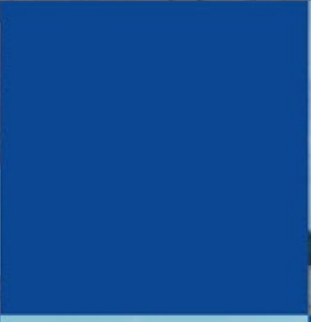
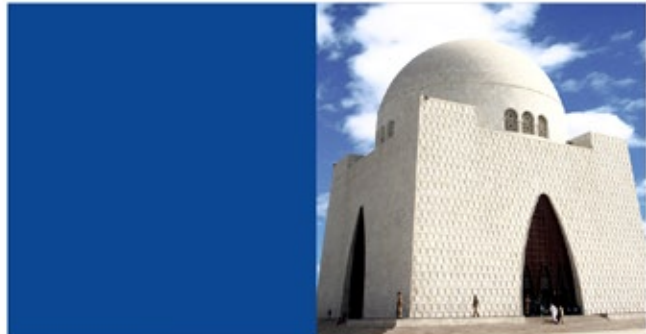




AKD Securities Limited



ANNUAL REPORT

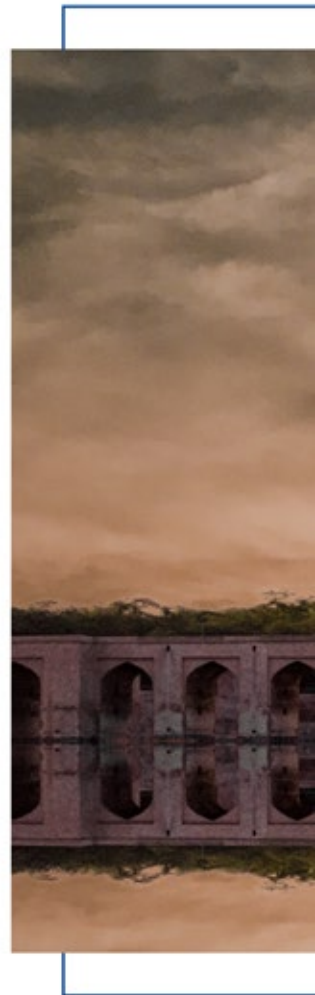
June 2022

AKD SECURITIES LIMITED
Pakistan's Largest Brokerage House





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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.

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



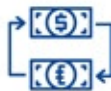
EQUITIES

- 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.



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 sukuks, T-Bills, commercial papers, promisory notes, overnight, term funding etc



FOREX

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



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



CORPORATE FINANCE & ADVISORY

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



RESEARCH

- Award winning research recognized locally and internationally.
- 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

Tanveer Hussain Khan

HEAD OF INTERNAL AUDIT

Intezar Ahmed

LEGAL ADVISORS

Bawaney and Partners
 Advocates and Investment and Corporate
 Advisor 3rd & 4th Floors, 68-C, Lane 13,
 Bokhari Commercial Area,
 Phase-VI, DHA, Karachi, Pakistan
 Phones: (+92-21) 35156191-92-93-94
 Fax: (+92-21) 351-56195
 bawaney@cyber.net.pk

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

REGISTERED OFFICE

Address: Suite # 602, 6th Floor Continental
 Trade Center, Block-8, Clifton, Karachi –
 5600, Pakistan.
 UAN: 92-21 111-253-111- 606-649
 info@akdsl.com

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

CREDIT RATING

JCR-VIS Credit Rating
 Company Limited

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

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

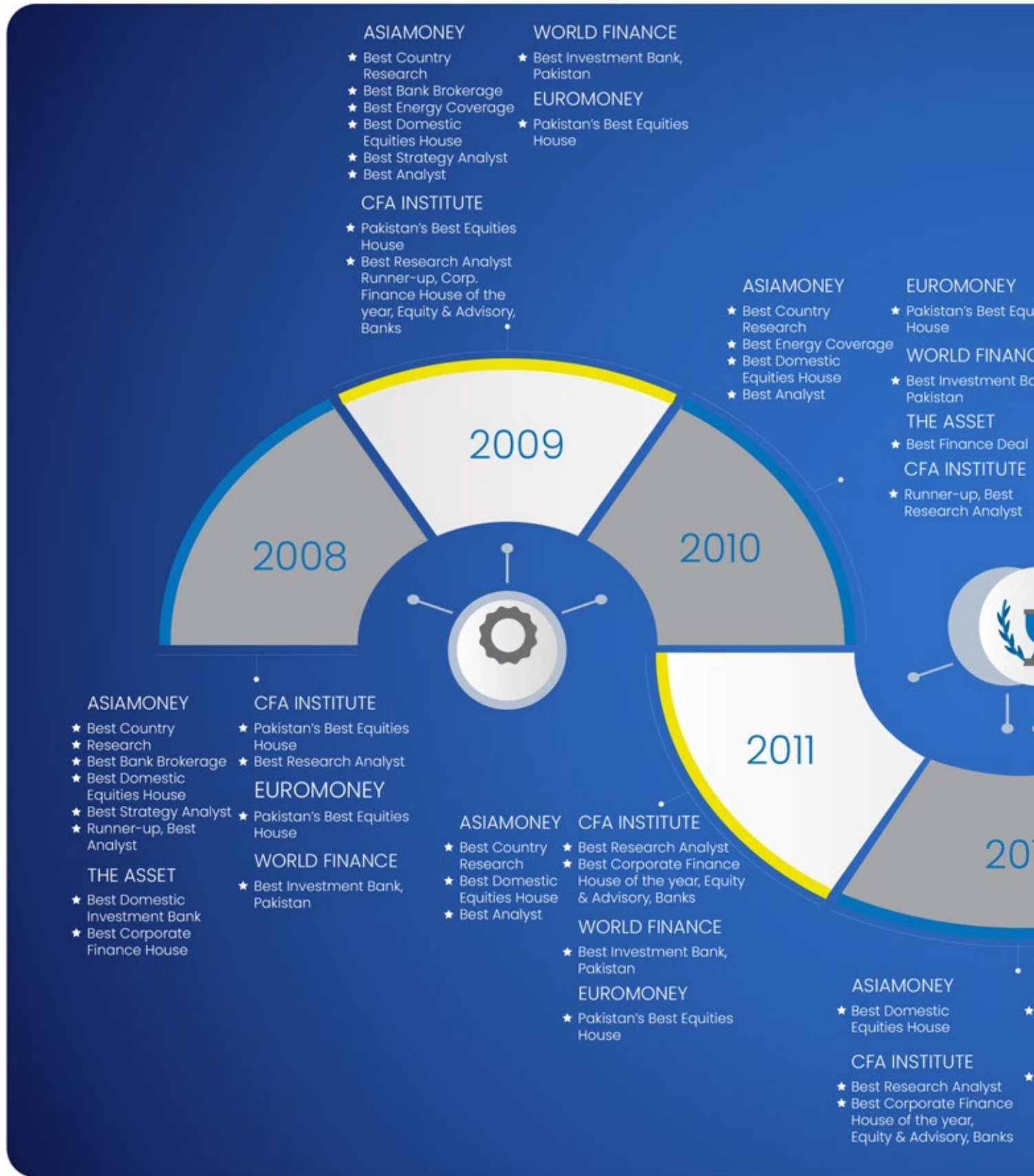
Honesty and integrity are the hallmarks of AKD Securities Limited (formerly 'BIPL Securities Limited')(AKDSL) and adherence is expected on part of each employee. AKDSL must compete for business on an honest and open basis – this is integral to ethical behavior.

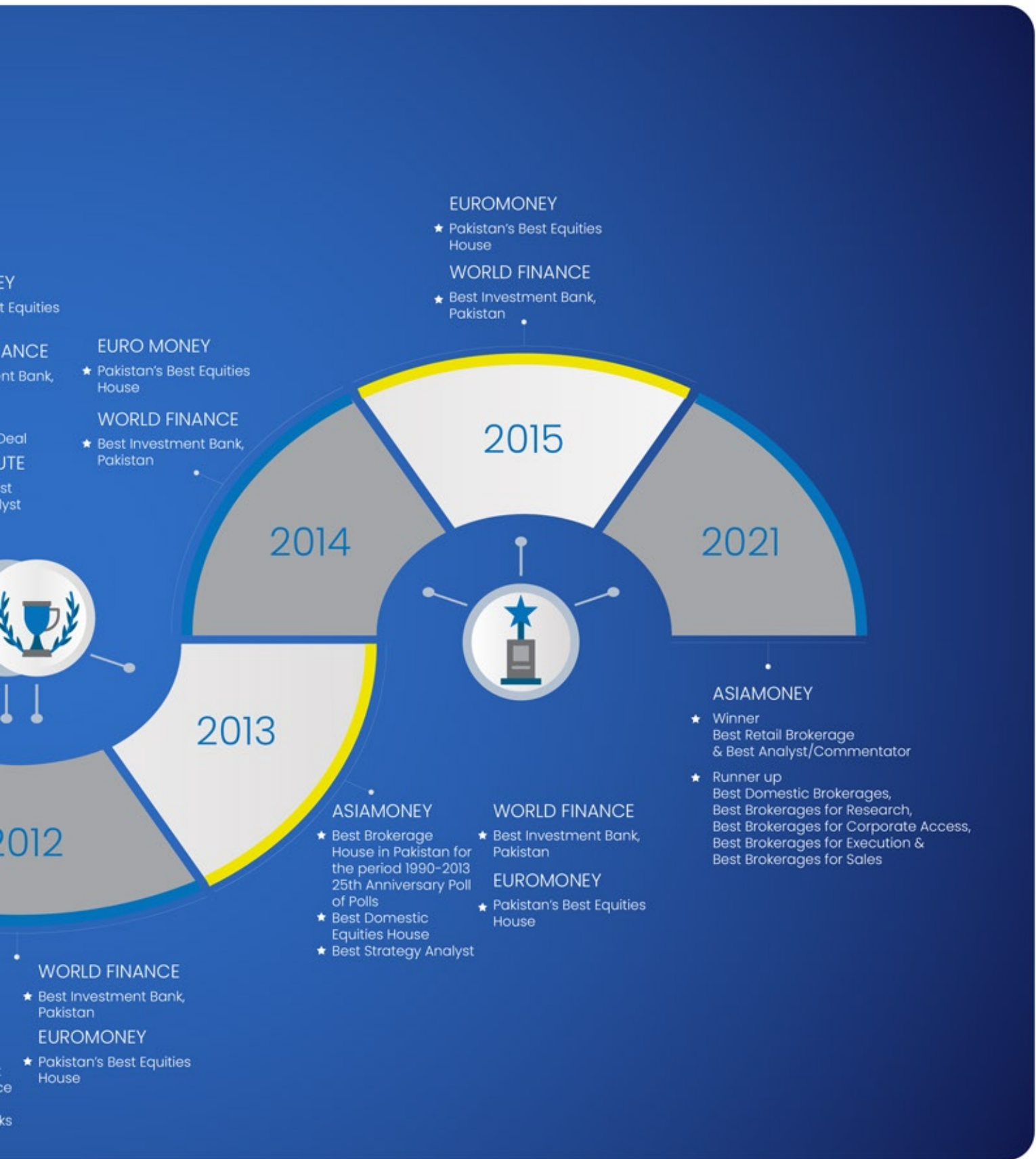
A conflict occurs when an employee's private interest interfaces with the interest of the Company or its clients. No employee shall transact any business on behalf of himself or any person other than AKDSL with any supplier of goods or services to AKDSL in circumstances that could give rise to a conflict 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>5000</p> <p>Frontier Foundry Steel Limited Initial Public Offering - Book Building</p>	<p>2022</p> <p>2500</p> <p>International Packaging Films Limited Initial Public Offering - Book Building</p>	<p>2022</p> <p>3600</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>5016</p> <p>Pak Elektron Limited Issuance of Right Shares</p>	<p>2022</p> <p>3000</p> <p>Flying Cement Company Limited Issuance of Right Shares</p>	<p>2022</p> <p>5400</p> <p>Unity Foods Limited Issuance of Right Shares</p>	<p>2021</p> <p>850</p> <p>Apna MicroFinance Bank Limited Issuance of Right Shares</p>






M&A / ADVISORY / RESTRUCTURING



<p>2021</p> <p>750</p>  <p>OilCo Petroleum Private Limited</p> <p>Sukuk issue</p>	<p>2021</p> <p>7000</p>  <p>Byco Petroleum Pakistan Limited</p> <p>Sukuk issue</p>	<p>2021</p> <p>3000</p>  <p>Unity Foods Limited</p> <p>Sukuk issue</p>	<p>2021</p> <p>900</p>  <p>TPL Corp Limited</p> <p>Commercial Paper</p>
<p>2019</p> <p>2000</p>  <p>Kashf Foundation</p> <p>Term Finance Certificate</p>	<p>2019</p> <p>2500</p>  <p>Masood Textile Mills Limited</p> <p>Sukuk issue</p>	<p>2016</p> <p>2000</p>  <p>Hascol Petroleum Limited</p> <p>Sukuk Issue</p>	<p>2012</p> <p>1255</p>  <p>Treet Corporation</p> <p>Participation Term 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>Landmark Spinning Industries 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>100</p>  <p>Munslaik Digital Private Limited</p> <p>Private Equity</p>
<p>2021</p> <p>78</p>  <p>Hashmove Technology FZCO</p> <p>Private Equity</p>	<p>2021</p> <p>30</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

Lahore:

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

Karachi (Gulshan-e-Iqbal):

Friends paradise, 1st Floor, SB-36, Block No. 13-D,
KDA Scheme-24, Main University Road, Karachi
Tel.: 92-21-34980763-4 & 66, Fax: (+92-21) 34980761

Lahore:

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

PSX - Karachi:

Room no. 93 - 95 2nd floor, Pakistan Stock Exchange
Building, Stock Exchange Road, Karachi, Pakistan
Tel.: 92-21-32412910 - 14, Fax: (+92-21) 32412911

Faisalabad:

Room # 509 & 510, 5th Floor, State Life
Building, Liaqat Road, Faisalabad, Pakistan
Tel: 92 41-2614408-10

Gujranwala:

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

Faisalabad:

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

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

Peshawar:

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

Islamabad:

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

Sialkot:

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

Islamabad:

Office No. 313, ISE Tower, Jinnah Avenue,
Blue Area, Islamabad, Pakistan
Tel: 92 51-2894201-5

Multan:

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

Rahim Yar Khan:

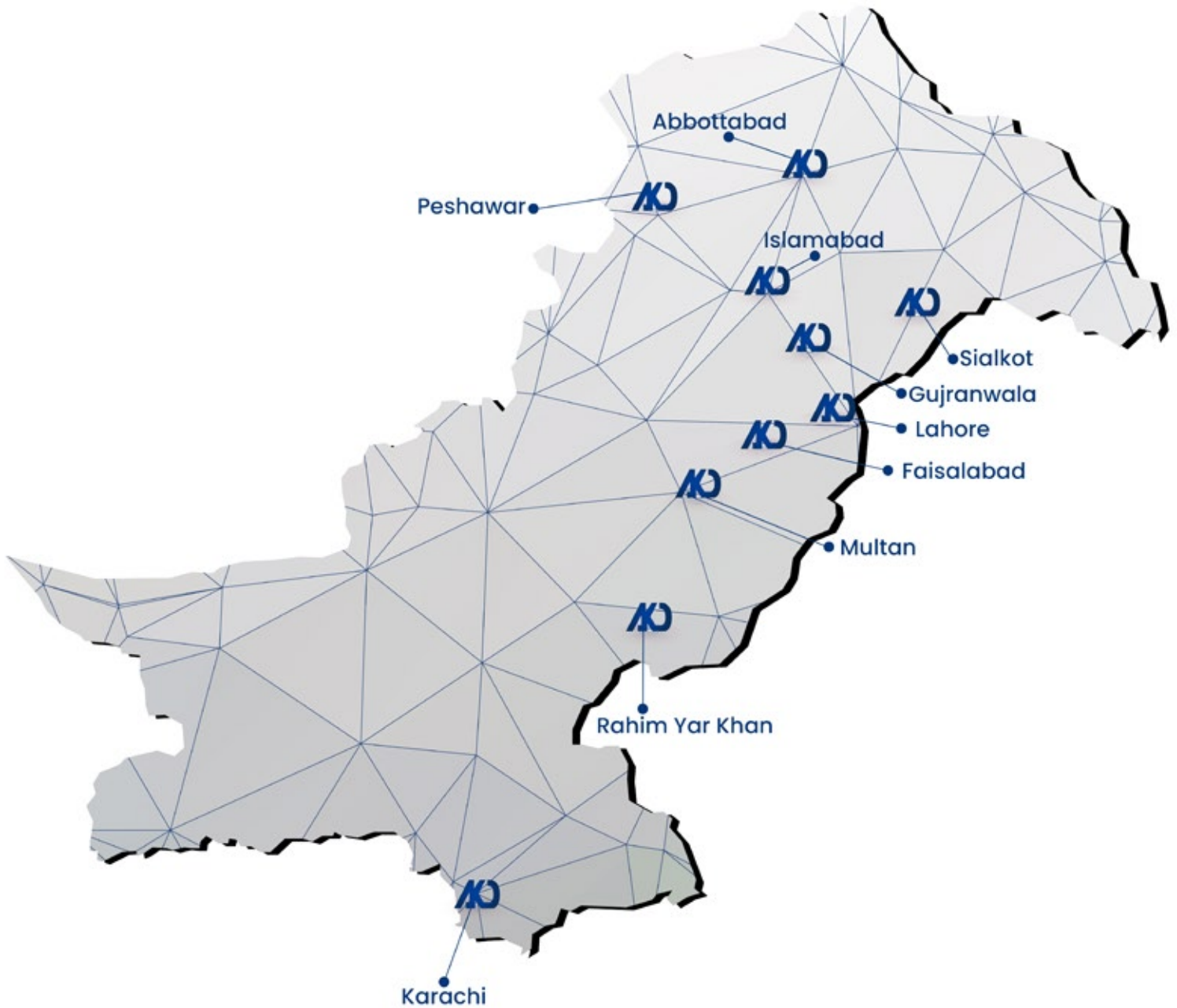
Plot # 24, 24 City Park Chowk, Model Town,
Rahim Yar Khan, Pakistan
Tel.: 92-68-5873251 (2-4)

Karachi:

5th floor, Trade Centre,
I.I. Chundrigar Road, Karachi,
Tel: +92 21 111 222 000



A robust network of 19 branches and further expanding to better assist you with your investment needs.





Hina Dhedhi 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 Dhedhi Junaid
Chairperson

AKD Securities Limited formerly BIPL Securities Limited



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 at 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 for 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, acting 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 Director 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.

Muhammad Farid Alam, FCA
Chief Executive Officer
AKD Securities Limited formerly BIPL Securities Limited



Hina Dhedhi Junaid
Chairperson

Serving for over a decade as the Chairperson of AKD Securities Ltd formerly BIPL Securities Limited., Ms. Hina Dhedhi 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

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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.



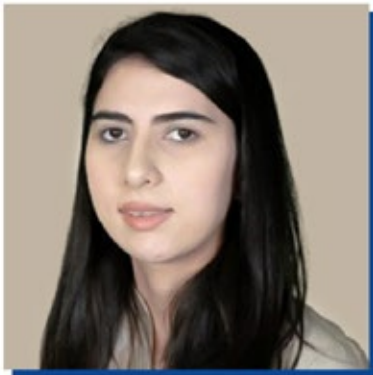
Sikander Kasim
Director

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 also serves on the Board of Directors of BIPL Securities Limited. 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.



