست 2023 سے موثر کر دیا گیا۔

انضمام کی تعمیل میں کمپنی کے 457,834,171 (چار سو ستاون ملین آٹھ سو چونتیس ہزار ایک سو اکتھتر) عمومی شیئرز جو 10 روپے فی حصص کی فیس و بلیو کے

حامل ہیں، ادا شدہ سرمایہ کے طور مختص کئے گئے اور کمپنی کی طرف سے اے کے ڈی ایس ایل کے ہر حصص یافتگان کی طرف سے اے کے ڈی ایس ایل کے ہر ایک شیئر کیلئے کمپنی کے 2.59 شیئرز کے تبادلہ تناسب کی بنیاد پر اے کے ڈی ایس ایل کے حصص یافتگان کو مجموعی طور پر جاری کئے گئے۔ نتیجتاً کمپنی کا ادا شدہ سرمایہ بڑھ کر 5,578,341,710 روپے (نی دس روپے کے حساب سے 557,834,171 عمومی شیئرز) ہو گیا

معاشی جائزہ

مالی سال 2023 پاکستان کیلئے ایک مشکل سال تھا جس دوران ملک کو زرمبادلہ کے کم ہوتے ہوئے ذخائر کے ساتھ بیرونی ادائیگیوں کے بحران سے نمٹنا تھا جو جون 2023 میں 9.8 بلین امریکی ڈالر کے مقابلے میں مئی 2023 میں 3.68 بلین امریکی ڈالر رہے گئے۔ حکومت پاکستان نے انتظامی اقدامات کے ذریعے حسابات جاریہ کے دباؤ کو قابو میں رکھنے کیلئے کئے گئے اقدامات کی وجہ سے مالی سال 2022 میں 17.48 بلین امریکی ڈالر کے مقابلے میں مالی سال 2023 کیلئے حسابات جاریہ کا خسارہ 2.39 بلین امریکی ڈالر رہا۔ لیکن ان انتظامی اقدامات کے ملک کی صنعتی سرگرمی پر منفی اثرات مرتب ہوئے جس کی وجہ سے بہت سارے مینوفیکچررز کو پیداوار کی بندش کا سامنا کرنا پڑا۔

مالی سال 2023 میں حاصل 7.8 ٹریلین روپے جبکہ مالی خسارہ 6.5 ٹریلین یا جی ڈی پی 7.7 فیصد ریکارڈ کیا گیا۔ بنیادی تشویش کا بنیادی خسارہ ہے جو 690 بلین روپے یا جی ڈی پی کا 0.8 فیصد ریکارڈ کیا گیا۔

اگست 2022 میں تباہ کن سیلاب نے بڑے پیمانے پر تباہی مچائی جس کے بلند شرح سود اور معاشی نقصانات اور سست معاشی نمو کی بدولت مالی سال 2023 میں جی ڈی پی کی شرح نمو 0.29 فیصد رہی۔ مالی سال 2023 میں ہیڈ لائن افراترکی اوسط شرح مئی 2023 میں 38 فیصد کے سی پی آئی کے ساتھ مالی سال 2022 میں 12.15 فیصد کے مقابلے میں 29.18 فیصد رہی۔

لارج سکیل مینوفیکچرنگ (ایل ایس ایم) میں مالی سال 2023 میں سالانہ بنیادوں پر 10.3 فیصد رہی

توقع کی جارہی ہے کہ حکومت اور آئی ایم ایف کے درمیان نو ماہ کیلئے تین بلین امریکی ڈالر مالیت کے نئے سٹینڈ بائی معاہدے (ایس بی اے) کیلئے سٹاف لیول معاہدہ (ایس ایل اے) کے ساتھ آئندہ سال میں صورتحال میں بہتری کی امید ہے۔ اس سے عبوری انہی حکومت کو مطلوبہ معاشی اصلاحات لانے کا موقع ملے گا۔

ایکویٹی مارکیٹ کا جائزہ

مالی سال 2023 کے دوران کے ایس ای 100 انڈکس فلیٹ پوزیشن پر رہا، انڈکس میں مجموعی طور پر 179 پی پی ٹی ایس کم ہو کر 41,453 پوائنٹس کی سطح پر آیا جس میں مدت کے دوران سالانہ بنیادوں پر 0.21 فیصد کمی ہوئی۔ مدت کے دوران انڈکس 43,677 پوائنٹس (17 اگست 2022) کی بلند سطح اور 38,342 پوائنٹس (17 جنوری، 2023) کی کم سطح کے درمیان غیر مستحکم رہا۔ مالی سال 2023 کے دوران اسٹاک مارکیٹ میں اوسط تجارتی حجم 274 بلین شیئرز رہا جو گزشتہ سال کے مقابلے میں 33 فیصد سالانہ کمی کو ظاہر کرتا ہے۔ یہ سال معاشی، سیاسی اور بیرونی چیلجز کے مجموعہ کے ساتھ مشکل سال تھا۔ قدرتی آفات جیسا کہ سیلاب نے سندھ اور پنجاب کو بری طرح متاثر کیا، تقریباً 30 لاکھ مشکلات کا شکار ہوئے، سیلاب سے معیشت کو 30 بلین ڈالر کا نقصان اٹھانا پڑا۔ سیاسی ماحول خاصہ گرم رہا جس سے سماجی اور معاشی بگاڑ میں اضافہ ہوا۔ کے ایس ای 100 انڈکس میں مجموعی سرمایہ میں پاکستانی روپے اور ڈالر کے تناظر میں 8.6 فیصد اور 34.5 فیصد کم ہو کر بلز تیب 6.36 ٹریلین اور 22.2 بلین ڈالر ہے۔ کرنسی کے اعتبار سے ایک ڈالر 286 روپے پر بند ہوا۔