Directors' Report

The Board of Directors of AKD Securities Limited [formerly BIPL Securities Limited] – (“the Company”) is pleased to present the audited financial statements together with the Auditor’s Report thereon for the year ended 30 June 2022.

OPERATING RESULTS

The comparison of the audited results for the year ended 30 June 2022 with the corresponding period of last year is as under:

	30 June 2022	30 June 2021
	----- (In Rupees) -----	
Net revenue	1,600,410,686	563,909,897
Gross profit	17,921,937	295,195,782
(Loss) / profit before tax	(82,422,056)	275,953,823
(Loss) / profit after tax	(324,228,909)	191,384,009
(Loss) / earnings per share	(3.24)	1.91

During the year, the company posted a net loss of **Rs. 324.229 million**. The major reason for the loss is the capital loss in sale and unrealized loss of listed investments

MERGER OF BIPL SECURITIES LIMITED AND AKD SECURITIES LIMITED

The board of directors and shareholders of your company approved the proposed scheme of arrangement for merger of AKD Securities Limited (AKDSL) with and into BIPL Securities Limited (BIPL). The Honorable Sindh High Court, vide its order JCM No. 36 of 2021 dated June 03 2022 sanctioned the proposed merger of AKDSL into BIPL and BIPL being the surviving entity has been renamed as AKD Securities Limited vide SECP certificate on Change of name dated 22 July 2022.

After the merger the Company has become a full suite and largest brokerage house for its clients of Pakistan offering an array of services including brokerage, corporate finance, research, money market and Foreign Exchange. The Company has further expanded geographically through the merger that has increased its footprint in all major cities of Pakistan. This enabled the Company to offer comprehensive delivery & distribution channel to all its clients to supplement for providing top of the line services offered by it. By way of this merger, the Company will also be able to fast track its branch expansion strategy.

ECONOMIC REVIEW:

In a year dominated by political turmoil along with commodities’ Supercycle, the country faced its fair share of challenges. Despite this, our economy posted tremendous GDP growth of 5.97%, higher than the 5.74% recorded last year, as the country continued its V-shaped recovery after the pandemic. Moreover, LSM grew by 11.7% in FY22 on the back of increased global demand along with favorable government policies.

CPI inflation for the year clocked in at 12.1% driven by higher commodity prices, with the Russia-Ukraine conflict further exasperating the crisis. Fiscal deficit for FY22 was PkR5.2tn, culminating to 7.9% of GDP as misguided subsidy programs widened the margin from the target. The IMF program under the 7th and 8th review could not be renewed by the end of the fiscal year, as political turmoil along with budgetary discrepancies delayed progress. Nonetheless, a strong performance by the economy along with hefty industrial growth relayed positive sentiments.

EQUITY MARKET REVIEW:

The year kicked off in the middle of one of the best runs by the market in recent year, with the KSE-100 having recently made a ~5 year high of 48,726pts in Jun’21. Entering into FY22, the run culminated in the year’s high of 48,112pts in August—the highest level since. The impacts of political turmoil were particularly felt in the market, beginning a freefall from 46,402pts in April which continued well into FY23. Furthermore, as delays in the IMF program were added to the mix, the uncertainty in the market loomed, leading to volumes vanishing as the end of the year neared. Foreign outflow from the market further exasperated uneasy sentiment, with a net outflow of ~US\$298mn from foreign investors during the year.

DEBT AND CURRENCY MARKET REVIEW

Interest rates have risen by 800bps to reach 15% as SBP adjusted for rising inflation and tried to curb the outflow of foreign currency reserves. Uncertain market sentiment due to political turmoil led to weakness in the local currency, which along with the overall strong performance of the greenback led to an 11% depreciation in the PkR/USD rate. SBP’s forex reserves at the year-end stood at PkR9.8bn, decreasing by 43%YoY compared to PkR17.3bn held at the end of FY21.

GLOBAL COMMODITIES

Oil prices traded higher during the year, with Brent averaging US\$91/bbl in FY22, compared to US\$55/bbl in the earlier year. Brent prices reached a high of US\$128/bbl in Mar'22, just weeks after the Russia-Ukraine conflict started, as fears regarding supply shortages started looming. This came at a time when economic activity around the globe started recovering after the COVID-19 slump witnessed in the earlier year, expected to lead to higher demand. However, prices have eased since, as developed economies attempted to combat the resulting inflation by employing a hawkish stance and increasing interest rates.

FUTURE OUTLOOK

As the floods devastate the country, we expect economic growth to be subdued, with GDP growth estimated at 2.1% in FY23. Moreover, as the currency depreciates and SBP takes measures to curb outflow of reserves, LSM output along with profitability is expected to diminish. High interest rates and rising inflation (24.8% expected in FY23) will hamper consumer demand, further stressing the economic output of the country. The resumption of the IMF program is expected to enable further inflows from multilateral agencies and friendly countries, although it is an uphill task for the Government to ensure all clauses of the IMF program are met.

ROSHAN DIGITAL ACCOUNT

RDA has proven to be a successful solution for Pakistan's workers remittances which is also helping the country for attracting remittances for FX building, this initiative gives opportunity to Pakistani expatriates to invest into various asset classes. Through this initiative, government has offered new avenues such as Naya Pakistan Certificate and investment in the stock market besides traditional real estate vehicles and car financing. AKD has set up a dedicated team to provide customer support to RDA clients and is focusing on increasing headcounts to enhance the RDA clientele.

INVESTMENT BANKING/CORPORATE FINANCE

During FY 2022, AKD Securities Limited successfully advised and arranged for equity and debt transactions amounting to over PKR 24 bn. We successfully completed Pakistan's first GEM Board listing of Pak Agro Packaging Limited via Book Building at the local bourse, thus attaining another milestone in equity capital market space in Pakistan.

During the same year, we also completed one of the largest transactions in the Oil & Gas sector in the recent past amounting to over PKR 11 Bn, where AKD Securities Limited acted as the Financial Advisor & Arranger and Underwriter for the private placement of 1,172,659,298 ordinary shares of Pakistan's largest oil refinery, Cnergyico PK Limited, constituting to ~22% of the issued and paid-up capital of the company.

COMPANY PERFORMANCE REVIEW

Operating revenue of the company decreased by 27%YoY principally due to decreased volumes at Pakistan Stock Exchange ("PSX") compare to last year, however, comparative figures are not comparable as detailed in Note 1.3.1 of the audited financial statements.

As highlighted by the Board in previous reviews, we continue to expect 2023-24 to be a challenging due to recent floods and IMF agreements, the board believes that next year will be more stabilizing for all Equity Market Participants. The Executive Management is acutely monitoring its positioning to reap the maximum benefits for all its stakeholders during the current Financial Year. This involves optimizing revenue generation from treasury management, core brokerage and fee based operations whilst at the same time rationalizing our cost base.

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 2022 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) (including CEO who is deemed director) as per the following:

Male	4
Female	3

The composition of board is as follow:

Independent Directors	2
Non-Executive Directors	3
Executive Directors	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, seven 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 2022	Meetings attended during 2022
Kamal Uddin Tipu – Chairman	7	7
Sikander Kasim	7	7
Ayesha Aqeel Dhedhi	7	6
Afsheen Aqeel	7	7
Ms. Hina Junaid	1	1
Mr. Farid Alam – Chief Executive Officer	1	1
Mr. Tariq Adam	1	-

Board Members retired/resigned during 2022		
Muhammad Hafeezuddin Asif	3	3
Muhammad Shahzad Dhedhi	3	3
Khurshid Anwar	7	7
Muhammad Noorul Hasan	7	7
Abdul Aziz Anis-Chief Executive Officer	7	7

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

The Directors wish to report the following changes during the year 2022 in the composition of the Board of Directors:

- Ms. Hina Junaid was appointed as Non- Executive Director in place of Mr. Shehzad Dhedhi and appointed as Chairperson in place of Mr. Kamal Uddin Tipu on 28 June 2022.
- Mr. Muhammad Farid Alam was appointed as Chief Executive Officer in place of Mr. Abdul Aziz Anis Ex- CEO on 28 June 2022.
- Mr. Tariq Ghumra was appointed as Director in place of Khurshid Anwar on 28 June 2022.
- Mr. Muhammad Shehzad Dhedhi was appointed as Director in place of Mr. Muhammad Hafeezuddin Asif on 04 March 2022.
- Mr. Muhammad Noorul Hasan was resigned from the Directorship on 28 June 2022.

The Board welcomed the new Members on the Board and placed on record its sincere appreciation for the services rendered by the outgoing Members.

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 2022	Meetings attended during 2022
Sikandar Kasim	4	4
Ayesha Aqeel Dhedhi	4	3
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 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 2022	Meetings attended during 2022
Kamal Uddin Tipu- Chairman	1	1
Ayesha Aqeel Dhedhi	1	1
Khurshid Anwar	1	1

CREDIT RATING

JCR-VIS Credit Rating Company Limited ("JCR-VIS") has upgraded the entity ratings to 'A+/A-1' (A Plus/A-One). Outlook on the assigned ratings is 'Rating Watch - Positive'. Long Term Rating of A+ 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' from 'BMR2+'. Outlook on the assigned rating is 'Rating Watch - Positive'. 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. Further improvement in profitability is projected post completion of planned acquisition of a local brokerage house.

BROKER FIDUCIARY RATING

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

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.

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 note 35 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 34 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 Liaquat 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 Liaquat Nauman, Chartered Accountants as external auditors for the financial year 2023.

SHAREHOLDING

The pattern of shareholding and categories of shareholders of the Company as on 30 June 2022 has been appended to this annual report.

DIVIDENDS

In order to accumulate liquidity for expansion and growth prospectus, no dividend has been paid during the year.

ACKNOWLEDGEMENT

The Board of Directors of your company AKD Securities Limited [Formerly: BIPL Securities Limited] wishes to recognize the efforts of all the stakeholders and employees of the company who contributed towards the betterment of the company.

On behalf of the Board of Directors

Karachi
Dated: October 06, 2022



Director



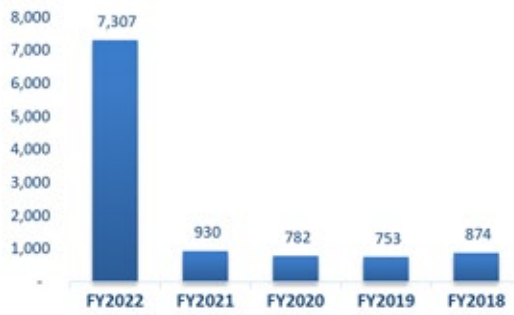
Chief Executive Officer

Financial Highlights

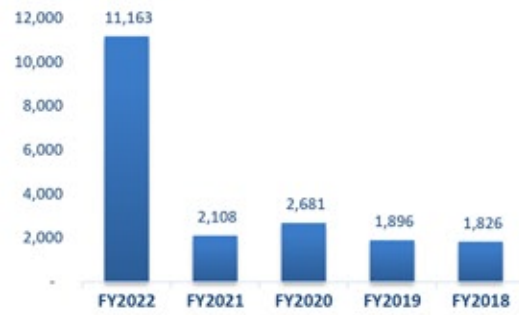
	Year ended June 30,	----- Year ended December 31, -----			
	FY2022	FY2021	FY2020	FY2019	FY2018
Operating Performance					
(Rupees in '000)					
Net revenue	1,075,312	654,823	501,703	322,362	271,588
Operating and administrative expenses	(999,047)	(384,678)	(344,149)	(311,822)	(299,019)
(Provision) / reversal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

Graphical Presentation

SHARE HOLDERS EQUITY
RUPEES IN MILLION



TOTAL ASSETS
RUPEES IN MILLION



(LOSS) / PROFIT AFTER TAX
RUPEES IN MILLION



RETURN ON EQUITY

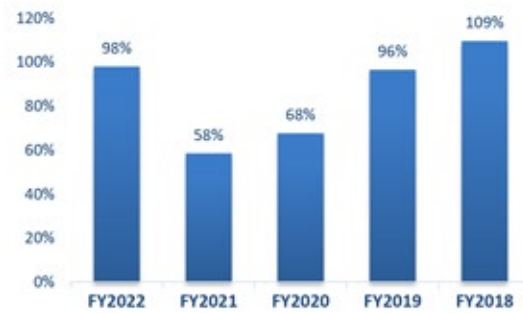




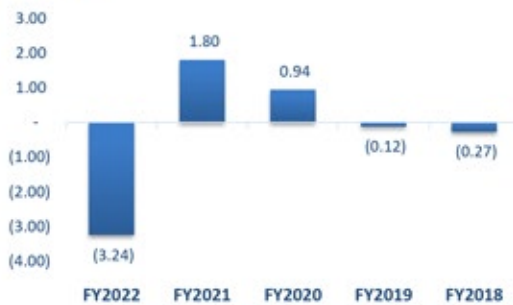
TOTAL REVENUE RUPEES IN MILLION



COST TO INCOME RATIO RUPEES IN MILLION



EARNINGS / (LOSS) PER SHARE IN RUPEES



RETURN ON ASSETS



RETURN ON CAPITAL EMPLOYED



Notice of 23rd Annual General Meeting

NOTICE IS HEREBY GIVEN that the 23rd Annual General Meeting ("AGM") of AKD Securities Limited [Formerly: BIPL Securities Limited] (the "Company") will be held on Friday, October 28, 2022 at 10:30 a.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 Annual General Meeting held on April 21, 2022.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2022 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, 2023. The Board of Directors, on the recommendation of Audit Committee of the Company, has proposed re-appointment of M/s RSM Avais Hyder Liaqat Nauman., Chartered Accountants as external auditors, for the year ending June 30, 2023.
4. To present any other business with the permission of the Chairperson.

By order of the Board



Mudassir Ijaz
Company Secretary

Karachi: October 07, 2022

Notes:

1. The Share Transfer Books of the Company will remain closed from October 22, 2022 to October 28, 2022 (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, 2022 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.	Name of the shareholder	CNIC Number and Copy*	Folio Number	Cell Number	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, 2022 have also been made available on the Company's website.



RSM Avais Hyder Liaquat Nauman
Chartered Accountants

407, Progressive Plaza, Beaumont Road
Karachi, 75530 - Pakistan

T: +92 (21) 35655975-6
F: +92 (21) 3565-5977

W: www.rsm-pakistan.pk

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AKD SECURITIES LIMITED
(FORMERLY BIPL 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 (Formerly BIPL Securities Limited) for the year ended June 30, 2022 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, 2022.

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Further, we highlight below instances of non-compliance with the requirement(s) of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

<u>S.No</u>	<u>Paragraph reference:</u>	<u>Description:</u>
1.	19 (a)	The Chief Financial Officer held the office of the company secretary during the year. This has been rectified subsequent to the year end and separate appointments for both designations have been made.
2.	15 & 19 (b)	The position head of internal audit remained vacant till the year end and the appointment was made subsequent to the year end.


Chartered Accountants
Karachi.

Date: 06 OCT 2022

UDIN: CR202210239z0YZQTwr1

Statement Of Compliance

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

AKD Securities Limited [Formerly: BIPL Securities Limited]

For the year ended December 31, 2021

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

The total numbers of directors are Seven (7) (including CEO who is deemed director) as per the following:

- Male: Four (4)
- Female: Three (3)

- The composition of board is as follows:

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. Ayesha Aqeel Dhedhi Ms. Afsheen Aqeel

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
- 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;
- 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;
- 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;
- 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;
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- There is one director from the Board has attended the Directors' Training Program:
 - Mr. Kamal Uddin Tipu
- The Board has approved appointment of Chief Financial Officer, Company Secretary and, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- 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 – Yearly
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. The head of internal audit resigned in the month of November 2019 and subsequently the Company is in the process of searching for an appropriate candidate for the position of Head of Internal Audit;
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
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:
- a. The Chief Financial Officer also held the office of the Company Secretary during the period due to the merging process of BIPLS Securities Limited and AKD Securities Limited. However, separate appointments for these positions have been made during the year effective from 01 July 2022.
- b. The Company did not have a Head of Internal Audit during the period. However, the appointment of Head of Internal Audit has been made during the year effective from 01 July 2022.



Ms. Hina Junaid
 Chairperson



Muhammad Farid Alam
 Chief Executive Officer

Karachi: October 06, 2022



Standalone Financial Statements

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



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AKD SECURITIES LIMITED
(FORMERLY BIPL SECURITIES LIMITED)
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

RSM Avais Hyder Liaquat Nauman
Chartered Accountants
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Karachi, 75530 - Pakistan
T: +92 (21) 35655975-6
F: +92 (21) 3565-5977
W: www.rsm-pakistan.pk

Opinion

We have audited the annexed financial statements of AKD Securities Limited (Formerly BIPL Securities Limited) (the Company), which comprise the statement of financial position as at June 30, 2022, 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, 2022 and of the loss, other comprehensive loss, 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.

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Following are the key audit matters:

Sr. No.	Key Audit Matters	How the matter was addressed in our audit
1	<p>Business Combination – Accounting for merger of AKD Securities Limited with and into the Company:</p> <p>As disclosed in Note 1.3 to the accompanying financial statements, on 01 July 2021, AKD Securities Limited legally merged with and into the Company (merger scheme) and the Company accounted for the merger in accordance with the requirements of International Financial Reporting Standard 3 'Business Combinations'.</p> <p>The merger required significant and complex judgments from the management, including but not limited to the approach for recognition and settlement of the merged assets and liabilities in the Company's financial statements, fair values of assets acquired and liabilities assumed, and allocation of purchase consideration paid thereon.</p> <p>In respect of merger scheme, the Company has issued 2.59 ordinary share against every 1 share of AKD Securities Limited at a value of Rs. 15.03 per share as a consideration against the fair value of net assets acquired, resulting in a provisional goodwill amounting to Rs. 3.138 billion.</p> <p>The management employed an external expert to carry out the impairment testing on the carrying value of goodwill and intangible assets. The testing is subject to estimates and judgments made by the management of the Company with respect to future revenues growth and profitability, cash flow projection and selection of appropriate discount rate.</p> <p>The recognition, measurement and disclosure of the Company's merger with AKD Securities Limited in the financial statements was considered a key audit matter due to the significance of the amounts involved and the level of judgment required in choosing appropriate assumptions, alignment of accounting policies and its consistent application.</p>	<p>Our audit procedures, amongst others, included the following:</p> <p>We obtained a detailed understanding of the accounting treatment for merger transaction under International Financial Reporting Standard 3 'Business Combinations'.</p> <p>We obtained an understanding of the management's determination for allocation of the purchase price.</p> <p>We reviewed the relevant merger scheme as sanctioned by the Honorable High Court, minutes of the meetings and underlying documents to gain an understanding of the key terms and conditions to evaluate the appropriateness of accounting treatment applied.</p> <p>We obtained and reviewed the valuation report prepared by the external valuer engaged by the Company on which management based the assessment of the fair value.</p> <p>We evaluated the Competence, Capabilities and Objectivity of the Management's Expert to ensure adequacy of the Expert's work.</p> <p>We obtained an understanding of the management's valuation process for acquired assets and liabilities assumed.</p> <p>We reviewed and assessed the adequacy of the related disclosures in the financial statements relating to acquisition and merger transaction in accordance with applicable financial reporting framework.</p>



2	<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 98.05 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 value 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 verified 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 determined 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 also assessed the adequacy of the Company's disclosures pertaining to deferred taxation in accordance with applicable financial reporting framework.</p>
3	<p>Valuation of Al Jomaih Power Limited (AJPL).</p> <p>The company's financial statements include investment at Fair value through Other Comprehensive Income in unquoted foreign company AJPL.</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 confirmed that at the year end, the investment is adjusted for changes 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>



Emphasis of Matter

We draw attention to Note 1.3.1 of the financial statements, which indicates that the amalgamated entity results and statement of financial position have been incorporated prospectively from the date on which the merger occurred. Therefore, the annexed 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. Due to which the corresponding figures are not comparable.