شعبہ کی کارکردگی کی بات کی جائے تو سینتھیک اینڈ رایون، لیزنگ کمپنیاں اور کیمیکلز سیکٹرز کے سال کے دوران مارکیٹ سرمایہ میں بلترتیب 40 فیصد، 19 فیصد اور 16 فیصد اضافہ ہوا۔ چینی اور سیمنٹ کے شعبوں میں مالی سال 2023 کے دوران بلترتیب 13.0 اور 8.0 فیصد نمو دیکھنے کو ملی جبکہ اس کے برعکس فارما، متفرق کمپنیوں، ریفائنیوں، انجینئرنگ اور آٹو موبائلز کے سرمایہ میں سب سے زیادہ کمی ہوئی جو بلترتیب 40 فیصد، 38.5، 31 فیصد اور 30 فیصد تھی۔

جاری سال کے دوران غیر ملکوں کی طرف سے 1.53 ملین ڈالر کی سرمایہ کی گئی جس میں ٹیکنالوجی میں 43 ملین سے ڈالر، صرف آئل اور گیس میں 27.4 ملین ڈالر کا سرمایہ لگایا گیا جبکہ بینکوں کو آؤٹ فلوز کا نقصان اٹھانا پڑا۔ میوچل فنڈ (منفی 134 ملین ڈالر) اور انشورنس (منفی 123 ملین ڈالر) نے سب سے زیادہ خالص آؤٹ فلوز کا مشاہدہ کیا جبکہ کمپنیوں اور افراد کی طرف سے سب سے زیادہ بلترتیب 101 ملین ڈالر اور 83 ملین ڈالر کے حصص خریدے گئے۔

ڈیٹ اور کرنسی مارکیٹ کا جائزہ

اسٹیٹ بینک کے پاس رکھے غیر ملکی زرمبادلہ کے ذخائر میں سال کے دوران مسلسل کمی ہوتی رہی جو سال کے آغاز میں 9.8 بلین ڈالر کے مقابلے میں 4.47 بلین ڈالر رہے گئے۔ کرنسی کو فری فلٹ کیمطابق ہم آہنگ کرنے سے متعلق آئی ایم ایف کی ہدایات پر پاکستان روپے کی قدر میں 39.6 فیصد کمی اور سال کے اختتام پر ایک ڈالر 286 روپے کا ہو گیا۔ کہا جا رہا ہے کہ آئی ایم ایف کیساتھ سٹینڈ بائی معاہدے پر دستخط کے نتیجے میں مالی سال 2023 کے اختتام سے پاکستان کی بیرونی ادائیگیوں کی صورتحال بہتر ہو گئی ہے۔

ملک میں بڑھتی ہوئی مہنگائی سے نمٹنے کیلئے اسٹیٹ بینک آف پاکستان کو مجبوراً مالی سال 2023 کے اختتام پر پالیسی ریٹ کو 22 فیصد پر لے جانا پڑا جبکہ گزشتہ سال کے آغاز میں یہ شرح 13.75 فیصد تھی۔ اسٹیٹ بینک کے مطابق مستقبل کی بنیاد پر مثبت شعبوں میں شرح سود کے ساتھ ملک میں افراط زر اپنی بلند ترین سطح پر پہنچ چکا ہے۔

کموڈٹی مارکیٹ کا جائزہ

بڑی کموڈٹیوں کی خرید و فروخت جو اپنی بلند ترین سطح سے کم سطح پر آئی تھیں، مشرقی یورپ میں تنازعات اور کوویڈ کی وبا سے بڑی معیشتوں کی بحالی کے باعث ایک بار پھر مئی/جون 2022 میں بلند ترین سطح پر پہنچ گئیں۔ بڑے کروڈ آئل بیچ مارکس یعنی برینٹ، ڈبلیو آئی اور عرب لائٹ کو مالی سال 2023 کے دوسری ششماہی میں 34 سے 35 فیصد کمی نمایاں کی کا سامنا کرنا پڑا جو مالی سال کے اختتام پر 120 سے 130 ڈالر بی ایل کی بلند سطح سے کم ہو کر 70 ڈالر بی بی ایل تک گر گئی۔ بڑی اجناس میں مذکورہ کمی بڑی معیشتوں بشمول یورپ، چین اور امریکہ میں طلب میں کمی کی وجہ سے ہوئی۔

اس کے علاوہ دنیا بھر کے مرکزی بینکوں نے بڑھتی ہوئی افراط زر پر قابو پانے کیلئے تسلسل کے ساتھ شرح سود میں اضافہ کیا۔ افراط زر کا دباؤ جس کی وجہ سے ابتدائی طور پر کموڈٹیوں کی خرید و فروخت سپر سائیکل میں داخل ہوئی، اس کی بنیادی وجہ مشرقی یورپ میں تنازعات (جس کے نتیجے میں براعظم میں تیل/گیس کی سپلائی چین میں رکاوٹیں آئیں) اور 2020 میں مرکزی بینکوں کی کمزور مانیٹری پالیسیاں تھیں جس کا مقصد کوویڈ وبا کے اثرات کے بعد طلب کو متحرک کرنا تھا۔ دیگر کموڈٹیوں کی خرید و فروخت میں کمی ہوئی ان میں کول (69 فیصد کمی)، آرائل این جی (68 فیصد کمی) یوریا (55 فیصد کمی)، پی وی سی (38 فیصد) اور کاٹن (48 فیصد) شامل ہے۔