Our opinion is not modified in respect of this matter.

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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance); and
- (e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the financial statements were prepared.

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


Chartered Accountants
Karachi

Dated: 06 OCT 2022

UDIN: AR202210239pyP9i1K3t

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	June-22	June-21
		----(Rupees)----	
ASSETS			
Non-current assets			
Property and equipment	7	327,704,829	36,055,218
Intangible assets	8	3,155,170,139	4,301,039
Long-term investments	9	201,869,062	335,558,266
Long-term loans and advances	10	341,000	559,450
Long-term deposits and prepayments	11	59,771,851	21,280,804
Deferred tax asset - net	12	98,054,672	30,466,074
		3,842,911,553	428,220,851
Current assets			
Short-term investments	13	3,533,925,197	169,401,000
Trade debts	14	327,149,658	117,932,221
Deposits, prepayments and other receivables	15	1,487,355,781	725,048,119
Loans and advances	16	831,462,645	1,262,982
Taxation - net		-	100,995,705
Cash and bank balances	17	1,140,384,549	1,054,304,505
		7,320,277,830	2,168,944,532
TOTAL ASSETS		11,163,189,383	2,597,165,383
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Capital			
200,000,000 Ordinary shares of Rs. 10 each	1.4.3	2,000,000,000	2,000,000,000
Issued, subscribed and paid-up capital			
Shares to be issued in accordance with scheme of merger	18	1,000,000,000	1,000,000,000
Share premium	19	4,578,341,705	-
Fair value reserve	20	2,302,905,878	-
General reserve		(16,504,115)	117,830,557
Accumulated loss		18,752,260	18,752,260
		(576,451,391)	(202,222,482)
		7,307,044,337	934,360,335
Non-current liabilities			
Long-term financing-secured	21	150,000,000	150,000,000
Lease liability	22	35,754,847	1,438,762
		185,754,847	151,438,762
Current liabilities			
Trade and other payables	23	2,633,688,361	1,403,891,279
Short term financing-secured	24	865,000,000	100,000,000
Current portion of lease liability	22	17,210,565	5,504,905
Unclaimed dividend		1,935,706	1,402,307
Taxation - net		127,733,545	-
Accrued mark-up	25	24,822,022	567,795
		3,670,390,199	1,511,366,286
TOTAL EQUITY AND LIABILITIES		11,163,189,383	2,597,165,383
CONTINGENCIES AND COMMITMENTS	26		

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



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
STATEMENT OF PROFIT AND LOSS ACCOUNT AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	Note	June-22	June-21
		----- (Rupees) -----	
Operating revenue	27	1,600,410,686	563,909,897
Net (loss) / gain on investments			
(Loss) / gain on sale of short term investments 'at fair value through profit and loss' - net	28	(657,302,094)	12,005,727
Unrealised loss on re-measurement of short term investments 'at fair value through profit or loss' -net	13.1	(199,790,205)	(1,520,719)
		(857,092,299)	10,485,008
Dividend income		87,644,421	-
Mark-up / profit on bank deposits and other receivables	29	244,348,901	108,734,487
		1,075,311,709	683,129,392
Operating and administrative expenses	30	(999,046,540)	(391,214,206)
Impairment on long-term investment - subsidiary	9.2	(187,866)	(155,960)
(Allowance) / reversal against expected credit loss	14.1	(58,155,366)	3,436,556
		(1,057,389,772)	(387,933,610)
Operating profit		17,921,937	295,195,782
Finance cost	31	(105,195,429)	(23,711,991)
		(87,273,492)	271,483,791
Other income	32	4,851,436	4,470,032
(Loss) / profit before taxation for the year		(82,422,056)	275,953,823
Taxation	33	(241,806,853)	(84,569,814)
(Loss) / profit for the year		(324,228,909)	191,384,009
Other comprehensive (loss) / income for the year			
Items that will not be reclassified subsequently to profit or loss:			
Unrealized (loss) / gain arising on re-measurement of long term investment at fair value through other comprehensive income-net	9.3.4	(134,334,672)	118,105,676
Total comprehensive (loss) / income for the year		(458,563,581)	309,489,685
(Loss) / earnings per share - basic and diluted	34 & 1.4.4	(3.24)	1.91

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



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2022

Note	June-22	June-21
	----(Rupees)----	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(82,422,056)	275,953,823
Non-cash adjustments to reconcile (loss) / profit before tax to net cash flows:		
Depreciation	67,782,098	16,891,043
Amortization	1,264,310	201,969
Gain / (loss) on sale of short term investments 'at fair value through profit and loss' - net	657,302,094	(12,005,727)
Gain on sale of property and equipment	(320,437)	(27,127)
Unrealised loss on re-measurement of short term investments 'at fair value through profit or loss' - net	199,790,205	1,520,719
Impairment on long-term investment - subsidiary	187,866	155,960
Provision / (reversal) of doubtful debts-net	58,155,366	(3,436,556)
Bad debts written off during the year	27,644	-
Finance cost	105,195,429	23,711,991
Dividend income	(87,644,421)	-
	<u>1,001,740,154</u>	<u>27,012,272</u>
	919,318,098	302,966,095
Working capital adjustments:		
Decrease / (Increase) in current assets		
Trade debts	(201,900,353)	(4,908,064)
Deposits, prepayments and other receivables	2,638,046,527	(370,721,843)
Loan and advances	(830,199,663)	-
	<u>1,605,946,511</u>	<u>(375,629,907)</u>
(Decrease) / Increase in current liabilities		
Trade and other payables	(1,874,942,875)	539,078,777
	<u>650,321,734</u>	<u>466,414,965</u>
Finance cost paid	(82,236,189)	(23,439,683)
Income tax paid	(80,666,209)	(20,792,768)
Net cash flows generated from operating activities	<u>487,419,336</u>	<u>422,182,514</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	(1,039,290,242)	(88,995,331)
Purchase of property and equipment	(50,952,093)	(3,230,375)
Purchase of intangible assets	(997,845)	(546,000)
Net Cash Flows from Merger	618,200,245	-
Proceeds from disposal of property and equipment	1,400,476	38,934
Dividend received	87,644,421	-
Net cash flows (used in) investing activities	<u>(383,995,038)</u>	<u>(92,732,772)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	218,450	142,623
Lease liability	(29,221,311)	(7,787,041)
Long-term deposits and prepayments	(3,874,789)	1,002,980
Dividend paid	(49,466,601)	-
Net cash flows used in financing activities	<u>(82,344,251)</u>	<u>(6,641,438)</u>
Net increase in cash and cash equivalents	<u>21,080,044</u>	<u>322,808,304</u>
Cash and cash equivalents at the beginning of the year	<u>1,054,304,505</u>	<u>666,496,201</u>
Cash and cash equivalents at the end of the year	<u>1,075,384,549</u>	<u>989,304,505</u>
Cash and cash equivalents comprises of:		
Cash and bank balances	17 1,140,384,549	1,054,304,505
Short term financing-secured	24 (65,000,000)	(65,000,000)
	<u>1,075,384,549</u>	<u>989,304,505</u>

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



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	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, 2020	1,000,000,000	-	-	18,752,260	(393,606,490)	(275,119)	624,870,651
Profit for the year	-	-	-	-	191,384,009	-	191,384,009
Other comprehensive income for the year	-	-	-	-	-	118,105,676	118,105,676
Balance as at June 30, 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 of scheme of merger	19 & 20	-	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

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



Chief Executive Officer



Director



Chief Financial Officer

**AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1 STATUS AND NATURE OF BUSINESS

- 1.1** AKD Securities Limited (formerly BIPL 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,

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	Karachi	5th Floor Trade Center, I.I Chundarigarh Road.
2	Faisalabad	Office 3, 1st Floor, Meezan Executive Tower, Cargo Side Liaquat Road.
3	Faisalabad	Room # 509 & 510, 5th Floor, State Life Building, Liaquat Road.7
4	Gujranwala	81, Ground Floor, GDA Trust Plaza.
5	Islamabad	90-91, Razia Sharif Plaza, Jinnah Avenue, Blue Area.
6	Islamabad	Office # 313,ISE Tower, Jinnah Avenue, Blue Area
7	Islamabad	Office 302-303, 3rd Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Blue Area.
8	Karachi	5th Floor Stock Exchange Building.
9	Karachi	Shop A, 2nd Floor, Measuring 2,375 Square Feet Project Known As 1.F. Plaza, Plot No.D-1, Block-D, North Nazimabad.
10	Karachi	Friends Paradise, 1st Floor, SB-36, Block No. 13D, KDA Scheme 24, Main University Road
11	Karachi	Room No 93-95, 2nd floor, Pakistan Stock Exchange Building, Stock Exchange Road.
12	Lahore	Office 512-513, 5th Floor, Lahore Stock Exchange Building, 19, Khayaban-e-Aiwan-e-Iqbal Road.
13	Lahore	2nd Floor Fountain Avenue Building, 64-A, Main Boulevard, Main Gulberg.
14	Multan	Ground Floor, State Life Building, Abdali Road.
15	Peshawar	1st Floor, State Life Building, 34-The Mall, Peshawar Cantt.
16	Rahim Yar Khan	Plot # 24, City Park Chowk, Model Town
17	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 95.90% (2021: AKD Securities Limited 77.12%) 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.
- 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:

	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 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. Consequently, these financial statements are prepared for a period of 12 months from July 01, 2021 to June 30, 2022.

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 financial statements of the Company for the year ended June 30, 2022 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 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.

4 NEW ACCOUNTING PRONOUNCEMENTS

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

4.1.1 Standards, amendments to standards and interpretations becoming effective in current year

During the year certain new accounting and reporting standards / amendments / interpretations became effective and applicable to the Company. However, since such updates were not considered to be relevant to these unconsolidated financial statements, the same have not been reported.

New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after the dates specified below:

Onerous Contracts Cost of Fulfilling a Contract (Amendments to IAS 37): effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.

Property, Plant and Equipment Proceeds before Intended Use (Amendments to IAS 16): effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.

Amendments to IFRS 3 'Business Combinations': Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. The amendments are not likely to affect the financial statements of the Company.

Amendments to IAS 1 'Presentation of Financial Statements': Classification of liabilities as current or non-current amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. The management of the Company is currently in the process of assessing the impacts of these amendments to these unconsolidated financial statements.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2): the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- a. requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- b. clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- c. clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

The management of the Company is currently in the process of assessing the impacts of above amendments to these unconsolidated financial statements.

Definition of Accounting Estimates (Amendments to IAS 8): The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The amendments are not likely to affect the financial statements of the Company.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12): The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted. The amendments are not likely to affect the financial statements of the Company.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022.

IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability

IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This amendment enables the fair value measurement of biological assets on a post-tax basis.

The above amendments are not likely to affect the financial statements of the Company.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Initial application of 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.

During the year the Company applied IFRS 8 for the first time 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 8 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 trade date, i.e., the date that the Company 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

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 FVOCI, 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.

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. 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.

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:

	Notes
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

7 PROPERTY AND EQUIPMENT

		June-22	June-21
		----- (Rupees) -----	
Property and equipment	7.1	199,943,230	27,833,199
Right to use asset under IFRS 16	7.2	56,035,043	8,222,019
Advance against capital expenditure through merger	7.3	71,726,556	-
		<u>327,704,829</u>	<u>36,055,218</u>

7.1 PROPERTY AND EQUIPMENT

	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	<u>13,928,073</u>	<u>2,184,742</u>	<u>11,173,153</u>	<u>547,231</u>	<u>27,833,199</u>

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)
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>

Analysis of net book value

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	<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>	

	2021				
	Office premises on lease hold land	Furniture and fixtures	Computers and office equipment	Motor vehicles	Total
	----- (Rupees) -----				

As at July 01, 2020					
Cost	47,932,654	25,852,767	106,811,965	2,736,534	183,333,920
Accumulated depreciation	(32,000,004)	(23,196,482)	(92,664,185)	(2,189,303)	(150,049,974)
Net book value at the beginning of the year	<u>15,932,650</u>	<u>2,656,285</u>	<u>14,147,780</u>	<u>547,231</u>	<u>33,283,946</u>

Changes during the year

Additions during the year	-	34,000	3,196,375	-	3,230,375
Disposals during the year					
-Cost	-	-	(87,950)	-	(87,950)
-Depreciation	-	-	76,143	-	76,143
	-	-	(11,807)	-	(11,807)
Depreciation charge for the year	(2,004,576)	(505,543)	(6,159,195)	-	(8,669,314)
Net book value at the end of the year	<u>13,928,073</u>	<u>2,184,742</u>	<u>11,173,153</u>	<u>547,231</u>	<u>27,833,199</u>

As at June 30, 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	<u>13,928,073</u>	<u>2,184,742</u>	<u>11,173,153</u>	<u>547,231</u>	<u>27,833,199</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 and prior year was less than the threshold of Rs. 5 million

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

		June-22	June-21
		------(Rupees)-----	
7.2 RIGHT-OF-USE ASSETS			
Opening balance		8,222,019	16,443,747
Additions during the year-net		48,417,771	-
Acquisition under merger scheme		24,224,481	-
Deletions during the year-net		(1,183,213)	-
Depreciation for the year	30.2	(23,646,015)	(8,221,728)
Closing balance		<u>56,035,043</u>	<u>8,222,019</u>
Depreciation rate (% per annum)		<u>20 - 33.33</u>	<u>20 - 33.33</u>
7.3 ADVANCE AGAINST CAPITAL EXPENDITURE			
Opening		-	-
Advance against property through merger	7.3.1	71,556,366	-
Additions		14,290	-
Transfer to PPE		-	-
		<u>71,570,656</u>	<u>-</u>
Others		155,900	-
		<u>71,726,556</u>	<u>-</u>

7.3.1 This represent the advance paid to Mr. Aqeel Karim Dhedhi - sponsor of the Holding Company against purchase of office premises measuring 12,883 square feet at an agreed price of Rupees 141.713 million. The said property will be transferred to the Company after its clearance from financial institution with which it is mortgaged by the Sponsor. The Company has not paid any rent expense during the year against possession of such premises in lieu of the above agreement.

8 INTANGIBLE ASSETS

	2022						Total
	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	
	------(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							
Amortization for the year	997,845	-	-	-	-	-	997,845
	(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	3,180,718,654
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	-	-	

	2021						
	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, 2020							
Cost	12,650,205	750,000	950,200	1,223,050	1,350,000	-	16,923,455
Accumulated amortization	(12,443,446)	-	-	(523,000)	-	-	(12,966,446)
Net book value at the beginning of the year	206,758	750,000	950,200	700,050	1,350,000	-	3,957,008
Addition during the year							
Amortization for the year	546,000	-	-	-	-	-	546,000
	(201,969)	-	-	-	-	-	(201,969)
Net book value at the end of the year	550,789	750,000	950,200	700,050	1,350,000	-	4,301,039
Analysis of Net Book Value							
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 as at June 30, 2021	550,789	750,000	950,200	700,050	1,350,000	-	4,301,039
Amortization rate (% per annum)	33.33	-	-	0 - 33.33	-	-	

8.1 Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (The Act), the ownership in a stock exchange has been segregated from right to trade on the exchange. Accordingly, the Company has received equity shares of PSX and a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of PSX. The Company's entitlement in respect of PSX's shares is determined on the basis of valuation of assets and liabilities of PSX as approved by the SECP and the Company has been allotted 4,007,383 shares of the face value of Rs 10/- each, out of which 2,404,430 shares are kept in the blocked account and the divestment of the same will be made in accordance with the requirements of the Act within two years from the date of Demutualization.

On December 29, 2016, the divestment committee of PSX formed for the purpose has confirmed the sale of 40% equity stake of PSX shares.

The cost / book value of the PSX membership card amounts to Rs. 4.95 million as at December 31, 2012. In absence of an active market of the shares of PSX and TREC, the allocation of the carrying value of the membership card between the shares (financial asset) and TREC (an intangible asset) was made by the Company on the basis of the face of ordinary shares and the TREC value assigned by the PSX for minimum capital requirement purpose applicable to the stock exchange brokers.

8.2 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.

8.3 At reporting date the 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.

8.4 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 2022. 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 2.5% and terminal value determined based on long term earning multiples. The cash flows are discounted using a discount rate of 15.5%. Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill.

	Note	June-22	June-21
		—(Rupees)—	
9 LONG TERM INVESTMENTS			
Subsidiary company -Structured Venture (Private) Limited (SVPL)	9.2	275,489	463,355
At fair value through Other Comprehensive Income	9.3	200,760,239	335,094,911
Investment in other entity at amortized cost	9.4	833,334	-
		<u>201,869,062</u>	<u>335,558,266</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	(488,305,711)	(488,117,845)
	<u>275,489</u>	<u>463,355</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 & 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 M/s. 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

2022	2021	Name of the Investee Company	Note	2022		2021	
				Cost	Carrying value	Cost	Carrying value
Number of shares				—(Rupees)—			
Quoted shares							
1,602,953	1,602,953	Pakistan Stock Exchange Limited	9.3.1, & 9.3.4	1,438,000	16,398,209	1,438,000	35,761,881
Unquoted shares							
3,370	3,370	Al Jomaih Power Limited	9.3.2 & 9.3.4	184,196,957	184,362,030	184,196,957	299,333,030
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>200,760,239</u>	<u>185,634,957</u>	<u>335,094,911</u>

9.3.1 Fair value of the investment as the year end was Rs. 10.23 per share (2021: 22.31 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, 2022. 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 (2021: 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	June-22	June-21
		—(Rupees)—	
9.3.4 Reconciliation of unrealized (loss) / gain on investment 'at fair value through Other Comprehensive Income			
Pakistan Stock Exchange Limited			
Opening		34,323,881	14,431,235
unrealized (loss) / gain during year	9.3.1	(19,363,672)	19,892,646
Closing		<u>14,960,209</u>	<u>34,323,881</u>
Al Jomaih Power Limited			
Opening		115,136,073	16,923,043
unrealized (loss) / gain during year	9.3.2	(114,971,000)	98,213,030
Closing		<u>165,073</u>	<u>115,136,073</u>
Total unrealized (loss) / gain during period		<u>(134,334,672)</u>	<u>118,105,676</u>
9.4 Investment in other entity - At amortized cost			
Kashaf Foundation PPTFC		4,166,667	-
Current portion		(3,333,333)	-
		<u>833,334</u>	<u>-</u>

The Company in pursuant of scheme of merger, 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.

	Note	June-22	June-21
----- (Rupees) -----			
10 LONG-TERM LOANS AND ADVANCES - Considered Good			
Loans and advances to:			
Employees	10.1	1,843,642	1,822,432
Current maturity shown in current assets	15	(1,502,642)	(1,262,982)
		<u>341,000</u>	<u>559,450</u>
10.1 These are given to employees for general purpose in accordance with their terms of employment. These loan and advances carry mark-up at the rate of 8.5% (2021: 7.5%) per annum and are recovered through deduction from salaries over varying periods up to a maximum period of 36 months. 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	43,211,500	16,111,500
- National Clearing Company of Pakistan Limited (NCCPL)		400,000	400,000
- Pakistan Mercantile Exchange Limited (PMEX)		4,000,000	2,500,000
- Central Depository Company of Pakistan Limited (CDC)		200,000	200,000
- Rent deposits against rented premises		6,312,795	2,102,640
- Others		5,807,507	126,615
		59,931,802	21,440,755
Prepayments		18,000	18,000
- Impact of expected credit loss	11.2	(177,951)	(177,951)
		<u>59,771,851</u>	<u>21,280,804</u>
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.			
11.2 Impact of expected credit loss			
- Rent deposits		(177,951)	(177,951)
12 DEFERRED TAX ASSET - NET			
		2022	
		(Charge) / reversal	
		to statement of	
		other	
		comprehensive	
		income	
		----- Rupees -----	
		Opening balance	Closing balance
Deductible temporary differences			
Allowance for expected credit losses		19,700,938	98,062,966
Re-measurement of investments		-	29,968,531
Losses available for offsetting against future taxable income		-	-
- carry forward of minimum tax and ACT		10,609,363	-
Taxable temporary differences			
Accelerated tax depreciation / amortization		526,164	(13,726,665)
Lease liability net		(370,391)	(16,250,160)
		<u>30,466,074</u>	<u>98,054,672</u>
		2021	
		(Charge) / reversal	
		to statement of	
		other	
		comprehensive	
		income	
		----- Rupees -----	
		Opening balance	Closing balance
Deductible temporary differences			
Allowance for expected credit losses		19,805,000	19,700,938
Re-measurement of investments		-	-
Losses available for offsetting against future taxable income		8,757,000	-
- carry forward of minimum tax and ACT		22,678,000	10,609,363
Taxable temporary differences			
Accelerated tax depreciation / amortization		90,000	526,164
Lease liability net		(77,000)	(370,391)
		<u>51,253,000</u>	<u>30,466,074</u>
13 SHORT-TERM INVESTMENTS			
'At fair value through profit or loss'			
- Quoted equity securities	13.1	3,530,591,864	169,401,000
- Term finance certificates - Pace Pakistan Ltd.	13.2	-	-
		3,530,591,864	169,401,000
'At amortised cost'			
- Privately Placed Term Finance Certificate - Kashaf Foundation.	13.3	3,333,333	-
		<u>3,533,925,197</u>	<u>169,401,000</u>
13.1 Quoted equity securities			
		2022	2021
		Cost	Cost
		Carrying value	Carrying value
		----- (Rupees) -----	----- (Rupees) -----
- Investment in shares of quoted equity securities		3,730,382,069	170,921,719
		<u>3,530,591,864</u>	<u>169,401,000</u>

This includes shares with carrying value of Rs. 1,171,989 million (2021: 205,592 million) pledged with NCCPL against exposure margin.

13.2 Term finance certificates

2022	2021		Note	June-22	June-21
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		(18,147,464)	(18,147,464)
4,000	4,000	Less : Provision for impairment	13.2.1	-	-

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 amortised cost

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

Receivable against purchase of marketable securities - net of provisions		296,951,086	111,920,904
Receivable from National Clearing Company of Pakistan Limited		10,397	207,206
Inter-bank brokerage		6,605,849	5,804,111
Receivable against consultancy, advisory & underwriting		23,582,326	-
Considered good		327,149,658	117,932,221
Considered doubtful		334,554,733	64,340,065
Less: Provision for doubtful debts	14.1	661,704,391	182,272,286
	14.2	(334,554,733)	(64,340,065)
		327,149,658	117,932,221

14.1 These receivables include Rs. 83,320,790 (2021: Rs. 56,340) 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. 179,461,176 (2021: Rs. 2,339,901).

14.2 Reconciliation of provisions against trade debts

		64,340,065	67,776,621
Opening balance		212,059,302	-
Allowance against ECL on debtors acquired under merger scheme		60,257,339	4,218,549
Allowance against expected credit loss for the year		(2,101,973)	(7,655,105)
Reversal during the year		270,214,668	(3,436,556)
		334,554,733	64,340,065

15 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Deposits:

Exposure deposit with -NCCPL		1,347,174,639	436,233,074
Exposure deposit with -PMEX		9,360,839	6,387,670
Ijarah deposits		-	1,461,900
Others	15.1	2,100,000	2,100,000
		1,358,635,478	446,182,644
-Impact of expected credited loss	15.3	(2,100,000)	(2,100,000)
		1,356,535,478	444,082,644

Prepayments:

Insurance		1,287,581	1,307,835
Software development and maintenance		1,816,565	447,818
Rent		2,414,230	1,828,443
Others		4,095,871	1,025,749
		9,614,247	4,609,845

Other receivables:

Profit on bank deposits		6,579,766	5,987,668
Profit on exposure deposit with -NCCPL		2,044,077	1,587,540
Receivable against margin finance		96,940,198	262,544,422
Others	15.2	26,148,130	7,551,473
		131,712,171	277,671,103
-Impact of expected credited loss	15.3	(10,506,115)	(1,315,473)
		121,206,056	276,355,630
		1,487,355,781	725,048,119

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 and cash Rs. of 0.1 million. These DSCs carry yield of 7.34% per annum and will mature in August 2026 (June 30, 2021 :7.34%).

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	10,506,115	1,315,473
	12,606,115	3,415,473

16 LOANS AND ADVANCES	Note	June-22	June-21	
		----- (Rupees) -----		
Advances to:				
Current portion of long-term loans and advances to employees and executives	10	1,502,642	1,262,982	
Short term advances to employees against commission & expenses	16.1	39,411,774	-	
		40,914,416	1,262,982	
Short term loan to:				
Holding company	16.2	727,521,537	-	
Creek Developers (Private) Limited	16.3	17,871,360	-	
		745,392,897	-	
Markup on short term loan to:				
Holding company	16.2	44,105,309	-	
Creek Developers (Private) Limited	16.3	1,050,023	-	
		45,155,332	-	
		831,462,645	1,262,982	
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 Aqeel Karim Dhedi Securities (Private) Limited (Holding Company). Markup on outstanding balance of such loan is 6MK+1% per annum receivable six monthly in arrears.			
16.3	This represents loan provided to Creek Developers Private Limited (a related party) on request and is receivable on demand. This carries Markup on outstanding balance of 6MK+1% per annum payable six monthly in arrears.			
17 CASH AND BANK BALANCES				
Company accounts				
Current accounts		12,057,891	1,924,050	
Saving accounts	17.1	4,473,841	114,456,446	
		16,531,732	116,380,496	
Client accounts				
Current accounts		91,480,897	50,230	
Saving accounts	17.1	1,032,269,842	937,703,442	
		1,123,750,739	937,753,672	
		1,140,282,471	1,054,134,168	
Cash in hand		96,661	168,358	
Stamps in hand		5,417	1,979	
		1,140,384,549	1,054,304,505	
17.1	These carry profit at rates ranging from 2.14% to 13% (2021: 2.26% to 6.8%) 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
100,000,000	100,000,000		1,000,000,000	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		June-22	June-21	
Number of Shares to be issued		457,834,171	-	
Amount in regards to shares to be issued		4,578,341,705	-	
The shares are to be issued as fully paid for consideration other than cash to the shareholders of AKD Securities Limited, pursuant to the Merger Scheme as described in Note 1.3.				
20 SHARE PREMIUM		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 as described in Note 1.3.				
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	700,000,000	-	
Less: Current Portion		(700,000,000)	-	
		150,000,000	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 8. 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 6 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 700 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.			

22 LEASE LIABILITIES	Note	June-22	June-21
		--(Rupees)--	
Opening		6,943,667	14,730,708
Additions during the year		48,417,771	-
Acquisition under merger scheme		24,224,481	-
Deletions during the year		(1,183,213)	-
Payments made during the year		(25,437,294)	(7,787,041)
		52,965,412	6,943,667
Transferred to current maturity		(17,210,565)	(5,504,905)
		35,754,847	1,438,762

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, 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
As at June 30, 2021		
Principal	5,504,905	1,438,762
Finance charges allocated to future years	1,007,247	-
	6,512,152	1,438,762

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 9.45% - 14.26% 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		2,337,708,178	1,310,815,930
Payable to National Clearing Company of Pakistan Limited		15,748,365	46,204,528
Accrued liabilities		152,933,392	31,003,296
Withholding tax		67,183,715	2,369,972
Provision for Workers' Welfare Fund - Federal	23.1	-	2,647,171
Provision for Workers' Welfare Fund - Sindh		10,248,830	8,171,582
Unwinding part of Finance lease		-	206,439
Payable to Staff Provident Fund	23.2	5,496,712	-
Unclaimed deposits by clients		21,376,575	-
Others	23.3	22,992,594	2,472,361
	23.4	2,633,688,361	1,403,891,279

23.1 During the year, based on the legal opinion obtained by the Company, provision against Federal Workers' Welfare Fund amounting to Rs.2.647 (2021: Nil) million has been reversed.

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. 7.63 million (2021: Nil) payable to related parties.

23.4 This includes Rs. 17,640,762 (2021: 670,277) payable to related parties.

24 SHORT TERM FINANCING- SECURED

Loan from Financial Institution	165,000,000	100,000,000
Current Portion of Loan of Diminishing musharakah facility	700,000,000	-
	865,000,000	100,000,000

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% (2021: 1 week KIBOR plus 1%) per animate payment frequency is maximum 30 days from the date of financing obtained.

The AKD Securities Ltd obtained a diminishing musharakah facility from Al-Baraka Bank (Pakistan) Limited (ABPL) amounting to Rupees 700 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.

25 ACCRUED MARK-UP:

Accrued mark-up	<u>24,822,022</u>	<u>567,795</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, 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 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 Rupees 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** Securities & Exchange Commission of Pakistan (SECP) has imposed a penalty of Rs. 875,000 on the Company for contravening the provisions of Anti Money Laundering Regulations & Licensing Regulations vide its order dated 16 September 2020. The management of the Company has filed an appeal against the order registered as Appeal No. 124 of 2020 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.

26.2 Commitments:

	Note	June-22	June-21
		----- (Rupees) -----	
Net-future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding		<u>94,001,310</u>	<u>173,048,970</u>
The Company had entered into Ijarah arrangements for vehicles with BankIslami Pakistan Limited amounting to Rs 15 million which matured during the year.		<u>-</u>	<u>303,433</u>
Advance against capital expenditure	7.3	<u>69,986,444</u>	<u>-</u>
27 OPERATING REVENUE			
Brokerage		1,361,975,209	630,461,206
Subscription research income		225,192	427,638
Financial advisory fee		338,657,544	565,000
Custody services		62,361,293	5,764,339
Underwriting commission		45,244,837	-
Less: sales tax on services		(208,053,389)	(73,308,286)
		<u>1,600,410,686</u>	<u>563,909,897</u>
28 (LOSS) / GAIN ON SALE OF SHORT TERM INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT AND LOSS' - NET			
Quoted equity securities		(665,603,209)	10,742,927
Debt securities		8,301,115	1,262,800
		<u>(657,302,094)</u>	<u>12,005,727</u>
29 MARK-UP / PROFIT ON BANK DEPOSITS AND OTHER RECEIVABLES			
Profit on bank deposits		178,116,041	81,039,653
Margin finance income		20,200,483	27,491,635
Mark up on loan to related parties		45,155,332	-
Profit on PPTFCs		658,887	-
Others		218,158	203,199
		<u>244,348,901</u>	<u>108,734,487</u>

30 OPERATING AND ADMINISTRATIVE EXPENSES

	Note	June-22	June-21
		----- (Rupees) -----	
Salaries, allowances and other benefits	30.1	464,778,638	191,722,984
Commission expense		137,431,007	47,972,074
Staff training and development-Directors		10,500	71,700
Rent, rates and taxes		10,475,549	5,252,761
Insurance charges		8,466,230	884,323
Depreciation	30.2	67,782,098	16,891,042
Amortization of intangible assets		1,264,310	201,969
Repairs and maintenance		15,874,094	7,260,413
Power and utilities		21,923,247	12,409,449
Communication		39,838,313	18,142,543
Trading costs		88,368,102	35,481,598
Information technology related cost		17,321,869	9,573,797
Fees and subscription		20,557,052	7,667,697
Director fee		1,320,000	1,440,000
Printing and stationery		8,319,954	1,728,416
Papers and periodicals		368,040	110,397
Advertisement and business promotion		3,210,937	152,415
Sales and marketing		15,671,699	1,638,508
Travelling and conveyance		16,483,406	1,224,805
Entertainment		3,417,016	1,130,048
Legal and professional charges		12,497,178	4,053,127
Auditor's remuneration	30.3	3,425,628	1,910,694
Stamp charges		567,306	62,139
Donations	30.4	13,750,000	50,000
Workers' welfare fund		-	5,632,723
Kitchen expenses		5,395,589	1,501,094
Profit -paid to clients	30.5	18,929,831	14,410,261
Ijara rental		232,796	2,469,133
Bad debts written off		27,644	-
Others		1,338,507	168,093
		999,046,540	391,214,206

30.1 Salaries, allowances and benefits include company's contribution to provident fund amount to Rs 17.64 million (2021: Rs 4.16 million).

30.2 Depreciation

	Note	June-22	June-21
		-- (Rupees) --	
Property and equipment	7.1	44,136,083	8,669,314
Right-of-use assets	7.2	23,646,015	8,221,728
		67,782,098	16,891,042

30.3 Auditor's Remuneration (inclusive of sales tax)

Statutory audit fee		2,000,000	619,217
Review of compliance with COCG		50,000	50,000
Consolidation fee		50,000	35,000
Half-yearly review fee., special audit and other certifications		861,268	896,198
Out of pocket expenses		247,000	186,882
Sales tax on services		217,360	123,397
		3,425,628	1,910,694

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	-
Others		3,750,000	50,000
		13,750,000	50,000

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.

31 FINANCE COST	Note	June-22	June-21
--(Rupees)--			
Mark-up on:			
Long-term loan		98,349,455	15,484,781
Short-term loan-RF		2,613,255	6,277,935
Lease liabilities		3,868,569	1,772,359
Bank charges		364,150	176,916
		<u>105,195,429</u>	<u>23,711,991</u>
32 OTHER INCOME			
Gain on disposal of property and equipment		320,437	27,127
Mark up staff loan		116,362	168,073
Reversal of provision against Workers' Welfare Fund - Federal	23.1	2,647,171	-
Others		1,767,466	4,274,832
		<u>4,851,436</u>	<u>4,470,032</u>
33 TAXATION			
Current			
for the year		309,461,853	46,807,596
for prior year		(66,403)	390,067
Deferred		(67,588,597)	37,372,151
		<u>241,806,853</u>	<u>84,569,814</u>
33.1			
Income tax assessments of the Company have been finalized up to and including the tax year 2021 (income year ended December 31, 2020). 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		309,461,853	46,807,596
Prior year		(66,403)	390,067
Deferred tax		(67,588,597)	37,372,151
		<u>241,806,853</u>	<u>84,569,814</u>
Profit before tax		<u>(82,422,056)</u>	<u>275,953,823</u>
Tax at the applicable rate of 29% (2021 : 29%)		(23,902,396)	80,026,609
Tax effect of non-deductible expenses		(6,838,377)	(8,461,754)
Tax effect of Income at reduced rate		205,295,089	1,882,592
Tax effect of Minimum Tax and Alternative Corporate		98,093,012	8,316,549
Tax effect of prior year charges		(66,403)	390,067
Tax effect of Super Tax u/s 4C		(39,833,050)	-
Others		9,058,978	2,415,752
		<u>241,806,853</u>	<u>84,569,814</u>
34 EARNINGS PER SHARE-BASIC AND DILUTED			
34.1 Basic earnings per share			
(Loss) / profit for the year attributable to ordinary shareholders		<u>(324,228,909)</u>	<u>191,384,009</u>
Weighted average number of ordinary shares		<u>100,000,000</u>	<u>100,000,000</u>
(Loss) / earnings per share - Basic and diluted	34.2	<u>(3.24)</u>	<u>1.91</u>
34.2 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 2022 (2021: Nil) which would have any effect on the earnings per share if the option to convert is exercised.			

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:

	2022			2021		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	----- (Rupees) -----			----- (Rupees) -----		
Managerial remuneration	24,297,814	24,068,290	155,798,103	14,329,332	-	50,716,406
Fee (note 35.2)	-	1,320,000	-	-	1,440,000	-
Bonus / commission	18,488,123	11,386,407	120,216,080	1,356,962	-	3,254,670
Contribution to provident fund	952,584	1,458,694	7,448,139	380,904	-	1,132,114
	<u>43,738,521</u>	<u>38,233,391</u>	<u>283,462,322</u>	<u>16,067,198</u>	<u>1,440,000</u>	<u>55,103,190</u>
Number of persons	2	6	37	1	3	14

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>22,427,659</u>	<u>6,847,760</u>
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All Research Analyst reports 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).

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	June-22 Rupees	June-21 Rupees
Holding Company (AKD Group Holding (Pvt.) Limited)	Balances acquired through merger	71,070,992	-
	Mark up accrued on loan during the year	44,105,309	-
	Mark up Paid on loan during the year	(57,988,876)	-
	Rent Paid	(2,844,866)	-
	Brokerage income earned	-	-
	Profit on bank deposits	-	-
	Maintenance paid	-	-
	Bank Charges	-	-
	Disbursement / adjustments during the year	1,720,983,500	-
	Receipts / adjustment during the year	(1,003,699,213)	-
	Balance receivable / (payable) at year end	771,626,846	-
Holding Company (Former) (BankIslami Pakistan Limited: 2021)	Mark up accrued on loan during the year	-	(24,231,850)
	Mark up Paid on loan during the year	-	24,231,850
	Rent Paid	-	(1,383,643)
	Brokerage income earned	-	525,253
	Profit on bank deposits	-	39,494,292
	Maintenance paid	-	(1,112,001)
	Bank Charges	-	(43,358)
	Disbursement / adjustments during the year	-	1,244,000,000
	Receipts / adjustment during the year	-	(1,309,000,000)
	Balance receivable / (payable) at year end	-	-
Other Related Parties	Balances acquired through merger	4,158,071	-
	Mark up accrued on loan during the year	1,050,023	-
	Mark up Paid on loan during the year	(5,839,211)	-
	Rent Paid	(360,000)	-
	Brokerage Earned	249,000	-
	Company Contribution to Provident Fund	17,070,757	3,679,226
	Disbursement / adjustments during the year	46,921,245	-
	Receipts / adjustment during the year	(48,151,375)	-
	Balance receivable at year end	15,098,511	-
Key Personnel	Brokerage earned	35,251,253	227,487
	Managerial & Commission	83,765,833	18,859,178
	Meeting Fee	1,320,000	1,440,000
	Company Contribution to Provident Fund	572,156	483,030
	Balance receivable at year end	2,546,474	34,328
	Balance payable at year end	(85,057,226)	(635,949)

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 - (formerly Aqeel Karim Dhedhi Securities Private Limited)	Parent company	77.12%
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 RIETS 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	-
Mr. Aqeel Karim Dhedhi	Other Related	-
Mr. Tariq Adam Ghumra	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	Audited
		2022	2021
----- (Rupees) -----			
Size of the fund-Net assets		56,593,836	53,108,672
Cost of investments made		32,540,568	40,303,423
Percentage of investments made		94.75%	92.96%
Fair value of investments	37.1.1	53,625,402	49,369,962

37.1.1 Break-up value of fair value of investments is:

	2022 (Un-Audited)		2021 (Audited)	
	(Rs.)	%	(Rs.)	%
Investments in various Funds / Government Securities	34,223,926	63.82%	41,602,414	84.27%
Saving accounts	19,401,476	36.18%	7,767,548	15.73%
	53,625,402	100.00%	49,369,962	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. The above figures are unaudited.