پاکستان، آئی ایم ایف کے ساتھ 3 بلین ڈالر کا اسٹینڈ بائی معاہدہ طے پانے کے بعد بیرونی ادائیگیوں کی غیر یقینی صورتحال سے بچ نکلا۔ اسی وقت نگران حکومت نے اقتدار سنبھالا جس کے بعد وہ معیشت میں اصلاحات کیلئے کوششی کر رہی ہیں، توانائی (بجلی / گیس) ٹیرف میں ایڈجسٹمنٹ (یا ایڈجسٹمنٹ کی جارہی ہے) کی شکل میں یہ عمل شروع ہو چکا ہے۔ کرنسی کی قدر واپس لانے کیلئے کئے جانے والے اقدامات کے ثمرات آنا شروع ہو گئے جس کی بدولت انٹرنیٹ اور اوپن مارکیٹ میں ڈالر کا ریٹ 285 سے نیچے آ گیا۔ آئی ایم ایف پروگرام کے حصول کے بعد پاکستان اسٹاک ایکس چینج میں کاروباری سرگرمیوں میں بہتر آئی جس میں آئندہ سال میں بھی مزید بہتری آنے کی توقع ہے بلصوبہ مالی سال 2024 کے اختتام تک پالیسی ریٹ میں بتدریج کمی متوقع ہے۔

کارپوریٹ گورننس

ڈائریکٹرز مندرجہ ذیل کے تناظر میں سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان (ایس ای سی پی) کے کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں

کمپنی کے کھاتوں کی مناسب کتا میں برقرار رکھی گئی ہیں۔

کمپنی کی طرف سے تیار کردہ مالی نتائج کمپنی کے معاملات، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو شفاف انداز میں پیش کرتے ہیں۔

مالی گوشواروں کی تیاری میں اکاؤنٹنگ کے حوالے سے مناسب پالیسیاں تو اتر سے لاگو کی گئی ہیں اور اکاؤنٹنگ کے تخمینہ معقول اور دانشمندانہ فیصلہ کی بنیاد پر لگائے گئے ہیں۔

مالی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق منظور شدہ اکاؤنٹ معیارات کمپنیز ایکٹ، 2017 اور کمیشن کی طرف سے جاری ہدایات پر عمل درآمد کیا گیا۔

مالی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز پر عمل درآمد کیا گیا۔

انٹرنل کنٹرول کے نظام کو موثر انداز میں نافذ کیا گیا اور اس کا مسلسل جائزہ اور نگرانی کی جارہی ہے۔

کمپنی کی مالی حالت مضبوط ہے اور کمپنی کے کاروبار جاری کی صلاحیت پر کسی قسم کے کوئی شک و شبہات نہیں ہیں۔

کارپوریٹ گورننس کے بہترین طرز عمل میں کسی بھی مادی حقائق کو حذف نہیں کیا گیا جیسا کہ لسٹنگ ریگولیشنز میں درج ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل کو ڈاؤ آف کارپوریٹ گورننس کے بہترین طریقہ کاروں کے مطابق کی گئی ہے۔

ایگزیکٹو ڈائریکٹرز کی تعداد منتخب ڈائریکٹرز کے ایک چوتھائی سے زیادہ نہیں۔ بورڈ آف ڈائریکٹرز کی تشکیل کی تفصیلات نیچے دی گئی ہے۔

بورڈ آف ڈائریکٹرز نے اس بات کو یقینی بنایا ہے کہ ڈائریکٹرز کی ذمہ داریوں، اختیارات اور کام کے حوالے سے قواعد و ضوابط پر احتیاط کے ساتھ غور کے

بعد عمل درآمد کیا گیا۔ کمپنی سیکرٹری، سی ایف او اور ہیڈ آف انٹرنل آڈٹ کی تقرری ضابطہ میں درج تقاضوں کے مطابق کی گئی ہے۔

گزشتہ سالوں کے اہم آپریشننگ اور مالی اعداد و شمار مالی گوشواروں میں بیان کئے گئے ہیں۔

ٹیکسوں، ڈیوٹیوں، لیویز اور چارجز کے حوالے سے کوئی قانونی ادائیگیاں ہیں جو 30 جون، 2023 تک قابل ادا ہیں سوائے ان کے جنہیں مالی گوشواروں

میں بیان کیا گیا۔

- متعلقہ پارٹی کے ساتھ لین دین آڈٹ کمیٹی کے سامنے پیش کئے گئے ہیں اور کمیٹی کی سفارشات کو بورڈ آف ڈائریکٹرز کے سامنے پیش کیا گیا ہے۔
- بروکر کی طرف سے سال کے دوران ایسی کوئی ٹرانزیکشن نہیں کی گئی جو دھوکہ پر مبنی ہو، غیر قانونی یا سیکورٹیز مارکیٹ کے کسی بھی قانون کی خلاف ورزی میں کی گئی۔

- کمپنی نے ملازمین کے پروویڈنٹ فنڈ میں 17.64 ملین روپے کی رقم ادا کی ہے۔ کمپنی میں اہل ملازمین کیلئے منظور شدہ کٹری بیوٹری پروویڈنٹ فنڈ موجود ہے۔
- کمپنی کی مالی حیثیت کو متاثر کرنے والے کسی قسم کی مادی تبدیلیاں اور وعدے نہیں کئے گئے جو بلینس شیٹس کی تاریخ اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان ہوئے ہیں۔

بورڈ

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (7) ہے۔

مرد: 4

خواتین: 3

بورڈ کی مندرجہ ذیل تشکیل کی گئی

آزاد ڈائریکٹرز: 2

نان ایگزیکٹو ڈائریکٹرز: 3

ایگزیکٹو ڈائریکٹرز: 2

چیرمین اور چیف ایگزیکٹو آفیسر کی حیثیت گورننس کے بہترین طریقہ کار کے مطابق علیحدہ رکھی گئی ہے۔ چیرمین کا انتخاب نان ایگزیکٹو ڈائریکٹرز کی طرف سے کیا جاتا ہے۔ بورڈ نے اپنے فنکشنز کی کارکردگی میں بورڈ کی معاونت کیلئے ایک علیحدہ آڈٹ کمیٹی اور انسانی وسائل اور معاوضہ کمیٹی تشکیل دی ہے۔ مزید برآں کوئی بھی ڈائریکٹرسات سے زائد سٹاک کمپنیوں میں منتخب یا نامزد نہیں کیا جاتا۔