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	2022 (Un-Audited) ----(Rupees)----
Size of the fund-Net assets		<u>243,732,703</u>
Cost of investments made		<u>33,135,589</u>
Percentage of investments made		<u>90.58%</u>
Fair value of investments	37.2.1	<u>220,764,080</u>

37.2.1 Break-up value of fair value of investments is:

	2022 (Un-Audited)	
	(Rs.)	%
Investments in various Funds / Government Securities	-	0.00%
Saving accounts	968,574	0.44%
Term finance certificates (PPTFC)	5,000,000	2.26%
Mutual funds units	60,218,789	27.28%
Listed shares	154,576,717	70.02%
	<u>220,764,080</u>	<u>100.00%</u>

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

	2022				Total
	Brokerage	Financial Advisory	Underwriting	Other Operation	
Segment revenues	1,361,975,209	338,657,544	45,244,837	62,586,485	1,808,464,076
Loss on revaluation of investments				(857,092,299)	(857,092,299)
Administrative and operating expenses (other than depreciation and amortization)	(700,393,854)	(174,154,171)	(23,267,095)	(32,185,013)	(930,000,132)
Impairment on long-term investment - subsidiary	(187,866)				(187,866)
(Provision) / reversal against doubtful debts-net	(58,155,366)				(58,155,366)
Depreciation	(51,047,482)	(12,693,047)	(1,695,798)	(2,345,771)	(67,782,098)
Amortisation of intangible assets	(952,166)	(236,758)	(31,631)	(43,755)	(1,264,310)
Finance cost	(79,223,894)	(19,699,161)	(2,631,819)	(3,640,555)	(105,195,429)
Sales Tax on Services	(156,687,413)	(38,960,602)	(5,205,158)	(7,200,215)	(208,053,389)
	315,327,167	92,913,806	12,413,336	(839,921,122)	(419,266,813)
Gain on sale of operating assets					320,437
Mark up staff loan					116,362
Provision for Sindh Workers' Welfare Fund					2,647,171
Others					333,760,788
Taxation					(241,806,853)
Loss after tax					(324,228,909)
Segment assets	3,582,911,861	535,992,208	71,608,859	6,972,676,455	11,163,189,383
Segment liabilities	2,698,158,553	89,626,623	11,974,167	1,056,385,703	3,856,145,046

39 NUMBER OF EMPLOYEES

Average number of employees during the year	<u>313</u>	<u>167</u>
Total number of employees as at year end	<u>306</u>	<u>166</u>

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, short term and long term loan. Effective interest rates on such instruments are disclosed in respective notes to the financial statements.

With 1% increase / (decrease) in the market interest rate, with all other factors remaining constant, would increase the Company's total comprehensive income would have increased / (decreased) by Rs. 0.217 million (2021: Rs. 8.022 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.184.36 million (2021: Rs. 299.3 million) [US dollars 0.9 million (2021: US dollars 1.9 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. 18.44 million (2021: Rs. 29.93 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. 353.06 million (2021: Rs. 16.94) 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. 1.640 million (2021: Rs 3.576 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. 1,143.72 million (2021:Rs. 1054.30 million), unutilized credit lines 250 million (2021: Rs. 349.7 million) to manage the liquidity issues (details of credit facility as under) and liquid assets in the form of short term securities Rs. 3,530.59 million (2021: 169.40 million).

- Running Finance facility available from Allied Bank Limited up to Rs. 250 million at interest rate of 3 Months KIBOR+1% Spread with tenor of 12 Months

-Unutilised amount	250,000,000	-
-Utilised amount	-	-

- Running Finance facility available from Bankislami Pakistan Limited up to Rs. 315 million (2021: Rs. 600 million) at interest rate of 1 Week KIBOR+2% (2021: 1 Week KIBOR+1%) Spread with tenor of 12 Months

-Unutilised amount	-	349,700,000
-Utilised amount	315,000,000	250,300,000

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:

	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	2,566,504,646	-	-	-	2,566,504,646
Lease liability	-	-	17,210,565	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>2,591,326,668</u>	<u>865,000,000</u>	<u>17,210,565</u>	<u>185,754,847</u>	<u>3,659,292,080</u>
	----- (Rupees) -----				
	2021				
	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	1,401,521,307	-	-	-	1,401,521,307
Lease liability	-	-	5,504,905	1,438,762	6,943,667
Accrued mark-up	567,795	-	-	-	567,795
Short term loan	-	100,000,000	-	-	100,000,000
	<u>1,402,089,102</u>	<u>100,000,000</u>	<u>5,504,905</u>	<u>151,438,762</u>	<u>1,659,032,769</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	June-22 ----- (Rupees) -----	June-21
Short term investments in debt securities		3,333,333	-
Trade debts	40.3.1	661,704,391	182,272,286
Bank balances	40.3.2	1,140,282,471	1,054,134,168
Long-term loans and advances		341,000	559,450
Long-term deposits and prepayments		59,931,802	21,440,755
Deposits, prepayments and other receivables		1,477,741,534	720,438,274
Loans and advances		831,462,645	1,262,982
		<u>4,174,797,176</u>	<u>1,980,107,915</u>

40.3.1 The aging analysis of trade debts are as follows:

	2022 ----- (Rupees) -----		2021 ----- (Rupees) -----	
	Gross	Impairment	Gross	Impairment
Past due 1 - 30 days	201,023,709	98,551,668	33,187,602	-
Past due 31 - 180 days	92,064,033	47,645,377	3,685,131	84,769
Past due 181 days - 1 year	34,010,087	17,599,258	1,656,220	157,111
More than one year	334,606,562	170,758,429	143,743,333	64,098,185
	<u>661,704,391</u>	<u>334,554,732</u>	<u>182,272,286</u>	<u>64,340,065</u>

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*

	2022	2021
	----- (Rupees) -----	
A-1	659,754,560	1,025,505,999
A-1+	479,792,574	28,628,168
A2	11,401	-
Unrated	181,200	-
	<u>1,139,739,735</u>	<u>1,054,134,167</u>

*Rating of banks performed by PACRA & JCR - VIS

40.4 Financial instruments by categories

	As at June 30, 2022			
Financial assets as per balance sheet	Asset at fair value through profit and loss	Asset at fair value through OCI	Amortized cost	Total
	----- (Rupees) -----			
Long term investment	-	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>200,760,239</u>	<u>3,841,447,927</u>	<u>7,572,800,030</u>

As at June 30, 2022

Financial liabilities at amortized cost

Financial liabilities as per balance sheet

	----- 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>3,659,292,080</u>

As at June 30, 2021

	Asset at fair value through profit and loss	Asset at fair value through OCI	Amortized cost	Total
Financial assets as per balance sheet	----- (Rupees) -----			
Long term investment	-	335,094,911	463,355	335,558,266
Long term deposits	-	-	21,440,755	21,440,755
Long term loans an advances	-	-	559,450	559,450
Short term investments	169,401,000	-	-	169,401,000
Trade debts	-	-	117,932,221	117,932,221
Deposits, prepayments and other receivables	-	-	720,438,274	720,438,274
Loans and advances	-	-	1,262,982	1,262,982
Cash and bank balances	-	-	1,054,302,526	1,054,302,526
	<u>169,401,000</u>	<u>335,094,911</u>	<u>1,916,399,563</u>	<u>2,420,895,474</u>

Financial liabilities as per balance sheet	As at June 30, 2021	
	Financial liabilities at amortized cost	
	----- Rupees -----	
Long-term loan-secured		150,000,000
Short-term loan-secured		100,000,000
Lease liability		6,943,667
Trade and other payables		1,401,521,307
Accrued mark-up		567,795
		<u>1,659,032,769</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:

	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	200,760,239	16,398,209	-	184,362,030
	2021			
	Total	Level 1	Level 2	Level 3
	----- (Rupees) -----			
Financial assets at fair value through profit or loss				
Quoted equity securities	169,401,000	169,401,000	-	-
Fair value through other comprehensive income				
Investment 'at fair value through other comprehensive income	335,094,911	35,761,881	-	299,333,030

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, 2022.

The reconciliation from the beginning to ending balances for assets measured at fair value using level 3 valuation technique is given below:

	2022	2021
	----- (Rupees) -----	
Opening balance	299,333,030	201,120,000
Unrealized (loss) / gain arising on re-measurement of long term investment at fair value through OCI	<u>(114,971,000)</u>	98,213,030
Closing balance	<u>184,362,030</u>	<u>299,333,030</u>
Total outstanding shares	217,217	217,217
NAV per share	54,707	88,823
AKDSL Holding	3,370	3,370
AKDSL % of holding	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

43.1 Person holding more than 5% of shares

	2022	2021	2022	2021
	% of holding		No. of shares	
M/s. AKD Securities Limited	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.55%	6.55%	6,551,000	6,551,000
Mr. Mohammad Aslam Motiwala	9.36%	9.36%	9,360,000	9,359,500

43.2 During the year there was no movement in shareholding of more than 5% of the shares.

43.3 Subsequent to the year end 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 95.90% equity interest in the Company.

43.4 As at June 30, 2022, the value of shares pledged with financial institutions amounted to Rs. 3,833.704 million out of which the value of Company's shares pledged with banks amounted to Rs. 905.99 million (2021: Nil) and the value of customer shares maintained with the company pledged with financial institution is Rs. 2,927.71 million (June 30, 2021:Rs. 705 million).

43.5 As at June 30, 2022, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.38,202.63 million (June 30, 2021: Rs. 17,914 million).

44 CAPITAL ADEQUACY LEVEL

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

	Note	2022	2021
		----- (Rupees) -----	
Total Assets		11,163,189,383	2,597,165,383
Adjustment for Notional value of TRE Certificate	8.3	(1,350,000)	1,150,000
Less: Total Liabilities		(3,856,145,046)	(1,662,805,048)
Less: Revaluation Reserves (created upon Revaluation of fixed assets)		-	-
		<u>7,305,694,337</u>	<u>935,510,335</u>

45 LIQUID CAPITAL BALANCE

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. Assets

1.1	Property & Equipment	327,704,829	100.00%	-
1.2	Intangible Assets	3,155,170,139	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.	-	10.00%	-
	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.	4,166,667	15.00%	3,541,667
	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.	3,538,370,792	1,458,579,500	2,079,791,292
	ii. If unlisted, 100% of carrying value.	184,362,030	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	275,489	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.	8,619,281	2,111,724	6,507,557
	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.	47,811,500	100.00%	-
1.9	Margin deposits with exchange and clearing house.	1,356,535,478	-	1,356,535,478
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	134,156,811	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	8,623,843	-	8,623,843
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	45,155,332	100.00%	-
1.13	Dividends receivables.	-	-	-
	Amounts receivable against Repo financing.	-	-	-
1.14	Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)	-	-	-
	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.	40,914,416	-	40,914,416
	2) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation	-	-	-
	3) In all other cases 100% of net value	750,768,911	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. Lower of net balance sheet value or value determined through adjustments.	96,940,198	103,050,141	96,940,198
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut	-	5.00%	-
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract, iii. Net amount after deducting haircut	-	-	-
1.17	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	48,359,594	-	48,359,594
	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. v. Lower of net balance sheet value or value determined through adjustments	191,554,151	116,959,689	116,959,689
	vi. 100% haircut in the case of amount receivable from related parties.	83,320,791	100.00%	-

	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts	16,531,732	-	16,531,732
	ii. Bank balance-customer accounts	1,123,750,739	-	1,123,750,739
	iii. Cash in hand	96,661	-	96,661
1.19	Subscription money against investment in IPO/ offer for sale (asset)	-	-	-
1.20	Total Assets	11,163,189,383	6,264,636,517	4,898,552,866
	2. Liabilities			
	Trade Payables			
2.1	i. Payable to exchanges and clearing house	15,748,365	-	15,748,365
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	2,337,708,178	-	2,337,708,178
	Current Liabilities			
2.2	i. Statutory and regulatory dues	67,183,715	-	67,183,715
	ii. Accruals and other payables	190,055,510	-	190,055,510
	iii. Short-term borrowings	865,000,000	-	865,000,000
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	17,210,565	-	17,210,565
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	127,733,545	-	127,733,545
	ix. Other liabilities as per accounting principles and included in the financial statements	49,750,322	-	49,750,322
	Non-Current Liabilities			
	i. Long-Term financing	150,000,000	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	35,754,847	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			
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	3,856,145,046		3,670,390,199
	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.	-	3,793,739	3,793,739
	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	-	-	-

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	-	92,846,849
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 ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	-	65,586,655
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	-	162,227,243
	Liquid Capital	7,307,044,337	Liquid Capital 1,065,935,424

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)

4,898,552,866
(3,670,390,199)
(162,227,243)
1,065,935,424

46 DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on _____.

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



Consolidated Financial Statements

- Independent Auditor's Report to the Members
- Statement of Financial Position
- Statement of Profit and Loss Account and Other Comprehensive Income
- Cashflow Statement
- Statement of Changes in Equity
- 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, 2022.

The consolidated financial results of the group for the year ended June 30, 2022, under review, are summarized as follows:

	2022	2021
	----- (Rupees in '000) -----	
Net revenue	1,600,410	563,909
Taxation	(241,806)	(84,569)
(Loss) / profit after taxation	(324,228)	191,384
	----- (Rupees) -----	
(Loss) / Earnings per share	3.24	1.91

Summary of changes in equity

The Group's loss after tax was PKR (324.228) Million, Loss per share (3.24) in CY22 as compare to profit after tax PKR 191.384 million, EPS 1.91 in CY21.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2022 along with disclosure required under the code of Corporate Governance is annexed to the report.

On behalf of the Board of Directors



Director



Chief Executive Officer

Karachi: October 06, 2022





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

Opinion

We have audited the annexed consolidated financial statements of **AKD Securities Limited (Formerly BIPL Securities Limited)** and its subsidiary (the Group), which comprise the consolidated statement of financial position as at **June 30, 2022** 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, 2022 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.

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AUDIT | TAX | CONSULTING



Following are the key audit matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p>Business Combination – Accounting for merger of AKD Securities Limited with and into the Company:</p> <p>As disclosed in Note 1.3 to the accompanying Consolidated financial statements, on 01 July 2021, AKD Securities Limited legally merged with and into the Holding Company (merger scheme) and the Holding Company accounted for the merger in accordance with the requirements of International Financial Reporting Standard 3 'Business Combinations'.</p> <p>The merger required significant and complex judgments from the management, including but not limited to the approach for recognition and settlement of the merged assets and liabilities in the Holding Company's financial statements, fair values of assets acquired and liabilities assumed, and allocation of purchase consideration paid thereon.</p> <p>In respect of merger scheme, the Holding Company has issued 2.59 ordinary share against every 1 share of AKD Securities Limited at a value of Rs. 15.03 per share as a consideration against the fair value of net assets acquired, resulting in a provisional goodwill amounting to Rs. 3.138 billion.</p> <p>The management employed an external expert to carry out the impairment testing on the carrying value of goodwill and intangible assets. The testing is subject to estimates and judgments made by the management of the Holding Company with respect to future revenues growth and profitability, cash flow projection and selection of appropriate discount rate.</p>	<p>Our audit procedures, amongst others, included the following:</p> <p>We obtained a detailed understanding of the accounting treatment for merger transaction under International Financial Reporting Standard 3 'Business Combinations'.</p> <p>We obtained an understanding of the management's determination for allocation of the purchase price.</p> <p>We reviewed the relevant merger scheme as sanctioned by the Honorable High Court, minutes of the meetings and underlying documents to gain an understanding of the key terms and conditions to evaluate the appropriateness of accounting treatment applied.</p> <p>We obtained and reviewed the valuation report prepared by the external valuer engaged by the Holding Company on which management based the assessment of the fair value.</p> <p>We evaluated the Competence, Capabilities and Objectivity of the Management's Expert to ensure adequacy of the Expert's work.</p> <p>We obtained an understanding of the management's valuation process for acquired assets and liabilities assumed.</p> <p>We reviewed and assessed the adequacy of the related disclosures in the financial statements relating to acquisition and merger transaction in accordance with applicable financial reporting framework.</p>



	<p>The recognition, measurement and disclosure of the Holding Company's merger with AKD Securities Limited in the financial statements was considered a key audit matter due to the significance of the amounts involved and the level of judgment required in choosing appropriate assumptions, alignment of accounting policies and its consistent application.</p>	
2.	<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 98.05 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 value 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 verified 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 determined 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 also assessed the adequacy of the group's disclosures pertaining to deferred taxation in accordance with applicable financial reporting framework.</p>
3.	<p>Valuation of Al Jomaih Power Limited (AJPL).</p> <p>The group's financial statements include investment at Fair value through Other Comprehensive Income in unquoted foreign group AJPL.</p>	<p>Our audit procedures, amongst others, included the following:</p> <p>We obtained confirmation of AJPL in respect of shareholding of the group in AJPL and net assets value per share as at year end, as per books and records of AJPL.</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>We checked that the investment at the year-end has been translated using appropriate exchange rate.</p> <p>We confirmed that at the year end, the investment is adjusted for changes 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>
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Emphasis of Matter

We draw attention to Note 1.3.1 of the Consolidated financial statements, which indicates that the amalgamated entity results and Consolidated statement of financial position have been incorporated prospectively from the date on which the merger occurred. Therefore, the annexed consolidated 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. Due to which the corresponding figures are not comparable.

Our opinion is not modified in respect of this matter.

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.


Chartered Accountants
Karachi

Dated: 06 OCT 2022

UDIN: AR202210239Ppn9IHEjg

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	June-22	June-21
		----(Rupees)----	
ASSETS			
Non-current assets			
Property and equipment	7	327,704,829	36,055,218
Intangible assets	8	3,155,170,139	4,301,039
Long-term investments	9	201,593,573	335,094,911
Long-term loans and advances	10	341,000	559,450
Long-term deposits and prepayments	11	59,771,851	21,280,804
Deferred tax asset - net	12	98,054,672	30,466,074
		3,842,636,064	427,757,496
Current assets			
Short-term investments	13	3,533,925,197	169,401,000
Trade debts	14	327,149,658	117,932,221
Deposits, prepayments and other receivables	15	1,487,357,417	725,068,536
Loans and advances	16	831,462,645	1,262,982
Taxation - net		-	101,221,160
Cash and bank balances	17	1,140,996,686	1,055,067,717
		7,320,891,603	2,169,953,616
TOTAL ASSETS		11,163,527,667	2,597,711,112
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Capital :			
200,000,000 Ordinary shares of Rs. 10 each	1.4.3	2,000,000,000	2,000,000,000
Issued, subscribed and paid-up capital			
Shares to be issued in accordance with scheme of merger	18	1,000,000,000	1,000,000,000
Share premium	19	4,578,341,705	-
Fair value reserve	20	2,302,905,878	-
General reserve		(59,874,996)	74,459,676
Accumulated loss		18,752,260	18,752,260
		(533,080,510)	(158,851,601)
		7,307,044,337	934,360,335
Non-current liabilities			
Long-term financing-secured	21	150,000,000	150,000,000
Lease liability	22	35,754,847	1,438,762
		185,754,847	151,438,762
Current liabilities			
Trade and other payables	23	2,634,253,569	1,404,437,008
Short term financing-secured	24	865,000,000	100,000,000
Current portion of lease liability	22	17,210,565	5,504,905
Unclaimed dividend		1,935,706	1,402,307
Taxation - net		127,506,621	-
Accrued mark-up	25	24,822,022	567,795
		3,670,728,483	1,511,912,015
TOTAL EQUITY AND LIABILITIES		11,163,527,667	2,597,711,112
CONTINGENCIES AND COMMITMENTS			
	26		

The annexed notes 1 to 46 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	Note	June-22	June-21
		------(Rupees)-----	
Operating revenue	27	1,600,410,686	563,909,897
Net (loss) / gain on investments			
(Loss) / gain on sale of short term investments 'at fair value through profit and loss' - r	28	(657,302,094)	12,005,727
Unrealised loss on re-measurement of short term investments			
'at fair value through profit or loss' -net	13.1	(199,790,205)	(1,520,719)
		(857,092,299)	10,485,008
Dividend income		87,644,421	-
Mark-up / profit on bank deposits and other receivables	29	244,365,585	108,752,377
		1,075,328,393	683,147,282
Operating and administrative expenses	30	(999,251,090)	(391,388,056)
(Allowance) / reversal against expected credit loss	14.1	(58,155,366)	3,436,556
		(1,057,406,456)	(387,951,500)
Operating profit		17,921,937	295,195,782
Finance cost	31	(105,195,429)	(23,711,991)
		(87,273,492)	271,483,791
Other income	32	4,851,436	4,470,032
(Loss) / profit before taxation for the year		(82,422,056)	275,953,823
Taxation	33	(241,806,853)	(84,569,814)
(Loss) / profit for the year		(324,228,909)	191,384,009
Other comprehensive (loss) / income for the year			
Items that will not be reclassified subsequently to profit or loss:			
Unrealized (loss) / gain arising on re-measurement of long term investment at fair value through other comprehensive income-net	9.1.4	(134,334,672)	118,105,676
Total comprehensive (loss) / income for the year		(458,563,581)	309,489,685
(Loss) / earnings per share - basic and diluted	34 & 1.4.4	(3.24)	1.91

The annexed notes 1 to 46 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2022

Note	June-22	June-21
	----(Rupees)----	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(82,422,056)	275,953,823
Non-cash adjustments to reconcile (loss) / profit before tax to net cash flows:		
Depreciation	67,782,098	16,891,043
Amortization	1,264,310	201,969
(Loss) / gain on sale of short term investments 'at fair value through profit and loss' - net	657,302,094	(12,005,727)
Gain on sale of property and equipment	(320,437)	(27,127)
Unrealised loss on re-measurement of short term investments 'at fair value through profit or loss' - net	199,790,205	1,520,719
Impairment on long-term investment - subsidiary	-	-
Provision / (reversal) of doubtful debts-net	58,155,366	(3,436,556)
Bad debts written off during the year	27,644	-
Finance cost	105,195,429	23,711,991
Dividend income	(87,644,421)	-
	<u>1,001,552,288</u>	<u>26,856,312</u>
	919,130,232	302,810,135
Working capital adjustments:		
Decrease / (Increase) in current assets		
Trade debts	(201,900,353)	(4,908,064)
Deposits, prepayments and other receivables	2,638,065,308	(370,740,016)
Loan and advances	(830,199,663)	-
	1,605,965,292	(375,648,080)
(Decrease) / Increase in current liabilities		
Trade and other payables	(1,874,923,399)	539,192,045
	650,172,125	466,354,100
Finance cost paid	(82,236,189)	(23,439,683)
Income tax paid	(80,667,678)	(20,795,668)
Net cash flows generated from operating activities	<u>487,268,258</u>	<u>422,118,749</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	(1,039,290,242)	(88,995,331)
Purchase of property and equipment	(50,952,093)	(3,230,375)
Purchase of intangible assets	(997,845)	(546,000)
Net Cash Flows from Merger	618,200,245	-
Proceeds from disposal of property and equipment	1,400,476	38,934
Dividend received	87,644,421	-
Net cash flows (used in)/ generated from investing activities	<u>(383,995,038)</u>	<u>(92,732,772)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	218,450	142,623
Lease liability	(29,221,311)	(7,787,041)
Long-term deposits and prepayments	(3,874,789)	1,002,980
Dividend paid	(49,466,601)	-
Net cash flows used in financing activities	<u>(82,344,251)</u>	<u>(6,641,438)</u>
Net increase in cash and cash equivalents	20,928,969	322,744,539
Cash and cash equivalents at the beginning of the year	1,055,067,717	667,323,178
Cash and cash equivalents at the end of the year	<u>1,075,996,686</u>	<u>990,067,717</u>
Cash and cash equivalents comprises of:		
Cash and bank balances	17 1,140,996,686	1,055,067,717
Short term financing-secured	24 (65,000,000)	(65,000,000)
	<u>1,075,996,686</u>	<u>990,067,717</u>

The annexed notes 1 to 46 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

**AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022**

	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, 2020	1,000,000,000	-	-	18,752,260	(350,235,609)	(43,646,000)	624,870,651
Profit for the year	-	-	-	-	191,384,009	-	191,384,009
Other comprehensive income for the year	-	-	-	-	-	118,105,676	118,105,676
Balance as at June 30, 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 of 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

Note

The annexed notes 1 to 46 form an integral part of these financial statements.



Chief Executive Officer



Director

Chief Financial Officer

**AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

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

- 1.1** AKD Securities Limited (formerly BIPL 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 Holding 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 I.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	Lahore	Office 512-513, 5th Floor, Lahore Stock Exchange Building, 19, Khayaban-e-Aiwan-e-Iqbal Road.
13	Lahore	2nd Floor Fountain Avenue Building, 64-A, Main Boulevard, Main Gulberg.
14	Multan	Ground Floor, State Life Building, Abdali Road.
15	Peshawar	1st Floor, State Life Building, 34-The Mall, Peshawar Cantt.
16	Rahim Yar Khan	Plot # 24, City Park Chowk, Model Town
17	Sialkot	Ground Floor, City Tower, Shahab Pura Road

- 1.2** The Group is a subsidiary of AKD Group Holdings (Pvt) Limited (the Ultimate Parent), who holds 95.90% (2021: AKD Securities Limited 77.12%) shares of the Holding 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 Holding 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.

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.

- 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 Holding 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:

	Carrying amounts as at 01 July 2021	Fair value and other adjustments -----Rupees-----	Fair value as at 01 July 2021
Assets			
Property, plant 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 & 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)*	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 Holding 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 Holding 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 Holding 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 Holding Company has changed its financial year end to align it with the normal tax year. Consequently, these financial statements are prepared for a period of 12 months from July 01, 2021 to June 30, 2022.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements of the Group for the year ended June 30, 2022 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.

2.3 Basis of consolidation

The financial statements of the subsidiary are included in the consolidated financial statements from the date of the control commences until the date control ceases. In preparing consolidated financial statements, the financial statements of the group company and the subsidiary are consolidated on a line by line basis by adding together the items of assets, liabilities, income and expenses. All intercompany transactions have been eliminated.

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

4.1.1 Standards, amendments to standards and interpretations becoming effective in current year

During the year certain new accounting and reporting standards / amendments / interpretations became effective and applicable to the Group. However, since such updates were not considered to be relevant to these unconsolidated financial statements, the same have not been reported.

New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after the dates specified below:

Onerous Contracts Cost of Fulfilling a Contract (Amendments to IAS 37): effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Group.

Property, Plant and Equipment Proceeds before Intended Use (Amendments to IAS 16): effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Group.

Amendments to IFRS 3 'Business Combinations': Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018. The amendments are not likely to affect the financial statements of the Group.

Amendments to IAS 1 'Presentation of Financial Statements': Classification of liabilities as current or non-current amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8. The management of the Group is currently in the process of assessing the impacts of these amendments to these consolidated financial statements.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2): the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- a. requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- b. clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- c. clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a Group's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

The management of the Group is currently in the process of assessing the impacts of above amendments to these unconsolidated financial statements.

Definition of Accounting Estimates (Amendments to IAS 8): The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a Group develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the Group applies the amendments. The amendments are not likely to affect the financial statements of the Group.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12): The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted. The amendments are not likely to affect the financial statements of the Group.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022.

IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability

IFRS 16 – The amendment partially amends Illustrative Example 13 acGrouping IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique This amendment enables the fair value measurement of biological assets on a post-tax basis.

The above amendments are not likely to affect the financial statements of the Group.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Initial application of IFRS 8: Operating Segments

An operating segment is a component of the Holding 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.

During the year the Holding Company applied IFRS 8 for the first time 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 8 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 trade date, i.e., the date that the Company 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

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 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 FVOCI, most loan commitments, financial guarantee contracts, and lease receivables under IFRS 16 Leases.

For trade and other receivables, the Group Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group Company has established a provision matrix that is based on the Group 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 Group 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 Holding 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 Holding 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 Group 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 Group 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 Group 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 Group 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.

The allowance for doubtful debts of the Holding 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 Group 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 Group 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 Group 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 Group 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 Group 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. 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.

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

7 PROPERTY AND EQUIPMENT

		June-22	June-21
		----- (Rupees) -----	
Property and equipment	7.1	199,943,230	27,833,199
Right to use asset under IFRS 16	7.2	56,035,043	8,222,019
Advance against capital expenditure through merger	7.3	71,726,556	-
		<u>327,704,829</u>	<u>36,055,218</u>

7.1 PROPERTY AND EQUIPMENT

	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	<u>13,928,073</u>	<u>2,184,742</u>	<u>11,173,153</u>	<u>547,231</u>	<u>27,833,199</u>
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	<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>
Analysis of net book value					
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	<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>	
	2021				
	Office premises on lease hold land	Furniture and fixtures	Computers and office equipment	Motor vehicles	Total
	----- (Rupees) -----				
As at July 01, 2020					
Cost	47,932,654	25,852,767	106,811,965	2,736,534	183,333,920
Accumulated depreciation	(32,000,004)	(23,196,482)	(92,664,185)	(2,189,303)	(150,049,974)
Net book value at the beginning of the year	<u>15,932,650</u>	<u>2,656,285</u>	<u>14,147,780</u>	<u>547,231</u>	<u>33,283,946</u>
Changes during the year					
Additions during the year	-	34,000	3,196,375	-	3,230,375
Disposals during the year					
-Cost	-	-	(87,950)	-	(87,950)
-Depreciation	-	-	76,143	-	76,143
	-	-	(11,807)	-	(11,807)
Depreciation charge for the year	(2,004,576)	(505,543)	(6,159,195)	-	(8,669,314)
	(2,004,576)	(471,543)	(2,974,627)	-	(5,450,746)
Net book value at the end of the year	<u>13,928,073</u>	<u>2,184,742</u>	<u>11,173,153</u>	<u>547,231</u>	<u>27,833,199</u>
As at June 30, 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	<u>13,928,073</u>	<u>2,184,742</u>	<u>11,173,153</u>	<u>547,231</u>	<u>27,833,199</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 and prior year was less than the threshold of Rs. 5 million

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



7.2 RIGHT-OF-USE ASSETS

	June-22	June-21
	----- (Rupees) -----	
Opening balance	8,222,019	16,443,747
Additions during the year-net	48,417,771	-
Acquisition under merger scheme	24,224,481	-
Deletions during the year-net	(1,183,213)	-
Depreciation for the year	(23,646,015)	(8,221,728)
Closing balance	<u>56,035,043</u>	<u>8,222,019</u>
Depreciation rate (% per annum)	<u>20 - 33.33</u>	<u>20 - 33.33</u>

7.3 ADVANCE AGAINST CAPITAL EXPENDITURE

Opening	-	-
Advance against property through merger	71,556,366	-
Additions	14,290	-
Transfer to PPE	-	-
	<u>71,570,656</u>	<u>-</u>
Others	155,900	-
	<u>71,726,556</u>	<u>-</u>

7.3.1 This represent the advance paid to Mr. Aqeel Karim Dhedhi - sponsor of the Holding Company against purchase of office premises measuring 12,883 square feet at an agreed price of Rupees 141.713 million. The said property will be transferred to the Company after its clearance from financial institution with which it is mortgaged by the Sponsor. The Company has not paid any rent expense during the year against possession of such premises in lieu of the above agreement.

8 INTANGIBLE ASSETS

	2022						Total
	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	
	------(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	3,180,718,654
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	-	-	
	------(Rupees)-----						
	2021						
	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, 2020							
Cost	12,650,205	750,000	950,200	1,223,050	1,350,000	-	16,923,455
Accumulated amortization	(12,443,446)	-	-	(523,000)	-	-	(12,966,446)
Net book value at the beginning of the year	206,758	750,000	950,200	700,050	1,350,000	-	3,957,008
Addition during the year	546,000	-	-	-	-	-	546,000
Amortization for the year	(201,969)	-	-	-	-	-	(201,969)
Net book value at the end of the year	550,789	750,000	950,200	700,050	1,350,000	-	4,301,039
Analysis of Net Book Value							
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 as at June 30, 2021	550,789	750,000	950,200	700,050	1,350,000	-	4,301,039
Amortization rate (% per annum)	33.33	-	-	0 - 33.33	-	-	

8.1 Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (The Act), the ownership in a stock exchange has been segregated from right to trade on the exchange. Accordingly, the Company has received equity shares of PSX and a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of PSX. The Holding Company's entitlement in respect of PSX's shares is determined on the basis of valuation of assets and liabilities of PSX as approved by the SECP and the Holding Company has been allotted 4,007,383 shares of the face value of Rs 10/- each, out of which 2,404,430 shares are kept in the blocked account and the divestment of the same will be made in accordance with the requirements of the Act within two years from the date of Demutualization.

On December 29, 2016, the divestment committee of PSX formed for the purpose has confirmed the sale of 40% equity stake of PSX shares.

The cost / book value of the PSX membership card amounts to Rs. 4.95 million as at December 31, 2012. In absence of an active market of the shares of PSX and TREC, the allocation of the carrying value of the membership card between the shares (financial asset) and TREC (an intangible asset) was made by the Holding Company on the basis of the face of ordinary shares and the TREC value assigned by the PSX for minimum capital requirement purpose applicable to the stock exchange brokers.

8.2 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.

8.3 At reporting date the Group 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.

8.4 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

The 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 2022. 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 2.5% and terminal value determined based on long term earning multiples. The cash flows are discounted using a discount rate of 15.5%. Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill.

	Note	June-22 ------(Rupees)-----	June-21
9 LONG TERM INVESTMENTS			
At fair value through Other Comprehensive Income	9.1	200,760,239	335,094,911
Investment in other entity	9.2	833,334	-
		201,593,573	335,094,911

9.1 Investment 'at fair value through Other Comprehensive Income

2022	2021	Name of the Investee Company	Note	2022		2021	
				Cost	Carrying value	Cost	Carrying value
------(Rupees)-----							
Quoted shares							
1,602,953	1,602,953	Pakistan Stock Exchange Limited	9.1.1, & 9.1.4	1,438,000	16,398,209	1,438,000	35,761,881
Unquoted shares							
3,370	3,370	Al Jomaih Power Limited	9.1.2 & 9.1.4	184,196,957	184,362,030	184,196,957	299,333,030
		New Horizon Exploration and Production Limited (Related Party)					
25,000,000	25,000,000	- Class 'A' ordinary shares		25,000,000	-	25,000,000	-
10,000,000	10,000,000	- Class 'B' ordinary shares		50,000,000	-	5,000,000	-
				75,000,000	-	30,000,000	-
		Less: impairment	9.1.3	(75,000,000)			
				185,634,957	200,760,239	215,634,957	335,094,911

9.1.1 Fair value of the investment as the year end was Rs. 10.23 per share (2021: 22.31 per share) as per quoted market price.

9.1.2 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, 2022. The above figures are based on unaudited financial statements. The company holds 1.55% of total issued certificates of AJPL. To date the Holding Company has received a return of Rs 72mn in forms of dividends and the total cost of investment is Rs 184.19mn (2021: 184.19mn).

9.1.3 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	June-22 ------(Rupees)-----	June-21
9.1.4 Reconciliation of unrealized (loss) / gain on investment 'at fair value through Other Comprehensive Income			
Pakistan Stock Exchange Limited			
Opening		34,323,881	14,431,235
unrealized (loss) / gain during year	9.1.1	(19,363,672)	19,892,646
Closing		14,960,209	34,323,881
Al Jomaih Power Limited			
Opening		115,136,073	16,923,043
unrealized (loss) / gain during year	9.1.2	(114,971,000)	98,213,030
Closing		165,073	115,136,073
Total unrealized (loss) / gain during year		(134,334,672)	118,105,676

9.2 Investment in other entity - At amortized cost

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

The Group Company in pursuant of scheme of merger, 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.

	Note	June-22	June-21
-----Rupees-----			
10 LONG-TERM LOANS AND ADVANCES - Considered Good			
Loans and advances to:			
Employees	10.1	1,843,642	1,822,432
Current maturity shown in current assets	15	(1,502,642)	(1,262,982)
		<u>341,000</u>	<u>559,450</u>
10.1 These are given to employees for general purpose in accordance with their terms of employment. These loan and advances carry mark-up at the rate of 8.5% (2021: 7.5%) per annum and are recovered through deduction from salaries over varying periods up to a maximum period of 36 months. 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	43,211,500	16,111,500
- National Clearing Company of Pakistan Limited (NCCPL)		400,000	400,000
- Pakistan Mercantile Exchange Limited (PMEX)		4,000,000	2,500,000
- Central Depository Company of Pakistan Limited (CDC)		200,000	200,000
- Rent deposits against rented premises		6,312,795	2,102,640
- Others		5,807,507	126,615
		<u>59,931,802</u>	<u>21,440,755</u>
Prepayments			
-Impact of expected credit loss	11.2	18,000	18,000
		<u>(177,951)</u>	<u>(177,951)</u>
		<u>59,771,851</u>	<u>21,280,804</u>
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.			
11.2 Impact of expected credit loss			
- Rent deposits		<u>(177,951)</u>	<u>(177,951)</u>
12 DEFERRED TAX ASSET - NET			
		2022	
		(Charge) / reversal to statement of profit / (loss)	(Charge) / reversal to statement of other comprehensive income
		Opening balance	Closing balance
-----Rupees-----			
Deductible temporary differences			
Allowance for expected credit losses		19,700,938	78,362,028
Re-measurement of investments		-	29,968,531
Losses available for offsetting against future taxable income		-	-
-carry forward of minimum tax and ACT		10,609,363	(10,609,363)
Taxable temporary differences			
Accelerated tax depreciation / amortization		526,164	(14,252,829)
Lease liability net		(370,391)	(15,879,769)
		<u>30,466,074</u>	<u>67,588,598</u>
		2021	
		(Charge) / reversal to statement of profit / (loss)	(Charge) / reversal to statement of other comprehensive income
		Opening balance	Closing balance
-----Rupees-----			
Deductible temporary differences			
Allowance for expected credit losses		19,805,000	(104,062)
Re-measurement of investments		-	-
Losses available for offsetting against future taxable income		8,757,000	(8,757,000)
-carry forward of minimum tax and ACT		22,678,000	(12,068,637)
Taxable temporary differences			
Accelerated tax depreciation / amortization		90,000	436,164
Lease liability net		(77,000)	(293,391)
		<u>51,253,000</u>	<u>(20,786,926)</u>
13 SHORT-TERM INVESTMENTS			
'At fair value through profit or loss'			
- Quoted equity securities	13.1	3,530,591,864	169,401,000
- Term finance certificates - Pace Pakistan Ltd.	13.2	-	-
		<u>3,530,591,864</u>	<u>169,401,000</u>
-Privately Placed Term Finance Certificate - Kashaf Foundation.	13.3	3,333,333	-
		<u>3,533,925,197</u>	<u>169,401,000</u>

13.1 Quoted equity securities

	2022		2021	
	Cost	Carrying value	Cost	Carrying value
- Investment in shares of quoted equity securities	3,730,382,069	3,530,591,864	170,921,719	169,401,000

This includes shares with carrying value of Rs. 1,171.989 million (2021: 205.592 million) pledged with NCCPL against exposure margin.