بورڈ اجلاس اور شرکت

سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق اجلاس کے انعقاد کیلئے 7 یوم کا پیشگی نوٹس جاری کیا گیا۔ بورڈ اجلاس میں ڈائریکٹرز کی شرکت درج ذیل ہے:

2023 کے دوران اجلاس میں شرکت	2023 کے دوران منعقدہ اجلاسوں میں شرکت کی دعوت	ڈائریکٹرز کا نام
4	4	حنا جاوید۔ چیئر مین
4	4	فرید عالم۔ چیف ایگزیکٹو آفیسر
4	4	کمال الدین ٹیپو
4	4	سکندر قاسم
3	4	عائشہ عقیل ڈھیڈی
4	4	افشین عقیل
4	4	طارق آدم

* غیر حاضری سے چھوٹ کی منظوری بورڈ آف ڈائریکٹرز کی طرف سے دی گئی

بورڈ اور ڈائریکٹرز کے انتخاب میں تبدیلیاں

کمپنیز ایکٹ 2017 کے سیکشن 161 کی دفعات کے مطابق 28 جنوری، 2020 کو منعقدہ غیر معمولی اجلاس عام میں تین سال کی منتخب کئے گئے سات ڈائریکٹرز کی مدت 27 جنوری، 2023 کو پوری ہوگئی۔ سات امیدواروں نے کمپنیز ایکٹ 2017 کے سیکشن (3) 159 کے تحت انتخاب کیلئے خود کو پیش کیا ہے۔ کمپنیز ایکٹ 2017 کے سیکشن (1) 159 کے تناظر میں بورڈ کی طرف سے طے کردہ تعداد کے برابر ہے۔ 27 جنوری 2023 کو منعقدہ غیر معمولی اجلاس عام میں حصص یافتگان کی طرف سے تین سال کی مدت کیلئے موجودہ سات ڈائریکٹرز کے انتخاب کی تصدیق اور منظوری دی گئی۔ ان کی مدت جنوری 2026 میں مکمل ہوگی۔

انتخاب سے قبل ڈائریکٹرز کا دوبارہ تقرر ہو گیا اور 30 جون، 2023 کو مکمل ہونے والے مالی سال کے دوران کوئی عہدہ خالی نہیں رہا۔

آڈٹ کمیٹی

کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق آڈٹ کمیٹی نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جس میں چیئر مین ایک آزاد ڈائریکٹر ہوتا ہے۔ کمیٹی کے اجلاس میں ڈائریکٹرز کی شرکت درج ذیل ہے

2023 کے دوران اجلاس میں شرکت	2023 کے دوران منعقدہ اجلاسوں میں شرکت کی دعوت	ڈائریکٹرز کا نام
4	4	کمال الدین ٹیپو۔ چیئر مین
3	4	عائشہ عقیل ڈھیڈی
4	4	افشین عقیل

* غیر حاضری سے چھوٹ کی منظوری کمیٹی کی طرف سے دی گئی

انسانی وسائل اور معاوضہ کی کمیٹی

انسانی وسائل اور معاوضہ کی کمیٹی مکمل طور پر نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جس میں چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے۔ کمیٹی کے اجلاس میں ڈائریکٹرز کی شرکت درج ذیل ہے

کمیٹی اراکین کا نام	2023 کے دوران منعقدہ اجلاسوں میں شرکت کی دعوت	2023 کے دوران اجلاس میں شرکت
سکندر قاسم - چیئرمین	1	1
عائشہ عقیل ڈھیڈی	1	-
محمد فرید عالم	1	1

* غیر حاضری سے چھوٹ کی منظوری کمیٹی کی طرف سے دی گئی

کمپنی کے ڈائریکٹرز، ایگزیکٹوز اور ان کی شریک حیات اور کمسن بچوں کی شیئرز میں ٹریڈنگ

کمپنی کے ڈائریکٹرز، ایگزیکٹوز اور ان کی شریک حیات اور کمسن بچوں نے 30 جون، 2023 کو ختم ہونے والے سال کے دوران کمپنی کے شیئرز میں کوئی ٹریڈنگ نہیں کی سوائے ان کے جو پاکستان اسٹاک ایکس چینج میں درج ہیں۔

انٹرنل مالیاتی کنٹرول

بورڈ نے کمپنی کے آپریشنز میں موثریت اور اعلیٰ کارکردگی کے حصول، قابل بھروسہ رپورٹنگ اور موجود قوانین اور ریگولیشنز کی تعمیل کیلئے انٹرنل مالیاتی کنٹرول کا ایک موثر نظام نافذ کیا ہوا ہے۔ انتظامیہ کی نگرانی اور جائزہ انٹرنل کنٹرول کے نظام کا ایک اہم جزو ہے۔ انتظامیہ نے تفصیلی جانچ اور خصوصی جائزہ کا کام اندرونی آڈیٹرز کی ٹیم کو سونپ دیا ہے۔ انٹرنل آڈٹ باقاعدگی کے ساتھ مالی کنٹرولز پر عمل درآمد کی نگرانی کرتی ہے جبکہ آڈٹ کمیٹی سہ ماہی بنیادوں پر انٹرنل کنٹرول فریم ورک کی موثریت اور مالی گوشواروں کا جائزہ لیتی ہے۔