13.2 Term finance certificates

2022	2021	Name of Investee Company	Note	June-22	June-21
				(Rupees)	
Number of certificates					
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		(18,147,464)	(18,147,464)
4,000	4,000	Less : Provision for impairment	13.2.1	-	-

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

Current portion of PPTFC of Kashaf Foundation	9.2	3,333,333	-
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14 TRADE DEBTS

Receivable against purchase of marketable securities - net of provisions		296,951,086	111,920,904
Receivable from National Clearing Company of Pakistan Limited		10,397	207,206
Inter-bank brokerage		6,605,849	5,804,111
Receivable against consultancy, advisory & underwriting		23,582,326	-
Considered good		327,149,658	117,932,221
Considered doubtful		334,554,733	64,340,065
Less: Provision for doubtful debts	14.1	661,704,391	182,272,286
	14.2	(334,554,733)	(64,340,065)
		327,149,658	117,932,221

14.1 These receivables include Rs. 83,320,790 (2021: Rs. 56,340) 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. 179,461,176 (2021: Rs. 2,339,901).

14.2 Reconciliation of provisions against trade debts

		64,340,065	67,776,621
Opening balance		212,059,302	-
Provision on trade debts acquired under merger scheme		60,257,339	4,218,549
Provision for the year		(2,101,973)	(7,655,105)
Reversal during the year		270,214,668	(3,436,556)
		334,554,733	64,340,065

15 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Deposits:

Exposure deposit with -NCCPL		1,347,174,639	436,233,074
Exposure deposit with -PMEX		9,360,839	6,387,670
Ijarah deposits		-	1,461,900
Others	15.1	2,100,000	2,100,000
-Impact of expected credited loss	15.3	1,358,635,478	446,182,644
		(2,100,000)	(2,100,000)
		1,356,535,478	444,082,644

Prepayments:

Insurance		1,287,581	1,307,835
Software development and maintenance		1,816,565	447,818
Rent		2,414,230	1,828,443
Others		4,095,871	1,044,749
		9,614,247	4,628,845

Other receivables:

Profit on bank deposits		6,581,402	5,989,086
Profit on exposure deposit with -NCCPL		2,044,077	1,587,540
Receivable against margin finance		96,940,198	262,544,422
Others	15.2	26,148,130	7,551,473
-Impact of expected credited loss	15.3	131,713,807	277,672,520
		(10,506,115)	(1,315,473)
		121,207,692	276,357,048
		1,487,357,417	725,068,536

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 and cash of Rs. 0.1 million. These DSCs carry yield of 7.34% per annum and will mature in August 2026 (June 30, 2021 :7.34%).

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		10,506,115	1,315,473
		12,606,115	3,415,473

16 LOANS AND ADVANCES	Note	June-22	June-21
		----- (Rupees) -----	
Advances to:			
Current portion of long-term loans and advances to employees and executives	10	1,502,642	1,262,982
Short term advances to employees against commission & expenses	16.1	39,411,774	-
		40,914,416	1,262,982
Short term loan to:			
Holding company	16.2	727,521,537	-
Creek Developers (Private) Limited	16.3	17,871,360	-
		745,392,897	-
Markup on short term loan to:			
Holding company	16.2	44,105,309	-
Creek Developers (Private) Limited	16.3	1,050,023	-
		45,155,332	-
		831,462,645	1,262,982

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 Group Company's 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 Aqeel Karim Dhedhi Securities (Private) Limited (Holding Company). Mark-up on outstanding balance of such loan is 6MK+1% per annum receivable six monthly in arrears.

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 6MK+1% per annum payable six monthly in arrears.

17 CASH AND BANK BALANCES

Company accounts			
Current accounts		12,057,891	1,924,050
Saving accounts	17.1	5,085,978	115,219,659
		17,143,869	117,143,708
Client accounts			
Current accounts		91,480,897	50,230
Saving accounts	17.1	1,032,269,842	937,703,442
		1,123,750,739	937,753,672
		1,140,894,608	1,054,897,380
Cash in hand		96,661	168,358
Stamps in hand		5,417	1,979
		1,140,996,686	1,055,067,717

17.1 These carry profit at rates ranging from 2.14% to 13% (2021: 2.26% to 6.8%) 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
100,000,000	100,000,000		1,000,000,000	1,000,000,000

The Holding 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

	June-22	June-21
Number of Shares to be issued	457,834,171	-
Amount in regards to shares to be Issued.	4,578,341,705	-

The shares are to be issued as fully paid for consideration other than cash to the shareholders of AKD Securities Limited, pursuant to the Merger Scheme as described in Note 1.3.

20 SHARE PREMIUM

	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. 6,881,247,590 as described in Note 1.3.

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	700,000,000	-
Less: Current Portion		(700,000,000)	-
		150,000,000	150,000,000

21.1 This represents long-term financing obtained by Holding Company 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 8. 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 6 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 700 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.

22 LEASE LIABILITIES	Note	June-22	June-21
		--(Rupees)--	
Opening		6,943,667	14,730,708
Additions during the year		48,417,771	-
Acquisition under merger scheme		24,224,481	-
Deletions during the year		(1,183,213)	-
Payments made during the year		(25,437,294)	(7,787,041)
		52,965,412	6,943,667
Transferred to current maturity		(17,210,565)	(5,504,905)
		<u>35,754,847</u>	<u>1,438,762</u>

22.1 The future minimum lease payments to which the Holding 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, 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>
As at June 30, 2021		
Principal	5,504,905	1,438,762
Finance charges allocated to future years	1,007,247	-
	<u>6,512,152</u>	<u>1,438,762</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 9.45% - 14.26% 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 Holding Company shall pay entire amount of rentals for unexpired period of respective lease agreements.

23 TRADE AND OTHER PAYABLES

Trade creditors		2,337,708,178	1,310,815,930
Payable to National Clearing Company of Pakistan Limited		15,748,365	46,204,528
Accrued liabilities		153,498,600	31,549,025
Withholding tax		67,183,715	2,369,972
Provision for Workers' Welfare Fund - Federal		-	2,647,171
Provision for Workers' Welfare Fund - Sindh		10,248,830	8,171,582
Unwinding part of Finance lease		-	206,439
Payable to Staff Provident Fund	23.2	5,496,712	-
Profit payable to clients		-	-
Unclaimed deposits by clients		21,376,575	-
Others	23.3	22,992,594	2,472,361
	23.4	<u>2,634,253,569</u>	<u>1,404,437,008</u>

23.1 During the year, based on the legal opinion obtained by the Holding Company, provision against Federal Workers' Welfare Fund amounting to Rs.2.647 (2021: Nil) million has been reversed.

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. 7.63 million (2021: Nil) payable to related parties.

23.4 This includes Rs. 17,640,762 (2021: 670,277) payable to related parties.

24 SHORT TERM FINANCING- SECURED

Loan from Financial Institution	165,000,000	100,000,000
Current Portion of Loan of Diminishing musharakah facility	700,000,000	-
	<u>865,000,000</u>	<u>100,000,000</u>

This represents running musharakah facility obtained by Holding Company 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% (2021: 1 week KIBOR plus 1%) per animate payment frequency is maximum 30 days from the date of financing obtained.

The AKD Securities Ltd obtained a diminishing musharakah facility from Al-Baraka Bank (Pakistan) Limited (ABPL) amounting to Rupees 700 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.

	Note	June-22	June-21
		--(Rupees)--	
25 ACCRUED MARK-UP:			
Accrued mark-up		<u>24,822,022</u>	<u>567,795</u>

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 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 Rupees 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** Securities & Exchange Commission of Pakistan (SECP) has imposed a penalty of Rs. 875,000 on the Company for contravening the provisions of Anti Money Laundering Regulations & Licensing Regulations vide its order dated 16 September 2020. The management of the Company has filed an appeal against the order registered as Appeal No. 124 of 2020 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.

26.2 Commitments:

	Note	June-22	June-21
		----- (Rupees) -----	
Net-future sale transactions of equity securities entered into by the Holding Company in respect of which the settlement is outstanding		<u>94,001,310</u>	<u>173,048,970</u>
The Holding Company had entered into Ijarah arrangements for vehicles with BankIslami Pakistan Limited amounting to Rs 15 million which matured during the year.		<u>-</u>	<u>303,433</u>
Advance against capital expenditure	7.3	<u>69,986,444</u>	<u>-</u>

27 OPERATING REVENUE

Brokerage	1,361,975,209	630,461,206
Subscription research income	225,192	427,638
Financial advisory fee	338,657,544	565,000
Custody services	62,361,293	5,764,339
Underwriting commission	45,244,837	-
Less: sales tax on services	(208,053,389)	(73,308,286)
	<u>1,600,410,686</u>	<u>563,909,897</u>

28 (LOSS) / GAIN ON SALE OF SHORT TERM INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT AND LOSS' - NET

	Note	June-22	June-21
		--(Rupees)--	
Quoted equity securities		(665,603,209)	10,742,927
Debt securities		8,301,115	1,262,800
		<u>(657,302,094)</u>	<u>12,005,727</u>

29 MARK-UP / PROFIT ON BANK DEPOSITS AND OTHER RECEIVABLES

Profit on bank deposits	178,132,725	81,057,543
Margin finance income	20,200,483	27,491,635
Mark up on loan to related parties	45,155,332	-
Profit on PPTFCs	658,887	-
Others	218,158	203,199
	<u>244,365,585</u>	<u>108,752,377</u>

30 OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	30.1	464,778,638	191,722,984
Commission expense		137,431,007	47,972,074
Staff training and development-Directors		10,500	71,700
Rent, rates and taxes		10,578,079	5,328,761
Insurance charges		8,466,230	884,323
Depreciation	30.2	67,782,098	16,891,042
Amortization of intangible assets		1,264,310	201,969
Repairs and maintenance		15,874,094	7,260,413
Power and utilities		21,923,247	12,409,449
Communication		39,838,313	18,142,543
Trading costs		88,368,102	35,481,598
Information technology related cost		17,321,869	9,573,797
Fees and subscription		20,561,252	7,670,192
Director fee		1,320,000	1,440,000
Printing and stationery		8,319,954	1,728,416
Papers and periodicals		368,040	110,397
Advertisement and business promotion		3,210,937	152,415
Sales and marketing		15,671,699	1,638,508
Travelling and conveyance		16,483,406	1,224,805
Entertainment		3,417,016	1,130,048
Legal and professional charges		12,533,178	4,089,127
Auditor's remuneration	30.3	3,486,448	1,969,694
Stamp charges		567,306	62,139
Donations	30.4	13,750,000	50,000
Workers' welfare fund		-	5,632,723
Kitchen expenses		5,395,589	1,501,094
Profit -paid to clients	30.5	18,929,831	14,410,261
Ijara rental		232,796	2,469,133
Bad debts written off		27,644	-
Others		1,339,507	168,448
		<u>999,251,090</u>	<u>391,388,056</u>

30.1 Salaries, allowances and benefits include Holding Company's contribution to provident fund amount to Rs 17.64 million (2021: Rs 4.16 million).

30.2 Depreciation

Property and equipment	7.1	44,136,083	8,669,314
Right-of-use assets	7.2	23,646,015	8,221,728
		67,782,098	16,891,042

30.3 Auditor's Remuneration

Statutory audit fee		2,060,820	619,217
Review of compliance with COCG		50,000	50,000
Consolidation fee		50,000	35,000
Half-yearly review fee., special audit and other certifications		861,268	955,198
Out of pocket expenses		247,000	186,882
Sales tax on services		217,360	123,397
		3,486,448	1,969,694

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	-
Others		3,750,000	50,000
		13,750,000	50,000

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.

31 FINANCE COST

	Note	June-22	June-21
		--(Rupees)--	
Mark-up on:			
Long-term loan		98,349,455	15,484,781
Short-term loan-RF		2,613,255	6,277,935
Lease liabilities		3,868,569	1,772,359
Bank charges		364,150	176,916
		<u>105,195,429</u>	<u>23,711,991</u>

32 OTHER INCOME

Gain on disposal of property and equipment		320,437	27,127
Mark up staff loan		116,362	168,073
Reversal of provision against Workers' Welfare Fund - Federal	23.1	2,647,171	-
Others		1,767,466	4,274,832
		<u>4,851,436</u>	<u>4,470,032</u>

33 TAXATION

Current			
for the year		309,461,853	46,807,596
for prior year		(66,403)	390,067
Deferred		(67,588,597)	37,372,151
		<u>241,806,853</u>	<u>84,569,814</u>

33.1 Income tax assessments of the Group Company's have been finalized up to and including the tax year 2021 (income year ended December 31, 2020). 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		309,461,853	46,807,596
Prior year		(66,403)	390,067
Deferred tax		(67,588,597)	37,372,151
		<u>241,806,853</u>	<u>84,569,814</u>
Profit before tax		<u>(82,422,056)</u>	<u>275,953,823</u>
Tax at the applicable rate of 29% (2021 : 29%)		(23,902,396)	80,026,609
Tax effect of non-deductible expenses		(6,838,377)	(8,461,754)
Tax effect of Income at reduced rate		205,295,089	1,882,592
Tax effect of Minimum Tax and Alternative Corporate		98,093,012	8,316,549
Tax effect of prior year charges		(66,403)	390,067
Tax effect of Super Tax u/s 4C		(39,833,050)	-
Others		9,058,978	2,415,752
		<u>241,806,853</u>	<u>84,569,814</u>

34 EARNINGS PER SHARE-BASIC AND DILUTED

34.1 Basic earnings per share

(Loss) / profit for the year attributable to ordinary shareholders		<u>(324,228,909)</u>	<u>191,384,009</u>
Weighted average number of ordinary shares		<u>100,000,000</u>	<u>100,000,000</u>
(Loss) / earnings per share - Basic and diluted	34.2	<u>(3.24)</u>	<u>1.91</u>

34.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Holding Company does not have any convertible instruments in issue as at 30 June 2022 (2021: Nil) which would have any effect on the earnings per share if the option to convert is exercised.

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:

	2022			2021		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	----- (Rupees) -----			----- (Rupees) -----		
Managerial remuneration	24,297,814	24,068,290	155,798,103	14,329,332	-	50,716,406
Fee (note 35.2)	-	1,320,000	-	-	1,440,000	-
Bonus / commission	18,488,123	11,386,407	120,216,080	1,356,962	-	3,254,670
Contribution to provident fund	952,584	1,458,694	7,448,139	380,904	-	1,132,114
	43,738,521	38,233,391	283,462,322	16,067,198	1,440,000	55,103,190
Number of persons	2	6	37	1	3	14

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 Holding

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	22,427,659	6,847,760
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All Research Analyst reports 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 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).

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	June-22 Rupees	June-21 Rupees
Holding Company (AKD Group Holding (Pvt.) Limited)	Balances acquired through merger	71,070,992	-
	Mark up accrued on loan during the year	44,105,309	-
	Mark up Paid on loan during the year	(57,988,876)	-
	Rent Paid	(2,844,866)	-
	Brokerage income earned	-	-
	Profit on bank deposits	-	-
	Maintenance paid	-	-
	Bank Charges	-	-
	Disbursement / adjustments during the year	1,720,983,500	-
	Receipts / adjustment during the year	(1,003,699,213)	-
	Balance receivable / (payable) at year end	771,626,846	-
Holding Company (Former) (BanksIslami Pakistan Limited: 2021)	Mark up accrued on loan during the year	-	(24,231,850)
	Mark up Paid on loan during the year	-	24,231,850
	Rent Paid	-	(1,383,643)
	Brokerage income earned	-	525,253
	Profit on bank deposits	-	39,512,182
	Maintenance paid	-	(1,112,001)
	Bank Charges	-	(43,358)
	Disbursement / adjustments during the year	-	1,244,000,000
	Receipts / adjustment during the year	-	(1,309,000,000)
	Balance receivable / (payable) at year end	-	-
Other Related Parties	Balances acquired through merger	4,158,071	-
	Mark up accrued on loan during the year	1,050,023	-
	Mark up Paid on loan during the year	(5,839,211)	-
	Rent Paid	(360,000)	-
	Brokerage Earned	249,000	-
	Company Contribution to Provident Fund	17,070,757	3,679,226
	Disbursement / adjustments during the year	46,921,245	-
	Receipts / adjustment during the year	(48,151,375)	-
	Balance receivable at year end	15,098,511	-
Key Personnel	Brokerage earned	35,251,253	227,487
	Managerial & Commission	83,765,833	18,859,178
	Meeting Fee	1,320,000	1,440,000
	Company Contribution to Provident Fund	572,156	483,030
	Balance receivable at year end	2,546,474	34,328
	Balance payable at year end	(85,057,226)	(635,949)

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 Group Company's had entered into transactions or had agreements in place during the year:

Name of Related parties	Relationship	% equity interest
AKD Group Holdings (Private) Limited - (formerly Aqeel Karim Dhedhi Securities Private Limited)	Parent company	77.12%
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 RIETS 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	-
Mr. Aqeel Karim Dhedhi	Other Related	-
Mr. Tariq Adam Ghumra	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 2022	Audited 2021
		-----{Rupees}-----	
Size of the fund-Net assets		56,593,836	53,108,672
Cost of investments made		32,540,568	40,303,423
Percentage of investments made		94.75%	92.96%
Fair value of investments	37.1.1	53,625,402	49,369,962

37.1.1 Break-up value of fair value of investments is:

	2022 (Un-Audited)		2021 (Audited)	
	(Rs.)	%	(Rs.)	%
Investments in various Funds / Government Securities	34,223,926	63.82%	41,602,414	84.27%
Saving accounts	19,401,476	36.18%	7,767,548	15.73%
	53,625,402	100.00%	49,369,962	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. The above figures are unaudited.