کریڈٹ ریٹنگ

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ نے اے کے ڈی کی ریٹنگ کو اے اے مائنس / اے ون سے اپ گریڈ کرتے ہوئے AA-/A-1 (ڈبل اے مائنس / اے ون) کر دیا۔ تفویض کردہ ریٹنگ پر آؤٹ لک مثبت ہے۔ AA- کی طویل مدتی ریٹنگ کریڈٹ کے بہتر معیار، مناسب تحفظ کے عوامل کی عکاسی کرتی ہے۔ معیشت میں ممکنہ تبدیلیوں کے ساتھ رسک عوامل مختلف ہو سکتے ہیں۔ اے ون کی قلیل مدتی ریٹنگ بروقت ادائیگی اور بہترین لیکویڈیٹی عوامل کی نشاندہی کرتی ہیں جو بنیادی تحفظ کے عوامل کی حمایت حاصل ہے جبکہ رسک عوامل معمولی ہیں۔ A-1 کی قلیل مدتی ریٹنگ بروقت ادائیگی کے اعلیٰ

یقین اور بہترین لیکویڈیٹی عوامل کی نشاندہی کرتی ہے جن کی تائید اچھے بنیادی تحفظ کے عوامل اور خطرے کے عوامل معمولی ہیں۔ اے کے ڈی ایس ایل کے مارکیٹ شیئر میں بہتری، ٹاپ لائن میں مضبوط نمو اور کارکردگی کے تناسب میں قابل ذکر بہتری کو مد نظر رکھتے ہوئے ریٹنگ میں نظر ثانی کی گئی۔ ریونیو پیسر میں کنسلٹنسی کی آمدنی سے زیادہ شراکت اور مالیاتی اثاثوں پر سرمایہ کاری کے منافع کے ساتھ تنوع میں اضافہ ظاہر کرتا ہے۔ سٹریٹجکیشن سے مسلسل ترقی کے لیے انتظامیہ کے وزن کی مزید توثیق کی ہے اور امید کی جاتی ہے کہ اے کے ڈی برانڈ کی ساکھ اور استحکام کے حوالے سے کمپنی کے صارفین کو مزید اعتماد فراہم کرے گا۔

مینجمنٹ ریٹنگ

وی آئی ایس ریٹنگ کمپنی لمیٹڈ (وی آئی ایس) نے اے کے ڈی ایس ایل کی بروکر مینجمنٹ ریٹنگ کو بی ایم آرون میں اپ گریڈ کر دیا ہے۔ تفویض کردہ ریٹنگ پر آؤٹ لک مثبت ہے۔ ریٹنگ ریگولیٹری پر مضبوط عمل درآمد، مالیاتی انتظام اور کنٹرول کے ماحول، تعمیل اور رسک مینجمنٹ فریم ورک کی نشاندہی کرتی ہے۔ ریٹنگ میں اضافہ سیکورٹیز بروکنگ کے کاروبار میں کمپنی کے پرانے تجربے، مضبوط اسپانسر پروفائل، پائیدار کنٹرول ماحول اور بہتر مجموعی کاروباری کارکردگی کو واضح کرتا ہے۔ صنعت کے تجارتی حجم میں اضافے کے پس منظر میں اسٹریٹجک سرمایہ کاری کی پالیسی جاری سال میں منافع میں بہتری کا باعث بنی۔ مقامی بروکرنگ ہاؤس کے مجوزہ حصول کی تکمیل کے بعد منافع میں مزید بہتری متوقع ہے۔

بروکر فیڈ بک ریٹنگ

وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ (وی آئی ایس) نے بی ایف آر ٹو پلس پلس کی بروکر فیڈ بک ریٹنگ دوبارہ تفویض کی ہے۔ تفویض کردہ ریٹنگ کا آؤٹ لک مثبت ہے۔

انسانی وسائل

کسی بھی ادارے کے ملازمین ریڑھ کی ہڈی کی حیثیت رکھتے ہیں۔ اے کے ڈی ایس ایل اپنے ملازمین کی مہارتوں کو نکھارنے، سرمایہ لگانے اور ترقی دینے کے ساتھ ساتھ باصلاحیت افراد کو بھرتی کرنے پر پختہ یقین رکھتی ہے جس کا حتمی مقصد ملازمین کی کارکردگی اور اطمینان کی اعلیٰ سطح کو یقینی بنانا ہے تاکہ صارف کو بھی اعلیٰ سطح کا اطمینان حاصل ہو۔ مینجمنٹ ملازمین کے مقاصد کو کارپوریٹ اہداف کو ہم آہنگ انداز میں سمجھنے اور انہیں مربوط بنانے کیلئے کام جاری رکھے گی۔

رسک مینجمنٹ

ہمارے کاروبار کبھی بھی خطرات سے مبرا نہیں ہوتے جن میں لیکویڈیٹی، مارکیٹ، کریڈٹ، آپریشنل، قانونی، ریگولیٹری اور ساکھ کو درپیش خطرات شامل ہیں۔ اے کے ڈی ایس ایل کی رسک مینجمنٹ گورننس کا آغاز ہمارے بورڈ سے ہوتا ہے جو رسک مینجمنٹ پالیسیوں اور طریقوں کا جائزہ لینے اور منظوری دینے میں اہم کردار ادا کرتا ہے۔ ہمارا رسک مینجمنٹ فریم ورک اور نظام طویل المدت، معیاری اور مضبوط بنیادوں پر استوار ہے۔ ہمارا یقین ہے کہ موثر رسک مینجمنٹ کمپنی کی کامیابی کیلئے بنیادی اہمیت رکھتا ہے۔ اسی مناسبت سے ہم نے رسک مینجمنٹ کے جامع عمل شروع کیے ہیں جن کے ذریعے ہم اپنی

سرگرمیوں کے انعقاد لاحق خطرات کی نگرانی اور جائزہ کے ساتھ ساتھ انتظام کرتے ہیں۔ متعدد لین دین، مصنوعات، کاروبار اور مارکیٹوں میں خطرے کو کنٹرول کرنے کے لیے حدود کا ایک سخت فریم ورک لاگو کیا جاتا ہے۔ اس میں مختلف سطحوں پر کریڈٹ اور مارکیٹ کے خطرے کی حدیں طے کرنا اور ان حدود کی مستقل بنیادوں پر نگرانی کرنا شامل ہے۔

کارپوریٹ سماجی ذمہ داریاں

اے کے ڈی سماجی طور پر ذمہ دار ادارے کے طور پر فلاح و بہبود کی متعدد سرگرمیوں کے ذریعے معاشرے اور برنس کمیونٹی میں اپنا کردار جاری رکھے ہوئے۔ اے کے ڈی ایس ایل اپنی کارپوریٹ سماجی ذمہ داری کو پورا کرنے کیلئے پر عزم ہے اور صحت، ماحول اور طبقات کی فلاح و بہبود پر توجہ مرکوز کرنے والے منصوبوں میں اپنی شمولیت جاری رکھے گا۔ ہمارا مقصد مستقبل میں بھی ہم اس طرح کے اہم کام میں شمولیت اور کردار جاری رکھنا ہے۔

قومی خزانے میں حصہ رسد:

دوران مالی سال کمپنی نے انکم ٹیکس، سیلز ٹیکس، دیگر ٹیکس، ڈیویڈنڈ اور لیویز کی شکل میں قومی خزانے میں 206,305,416 روپے جمع کرائے

مستقبل کا کاروباری جائزہ

کمپنی کے کاروبار کی ترقی کے حوالے سے مستقبل کے امکانات پوری طرح حوصلہ افزاء ہیں جس کی وجہ انتظامیہ کی طرف سے کمپنی کے مارکیٹ شیئر میں مسلسل اضافہ اور اس کے تمام کاروباری حصوں میں وسیع تر شرکت کے ذریعے کی جانے والی کوششیں ہیں۔ کمپنی اپنے موجودہ کلائنٹس کے ساتھ مزید ممکنہ غیر ملکی اور ملکی کلائنٹس اپنے تعلقات کو توسیع دے کر اپنی پریمیم سروسز کے ذریعے سے بہتر حجم حاصل کرنے کیلئے کوشاں ہے۔ اس میں کمپنی کی اعلیٰ معیار کی تحقیق کے ذریعے نئی مصنوعات اور خدمات کی پیشکش شامل ہے۔ انتظامیہ نئی ایکویٹی اور ڈیویڈنڈ لیسنگ کی بدولت بڑھتی سرگرمی میں اضافہ بھی دیکھتی ہے جس کے لیے انوسٹمنٹ بینکنگ ڈویژن اچھی طرح سے لیس ہے۔

آڈٹ کمیٹی

آڈٹ کمیٹی بورڈ کی طرف سے منظور کردہ ٹرمز آف ریفرنس کی مطابق موثر انداز میں اپنے فرائض اور ذمہ داریاں نبھا رہی ہے۔

اخلاقیات اور کاروباری طریقے

سیکورٹیز بروکرز لائسنسنگ اینڈ آپریشنز ریگولیشنز 2016 کے تقاضوں کے مطابق کمپنی نے تعمیل کیلئے ”ضابطہ اخلاق“ جاری کیا ہے جس پر کمپنی کے تمام ڈائریکٹرز اور ملازمین نے ضابطہ کو سمجھ بوجھ کر دستخط کئے ہیں۔

متعلقہ پارٹی کے ساتھ لین دین

کمپنی ایکٹ 2017 کے تقاضوں کی تعمیل کرتے ہوئے کمیٹی نے متعلقہ پارٹی کے ساتھ تمام لین دین کے جائزہ اور منظوری کیلئے آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کے سامنے پیش کئے ہیں۔ آڈٹ کمیٹی اور بورڈ نے اپنے اپنے اجلاسوں میں ان لین دین کی منظوری دی۔ متعلقہ پارٹی کے ساتھ لین دین کی

تفصیلات پڑتال شدہ مالی گوشواروں کے نوٹس 36 & 16.2, 14.1, 7.3 میں بیان کی گئی ہیں۔

ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کا معاوضہ

کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرتی۔ آزاد ڈائریکٹرز بورڈ اور اس کی کمیٹی کے اجلاس میں شرکت کیلئے اجلاس فیس کے حقدار ہیں۔ آزاد ڈائریکٹرز کو اجلاس میں شرکت کیلئے ہونے والے سفری، بورڈنگ اور لوجنگ اخراجات، اگر کوئی ہے، کی واپس ادائیگی کی جاتی ہے۔ تمام ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کے معاوضے کی تفصیلات پڑتال شدہ مالی گوشواروں کے نوٹس 35 میں بیان کی گئی ہیں

مالی ذمہ داری

کمپنی کی انتظامیہ مالی گوشواروں اور متعلقہ نوٹس کی تیاری کی ذمہ دار ہے۔ ان مالی گوشواروں کا بورڈ آف ڈائریکٹرز کی منظوری سے پہلے آڈٹ کمیٹی کی طرف سے جائزہ لیا جاتا ہے۔

آڈٹ کمیٹی کاروبار سے منسلک خطرات کی نگرانی اور انتظام میں بورڈ کی معاونت کرتی ہے جبکہ ان خطرات کو کم کرنے کیلئے انٹرنل کنٹرولز نافذ کیے جاتے ہیں۔ کمیٹی کوڈ آف کارپوریٹ گورننس کے تقاضوں اور بورڈ کی طرف سے منظوری کردہ ٹرمز آف ریفرنس کے مطابق کام کرتی ہے۔ کمیٹی تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہوتی ہے جس میں چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے۔ کمیٹی کے سال میں چار اجلاس منعقد ہوئے ہیں۔

انسانی وسائل اور معاوضہ کمیٹی بورڈ کو انسانی وسائل کے انتظام میں معاونت دیتی ہے جس میں مینجمنٹ کے کلیدی اہلکاروں کا انتخاب، جائزہ اور ان کے معاوضہ کا تعین شامل ہے۔ کمیٹی کوڈ آف کارپوریٹ گورننس میں بیان کردہ تقاضوں کے مطابق کام کرتی ہے۔ کمیٹی تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جس کا چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے۔ کمیٹی کا سال کے دوران ایک اجلاس منعقد ہوتا ہے۔

ایکسٹرنل آڈیٹرز کی تقرری

ایکسٹرنل آڈیٹرز میسرز آرایس ایم او ایس حیدرلیاقت نعمان، چارٹرڈ اکاؤنٹنٹس مدت کے اختتام پر سبکدوش ہو گئے۔ آڈٹ کمیٹی کی سفارشات پر بورڈ نے آرایس ایم او ایس حیدرلیاقت نعمان، چارٹرڈ اکاؤنٹنٹس کی بطور ایکسٹرنل آڈیٹرز مالی سال 2024 کے لیے دوبارہ تقرری کی توثیق کی۔

شیئر ہولڈنگ

30 جون، 2023 تک کمپنی کے شیئر ہولڈنگ کا پیٹرن اور شیئر ہولڈرز کی کیلنگریاں سالانہ رپورٹ کے ساتھ منسلک ہے۔


منافع منقسمہ

سرماہ کو جمع کرنے کے لیے نقد منافع منقسمہ کی تجویز نہیں دی گئی ہے۔

اظہار تشکر

اے کے ڈی سیکورٹیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کمپنی کی بہتری اور ترقی کیلئے تمام سٹیک ہولڈرز اور کمپنی کے ملازم سے ان کی کوششوں اور کردار پر اظہار تشکر کرتے ہیں۔


ڈائریکٹر


چیف ایگزیکٹو آفیسر

کراچی: 15 اکتوبر، 2023

FORM OF PROXY
TWENTY-FOURTH ANNUAL GENERAL MEETING



The Company Secretary
AKD Securities Limited
Suite-602, Continental Trade Centre,
Block 8 Clifton, Karachi - 75600 Pakistan.

I / We _____ S/o, D/o, W/o _____ Holding CNIC #

Resident of _____

being member(s) of AKD Securities Limited holding _____

ordinary shares hereby appoint Name _____ S/o, D/o, W/o _____

Holding CNIC # or failing him/her Name _____ S/o, D/o, W/o _____

who is/are also member(s) of AKD Securities Limited as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Twenty-Fourth Annual General Meeting of the AKD Securities Limited Company to be held on Saturday October 28, 2023 at 03:00 PM at the institute of Chartered Accountants of Pakistan (ICAP) Auditorium Hall, Chartered Accountants Avenue Clifton Karachi along with audio/video facility and/or any adjournment thereof.

Signed this _____ day of _____ 2023

Witnesses

1. _____

2. _____

Shareholder Folio No.
or
CDC Participant I.D.No.
&
Sub Account No.

Signature on
Ten Rupees
Revenue Stamp



The Signature should agree with the
specimen registered with the
Company's Registrar

NOTES

- The Member is requested:
 - to affix Revenue Stamp of Rs.10 at the place indicated above;
 - to sign across the Revenue Stamp in the same Style of Signature as is registered with the Company's Registrar; and
 - to write down his folio number.
- This proxy form, duly complete and signed, must be received at the office of our Registrar not later than 48 hours before time of the meeting
- No person shall act as a proxy unless he/she himself/herself is a member of the Company, except that a Corporate body may appoint a person who is not a member.
- CDC shareholders or their proxies should bring their original Computerised National Identity Card or Passport along with the Participant's ID Number and their Account number to facilitate their identification.

پراکسی فارم

24 واں سالانہ اجلاس عام

اے-کے ڈی سیکیورٹیز لمیٹڈ

کمپنی سیکرٹری
اے-کے ڈی سیکیورٹیز لمیٹڈ
سوئیٹ 602-، کانٹری نینٹل ٹریڈ سینٹر
بلاک 8 کلغٹن، کراچی - 75600 پاکستان۔

میں / ہم _____ ولد / بیٹی / بیوی _____ شناختی کارڈ نمبر _____ ساکن _____ اے-کے ڈی سیکیورٹیز لمیٹڈ
رکن / اراکین ہیں، اور _____ عمومی حصص رکھتے ہیں، بذریعہ ہذا _____ ولد / بیٹی / بیوی _____ شناختی کارڈ نمبر _____
یا ان کی عدم موجودگی کی صورت میں _____ ولد / بیٹی / بیوی _____ جو خود بھی اے-کے ڈی سیکیورٹیز لمیٹڈ کا رکن ہے / کو بطور مختار پراکسی مقرر کرتا / کرتی
ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے جو سواں سالانہ اجلاس عام جو 28 اکتوبر، 2023 بروز ہفتہ 03:00 بجے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان
اوڈیٹوریم ہال، چارٹرڈ اکاؤنٹنٹس ایونیو کلغٹن کراچی میں آڈیویڈیو اور / یا اس کے کسی ملتی شدہ نشست میں میری / ہماری طرف سے شرکت کر سکیں گے اور ووٹ ڈال سکیں گے۔

دستخط مورخہ _____ برائے ماہ _____ 2023 ثبت ہیں

گواہان	حصص یافتہ کا فوئیو نمبر
1	سی ڈی سی پارٹیسپنٹ آئی ڈی نمبر
2	سب اکاؤنٹ نمبر

دستخط بعوض 10 روپے ریونیو اسٹیٹمپ پر دستخط

دستخط کمپنی میں رجسٹرڈ نمونے کے دستخط کے مطابق ہونے چاہیں

اہم نکات:

1. رکن سے درخواست کی جاتی ہے:
(a) اوپر نشان کردہ جگہ پر 10 روپے کارپونیو اسٹیٹمپ چسپاں کیا جائے
(b) ریونیو اسٹیٹمپ پر کمپنی رجسٹر میں رجسٹرڈ دستخط کے نمونے کے مطابق دستخط کئے جائیں اور
(c) اپنا فوئیو نمبر لکھے
2. یہ پراکسی فارم اجلاس سے 48 گھنٹے قبل تک کمپنی کے شیئر رجسٹرڈ آفس میں مکمل طور پر راور دستخط کے ساتھ موصول ہو جانا چاہیے
3. کوئی بھی شخص اس وقت پراکسی کے طور پر کام کرے گا جب وہ خود کمپنی کا ایک رکن ہو، ماسوائے کارپوریشن کے جو کسی ایسے شخص کا تقرر کر سکتی ہے جو کمپنی کا رکن نہ ہو۔
4. سی ڈی سی حصص یافتگان یا ان کی پراکسیوں کو اپنی شناخت ظاہر کرنے کیلئے اپنے ساتھ اصل کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ معہ پارٹیسپنٹ آئی ڈی نمبر اور اپنے اکاؤنٹ نمبر لانا لازمی ہے۔

AKD Securities Limited
BALLOT PAPER FOR VOTING THROUGH POST

For poll at the Annual General Meeting of AKD Securities Limited to be held on Saturday October 28, 2023 at Institute of Chartered Accountants of Pakistan (ICAP) Auditorium Hall, Chartered Accountant Avenue, Clifton, Karachi. Designated email address of the Chairman at which the duly filled in ballot paper may be sent at agm@akdsl.com

Name of shareholder/joint shareholders	
Registered Address	
Folio No. / CDC Participant / Investor ID with sub-account No	
Number of shares held	
CNIC, NICOP/Passport No. (in case of foreigner) (Copy to be attached)	
<u>Additional Information and enclosures</u> (In case of representative of body corporate, corporation and Federal Government.)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory – (Copy to be attached)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the relevant box below or may write "Approved" or "Disapproved"

SPECIAL RESOLUTION
"RESOLVED THAT the approval be and is hereby given to allow the Company to circulate the annual audited financial statements to its members/shareholders through Quick Response (QR) enabled code and web link instead of through CD/DVD/USB, subject to the requirements of Notification No. S.R.O. 389(1)/2023 of Securities and Exchange Commission of Pakistan dated March 21, 2023"

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	Special Resolution as per Agenda # 5			

Signature of shareholder (s):

Place & Date:

NOTES:

Dully filled postal ballot should be sent to chairperson of AKD Securities Limited at Suite-602, Continental Trade Centre, Block 8 Clifton, Karachi - 75600, Pakistan. or through email at agm@akdsl.com

Copy of CNIC, NICOP/Passport No. (In case of foreigner) should be enclosed with the postal ballot form.

Postal ballot forms should reach chairman of the meeting till 5.00 p.m. October 27, 2023. Any postal ballot received after this date, will not be considered for voting.

Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).

Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

اے کے ڈی سیکورٹیز لمیٹڈ

بذریعہ ڈاک ووٹنگ کیلئے بیلٹ پیپر

بروز ہفتہ 28 اکتوبر 2023 کو انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (آئی سی اے پی) آڈیٹوریم ہال، چارٹرڈ اکاؤنٹنٹس ایونیو، کلفٹن، کراچی میں اے کے ڈی کے منعقدہ سالانہ اجلاس عام میں ووٹنگ کیلئے چیئرمین کا متعلقہ ای میل ایڈریس جس پر مکمل شدہ بیلٹ پیپر بھیجے جاسکتے ہیں

agm@akdsl.com

	حصص یافتہ / جائنٹ حصص یافتہ کا نام
	رجسٹرڈ ایڈریس
	ذیلی اکاؤنٹ نمبر کے ہمراہ فولیو نمبر / سی ڈی سی پارٹیسپینٹ / انویسٹر آئی ڈی
	تحویل میں موجود حصص کی تعداد
	شناختی کارڈ، نائیکوپ / پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) (نقل منسلک کی جائے گی)
	اضافی معلومات اور دستاویزات (کارپوریٹ ادارے، کارپوریشن کے نمائندے کی صورت میں)
	مجاز دستخطی کا نام
	سی آئی این سی، نائیکوپ / پاسپورٹ نمبر (مجاز دستخطی کے غیر ملکی ہونے کی صورت میں)

میں / ہم یہاں بذریعہ ڈاک مندرجہ ذیل قراردادوں کی منظوری یا نہ منظوری کے لئے اپنی حق رائے دہی () نشان مندرجہ ذیل دیئے گئے خانوں میں لگا کر یا ”منظور“ یا ”نا منظور“ بھی لکھ کر استعمال کرتا / کرتے ہیں

خصوصی قرارداد

قرارداد کیا کہ سیکورٹیز اینڈ ایکس چینج کمیشن کے ایس آر او 2023/1/389 بتاریخ 21 مارچ، 2023 کے تقاضوں کی تعمیل میں کمپنی کو سی ڈی / ڈی وی ڈی / یو ایس بی کی بجائے کیو آر کوڈ اور ویب لنک کے ذریعے اپنے اراکین کو سالانہ پڑتال شدہ مالی گوشوارے ارسال کرنے کی اجازت دی جاتی ہے۔

نمبر شمار	قراردادوں کا متن	عمومی حصص کی تعداد حق رائے دہی کیلئے	میں / ہم اس قرارداد کے حق میں ہوں / ہیں	میں / ہم اس قرارداد کے حق میں نہیں ہوں / ہیں
1.	ایجنڈا نمبر 5 کے مطابق خصوصی قرارداد			

حصص یافتہ کے دستخط

مقام و تاریخ

نوٹس:



AKD Securities Limited



info@akdsl.com | www.akdsl.com | +92 21 111 253 111



Suite-602, Continental Trade Centre, Block 8 Clifton, Karachi - 75600 Pakistan.