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	2022 (Un-Audited) ---(Rupees)---
Size of the fund-Net assets		<u>243,732,703</u>
Cost of investments made		<u>33,135,589</u>
Percentage of investments made		<u>90.58%</u>
Fair value of investments	37.2.1	<u>220,764,080</u>

37.2.1 Break-up value of fair value of investments is:

	2022 (Un-Audited)	
	(Rs.)	%
Investments in various Funds / Government Securities	-	0.00%
Saving accounts	968,574	0.44%
Term finance certificates (PPTFC)	5,000,000	2.26%
Mutual funds units	60,218,789	27.28%
Listed shares	154,576,717	70.02%
	<u>220,764,080</u>	<u>100.00%</u>

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

	2022				Total
	Brokerage	Financial Advisory	Underwriting	Other Operation	
Segment revenues	1,361,975,209	338,657,544	45,244,837	62,586,485	1,808,464,076
Loss on revaluation of investments				(857,092,299)	(857,092,299)
Administrative and operating expenses (other than depreciation and amortization)	(700,547,903)	(174,192,475)	(23,272,212)	(32,192,092)	(930,204,682)
(Provision) / reversal against doubtful debts-net	(58,155,366)				(58,155,366)
Depreciation	(51,047,482)	(12,693,047)	(1,695,798)	(2,345,771)	(67,782,098)
Amortisation of intangible assets	(952,166)	(236,758)	(31,631)	(43,755)	(1,264,310)
Finance cost	(79,223,894)	(19,699,161)	(2,631,819)	(3,640,555)	(105,195,429)
Sales Tax on Services	(156,687,413)	(38,960,602)	(5,205,158)	(7,200,215)	(208,053,389)
	<u>315,360,984</u>	<u>92,875,501</u>	<u>12,408,219</u>	<u>(839,928,201)</u>	<u>(419,283,497)</u>
Gain on sale of operating assets					320,437
Mark up staff loan					116,362
Provision for Sindh Workers' Welfare Fund					2,647,171
Others					333,777,472
Taxation					(241,806,853)
Loss after tax					<u>(324,228,909)</u>
Segment assets	<u>3,583,374,100</u>	<u>536,107,145</u>	<u>71,624,214</u>	<u>6,972,422,207</u>	<u>11,163,527,667</u>
Segment liabilities	<u>2,698,413,319</u>	<u>89,689,971</u>	<u>11,982,630</u>	<u>1,056,397,410</u>	<u>3,856,483,330</u>

39 NUMBER OF EMPLOYEES

Average number of employees during the year	<u>313</u>	<u>167</u>
Total number of employees as at year end	<u>306</u>	<u>166</u>

40 FINANCIAL INSTRUMENTS

Financial Risk Factors

The Group 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 Group Company's 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 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 Group 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 Group 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 Group Company's is exposed to such risk mainly in respect of bank balances, short term and long term loan. Effective interest rates on such instruments are disclosed in respective notes to the financial statements.

With 1% increase / (decrease) in the market interest rate, with all other factors remaining constant, would increase the Group Company's total comprehensive income would have increased / (decreased) by Rs. 0.217 million (2021: Rs. 8.022 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 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.184.36 million (2021: Rs. 299.3 million) [US dollars 0.9 million (2021: US dollars 1.9 million)].

With 10% increase / (decrease) in the exchange rate between US dollars and Pak Rupees, comprehensive income of the Group Company's would have increased / (decreased) by Rs. 18.44 million (2021: Rs. 29.93 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 Company's profit by Rs. 353.06 million (2021: Rs. 16.94) 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. 1.640 million (2021: Rs 3.576 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 Company's 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 Company's has liquid asset of Rs. 1,144.33 million (2021:Rs. 1055.06 million), unutilized credit lines 250 million (2021: Rs. 349.7 million) to manage the liquidity issues (details of credit facility as under) and liquid assets in the form of short term securities Rs. 3,530.59 million (2021: 169.40 million).

- Running Finance facility available from Allied Bank Limited up to Rs. 250 million at interest rate of 3 Months KIBOR+1% Spread with tenor of 12 Months

-Unutilised amount	250,000,000	-
-Utilised amount	-	-

- Running Finance facility available from Bankislami Pakistan Limited up to Rs. 315 million (2021: Rs. 600 million) at interest rate of 1 Week KIBOR+2% (2021: 1 Week KIBOR+1%) Spread with tenor of 12 Months

-Unutilised amount	-	349,700,000
-Utilised amount	315,000,000	250,300,000

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

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

	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	-	-	17,210,565	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>2,591,891,876</u>	<u>865,000,000</u>	<u>17,210,565</u>	<u>185,754,847</u>	<u>3,659,857,288</u>
	2021				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	1,402,067,036	-	-	-	1,402,067,036
Lease liability	-	-	5,504,905	1,438,762	6,943,667
Accrued mark-up	567,795	-	-	-	567,795
Short term loan	-	100,000,000	-	-	100,000,000
	<u>1,402,634,831</u>	<u>100,000,000</u>	<u>5,504,905</u>	<u>151,438,762</u>	<u>1,659,578,498</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 Group 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 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 Group Company's maximum exposure to credit risk:

	Note	June-22 ------(Rupees)-----	June-21
Short term investments in debt securities		3,333,333	-
Trade debts	40.3.1	661,704,391	182,272,286
Bank balances	40.3.2	1,140,894,608	1,054,897,380
Long-term loans and advances		341,000	559,450
Long-term deposits and prepayments		59,931,802	21,440,755
Deposits, prepayments and other receivables		1,477,743,170	720,439,692
Loans and advances		831,462,645	1,262,982
		<u>4,175,410,949</u>	<u>1,980,872,545</u>

40.3.1 The aging analysis of trade debts are as follows:

	2022 ------(Rupees)-----		2021 ------(Rupees)-----	
	Gross	Impairment	Gross	Impairment
Past due 1 - 30 days	201,023,709	98,551,668	33,187,602	-
Past due 31 - 180 days	92,064,033	47,645,377	3,685,131	84,769
Past due 181 days - 1 year	34,010,087	17,599,258	1,656,220	157,111
More than one year	334,606,562	170,758,429	143,743,333	64,098,185
	<u>661,704,391</u>	<u>334,554,732</u>	<u>182,272,286</u>	<u>64,340,065</u>

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

Rating (short-term) of Banks and Financial Institutions*	2022	2021
	----- (Rupees) -----	
A-1	660,366,698	1,025,505,999
A-1+	479,792,574	28,628,168
A2	11,401	-
Unrated	181,200	-
	<u>1,140,351,873</u>	<u>1,054,134,167</u>

*Rating of banks performed by PACRA & JCR - VIS

40.4 Financial instruments by categories

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 investment	-	200,760,239	833,334	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>200,760,239</u>	<u>3,841,786,212</u>	<u>7,573,138,315</u>

Financial liabilities as per balance sheet	As at June 30, 2022	
	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		2,567,069,854
Accrued mark-up		24,822,022
		<u>3,659,857,288</u>

Financial assets as per balance sheet	As at June 30, 2021			
	Asset at fair value through profit and loss	Asset at fair value through OCI	Amortized cost	Total
	----- (Rupees) -----			
Long term investment	-	335,094,911	-	335,094,911
Long term deposits	-	-	21,440,755	21,440,755
Long term loans an advances	-	-	559,450	559,450
Short term investments	169,401,000	-	-	169,401,000
Trade debts	-	-	117,932,221	117,932,221
Deposits, prepayments and other receivables	-	-	720,439,692	720,439,692
Loans and advances	-	-	1,262,982	1,262,982
Cash and bank balances	-	-	1,055,065,738	1,055,065,738
	<u>169,401,000</u>	<u>335,094,911</u>	<u>1,916,700,837</u>	<u>2,421,196,749</u>

As at June 30, 2021

Financial liabilities at amortized cost

Financial liabilities as per balance sheet

	----- Rupees -----
Long-term loan-secured	150,000,000
Short-term loan-secured	100,000,000
Lease liability	6,943,667
Trade and other payables	1,402,067,036
Accrued mark-up	567,795
	<u>1,659,578,498</u>

41 CAPITAL RISK MANAGEMENT

The Group Company's objectives when managing capital include :

- Reinforcing Group Company'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 Company's business operations.

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

The Group Company's 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 Company's, general reserve and unappropriated profit and loss.

Net 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 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 Holding 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 Group Company's held the following financial instruments measured at fair value:

	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	200,760,239	16,398,209	-	184,362,030

	2021			
	Total	Level 1	Level 2	Level 3
	------(Rupees)-----			
Financial assets at fair value through profit or loss				
Quoted equity securities	169,401,000	169,401,000	-	-
Fair value through other comprehensive income				
Investment 'at fair value through other comprehensive income	335,094,911	35,761,881	-	299,333,030

42.1.1 The Holding Company 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, 2022.

The reconciliation from the beginning to ending balances for assets measured at fair value using level 3 valuation technique is given below:

	2022	2021
	------(Rupees)-----	
Opening balance	299,333,030	201,120,000
Unrealized (loss) / gain arising on re-measurement of long term investment at fair value through OCI	(114,971,000)	98,213,030
Closing balance	<u>184,362,030</u>	<u>299,333,030</u>
Total outstanding shares	217,217	217,217
NAV per share	54,707	88,823
AKDSL Holding	3,370	3,370
AKDSL % of holding	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

43.1 Person holding more than 5% of shares

	2022	2021	2022	2021
	% of holding		No. of shares	
M/s. AKD Securities Limited	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.55%	6.55%	6,551,000	6,551,000
Mr. Mohammad Aslam Motiwala	9.36%	9.36%	9,360,000	9,359,500

43.2 During the year there was no movement in shareholding of more than 5% of the shares.

43.3 Subsequent to the year end 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 95.90% equity interest in the Holding Company.

43.4 As at June 30, 2022, the value of shares pledged with financial institutions amounted to Rs. 3,833.704 million out of which the value of Company's shares pledged with banks amounted to Rs. 905.99 million (2021: Nil) and the value of customer shares maintained with the company pledged with financial institution is Rs. 2,927.71 million (June 30, 2021:Rs. 705 million).

43.5 As at June 30, 2022, the value of customer shares maintained with the Holding Company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.38,202.63 million (June 30, 2021: Rs. 17,914 million).

44 CAPITAL ADEQUACY LEVEL

Following is the Level of Capital Adequacy of the Holding Company as required under clause 6.8.3 of

	Note	2022	2021
		------(Rupees)-----	
Total Assets		11,163,189,383	2,597,165,383
Adjustment for Notional value of TRE Certificate	8.3	(1,350,000)	1,150,000
Less: Total Liabilities		(3,856,145,046)	(1,662,805,048)
Less: Revaluation Reserves (created upon Revaluation of fixed assets)		-	-
		<u>7,305,694,337</u>	<u>935,510,335</u>



Pattern of Shareholding

As at 30 June 2022

NO. OF SHAREHOLDERS	From	To	SHARES HELD
431	1	100	6137
3245	101	500	701547
186	501	1000	145849
121	1001	5000	298530
20	5001	10000	158200
11	10001	15000	133909
5	15001	20000	94300
3	25001	30000	88501
1	30001	35000	35000
1	50001	55000	51000
1	70001	75000	73109
1	75001	80000	75918
1	85001	90000	86500
1	95001	100000	96500
1	105001	110000	110000
1	130001	135000	131000
1	395001	400000	400000
1	460001	465000	461500
1	495001	500000	500000
1	565001	570000	569000
1	1000001	1005000	1000500
1	2805001	2810000	2806000
1	6495001	6500000	6500000
1	8355001	8360000	8359500
1	77115001	77120000	77117500
4,039			100,000,000

Pattern of Shareholding

As at 30 June 2022

Categories of Shareholders	Shareholders	Shares Held	Percentage
<u>Directors and their Spouse (s) & Minor Children.</u>			
1. Mr. Kamal Uddin Tipu (Director)	1	500	0.0005%
2. Mr. Sikander Kasim (Director)	1	5,000	0.00050%
<u>Associated Companies, Undertaking and Related Parties.</u>			
AKD Securities Limited*	1	77,117,500	77.1175%
<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	569,000	0.5690%
<u>General Public (Local)</u>	4007	21,871,273	21.8713%
<u>General Public (Foreign)</u>	18	9,617	0.0096%
<u>Others.</u>	10	427,110	0.4271%
Total	4039	100,000,000	100.0000%

Shareholders holding 10% or more voting rights in the Company.

Name	Shares Held	Percentage
AKD Securities Limited*	77,117,500	77.1175%

* Subsequently, these shares have been transferred to AKD Group Holdings Private Limited (the holding company of AKD Securities Limited). Further, 457,834,171/- (Four Hundred Fifty Seven Million Eight Hundred Thirty Four Thousand One Hundred Seventy One) ordinary shares of the Company, 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 on subsequent date, as disclosed in Note 1.3 of the audited financial statements for the year ended 30 June 2022.

ڈائریکٹرز کی رپورٹ

AKD سیکورٹیز لمیٹڈ (سابقہ BIPL سیکورٹیز لمیٹڈ) کے بورڈ آف ڈائریکٹرز 30 جون، 2022 کو اختتام پذیر ہونے والے سال کیلئے کمپنی کے مکمل مالی نتائج بشمول آڈیٹر رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

آپریٹنگ اور مالی کارکردگی

30 جون، 2022 کو ختم ہونے والے سال معزز گزشتہ سال کمپنی کی مالی کارکردگی درج ذیل ہے

روپے میں

2021، جون 30	2022، جون 30	تفصیلات
563,909,896	1,600,410,686	خالص محاصل
295,195,781	17,921,937	مجموعی منافع / (نقصان)
275,953,822	(82,422,056)	قبل از ٹیکس منافع / (نقصان)
191,384,008	(324,228,909)	بعد از ٹیکس منافع / (نقصان)
1.91	(3.24)	فی حصص آمدنی

سال کے دوران کمپنی کو 324.229 ملین روپے کا نقصان ہوا جس کی بڑی وجہ فروخت کے باعث ہونے والے سرمایہ اور لہذا سرمایہ کاریوں کے اثاثوں کی قدر میں نقصان ہے۔

بی آئی پی ایل سیکورٹیز لمیٹڈ اور اے کے ڈی سیکورٹیز لمیٹڈ کا انضمام

کمپنی کے بورڈ آف ڈائریکٹرز اور حصص یافتگان نے اے کے ڈی سیکورٹیز لمیٹڈ (اے کے ڈی ایس ایل) کے بی آئی پی ایل سیکورٹیز لمیٹڈ (بی آئی پی ایل) میں انضمام کے بندوبست کی سکیم کی منظوری دی۔ معزز سندھ ہائی کورٹ نے مورخہ 3 جون، 2022 کو جاری کردہ آرڈر جو ڈیشل کمپنیز متفرق پٹیشن نمبر 36 آف 2021 کے ذریعے کے ذریعے اے کے ڈی ایس ایل کو بی آئی پی ایل میں ضم کرنے کی منظوری دی لہذا بی آئی پی ایل کا نام تبدیل کر کے 22 جولائی، 2022 کو ایس ای سی پی ٹی ٹھیکس برائے تبدیلی نام کے ذریعے اے کے ڈی سیکورٹیز لمیٹڈ رکھا گیا۔

انضمام کے بعد کمپنی پاکستان کے اپنے کلائنٹس کیلئے سب سے بڑی بروکر تاج ہاؤس بن گئی جو بروکر تاج، کارپوریٹ فنانس، ریسرچ، منی مارکیٹ اور فارن ایکسچینج سمیت متنوع سروسز فراہم کرتی ہے۔ انضمام کے بعد کمپنی کا کاروبار پاکستان کے تمام بڑے شہروں میں پھیل گیا۔ اس نے کمپنی کو اس قابل بنایا کہ وہ اپنے تمام کلائنٹس کو تمام ٹاپ لائن سروسز کی فراہمی کیلئے جامع ڈیلیوری اور ڈسٹری بیوشن چینل پیش کرے۔ کمپنی اس انضمام کے ذریعے اپنی برانچ کی توسیع کی حکمت عملی کو بھی تیزی سے ٹریک کر سکے گی۔

معاشی جائزہ

رواں سال ملک کو سیاسی عدم استحکام اور اجناس کی قیمتوں کے سپر سائیکل کے ساتھ متعدد چیلنجز کا سامنا رہا۔ چونکہ ملک کی وی شپڈ معیشت کا سلسلہ جاری ہے، اسی تناظر میں ملک کی معیشت نے گزشتہ سال کی 5.74 فیصد کی نمو کے مقابلے میں جی ڈی پی کی ترقی کی شرح 5.97 فیصد رہی۔ مالی سال 22 میں ایل ایس ایم میں 11.7 فیصد اضافہ ہوا جس کی وجہ عالمی طلب میں اضافہ اور حکومت کی موزوں پالیسیاں ہیں۔

اجناس کی قیمتوں میں اضافہ جس میں روس یوکرائن جنگ کی وجہ سے مزید بحران پیدا ہوا کے باعث سال کیلئے سی پی آئی افراط زر کی شرح 12.1 فیصد رہی۔ مالی سال 22 کیلئے مالی خسارہ 52 کھرب روپے تھا جو مجموعی قومی پیداوار (جی ڈی پی) کے 7.9 فیصد تک پہنچ گیا جس کی وجہ غلط اہداف والے سبسڈی پروگراموں نے ہدف سے فرق کو وسیع تر کر دیا۔ ساتواں اور آٹھویں جائزہ کے تحت آئی ایم ایف پروگرام کی مالی سال کے اختتام تک تجدید نہ ہو سکی کیونکہ سیاسی عدم استحکام اور بجٹ میں پائی جانے والی خامیوں سے پیش رفت تاخیر کا شکار ہوئی۔ بہر حال بھاری صنعتی نمو کے ساتھ معیشت کی مضبوط کارکردگی نے مثبت جذبات کو فروغ دیا۔

ایکیویٹی مارکیٹ کا جائزہ

سال کا آغاز حالیہ عرصے کے دوران مارکیٹ کی بہترین رفتار سے ہوا چنانچہ کے ایس ای 100 جون 2021 کی بلند ترین سطح 48,727 پوائنٹس تک پہنچ گیا۔ مالی سال 22 کے آغاز میں اگست کے دوران انڈکس 48,112 پوائنٹس تک پہنچ گیا جو اب تک کی بلند ترین سطح ہے۔ سیاسی عدم استحکام کا مارکیٹ پر اثر پڑا جس کے باعث اپریل میں 46,402 پوائنٹس کی کمی ہوئی جو مالی سال 23 میں بھی جاری رہی۔ مزید برآں آئی ایم ایف پروگرام میں تاخیر سے مارکیٹ میں غیر یقینی صورتحال پیدا ہو گئی جس کے نتیجے میں سال کے اختتام کے قریب آتے ہی حجم ختم ہو گیا۔ مارکیٹ سے غیر ملکی آؤٹ فلو سے صورتحال اور خراب ہو گئی، سال کے دوران غیر ملکی سرمایہ کار کا آؤٹ فلو 298 ملین امریکی ڈالر رہا۔

ڈیٹ اور کرنسی مارکیٹ کا جائزہ

ایس بی پی نے بڑھتے ہوئے افراط زر اور غیر ملکی زرمبادلہ کے ذخائر میں کمی سے نمٹنے کیلئے شرح سود 800 پیمز پوائنٹ کا اضافہ کرتے ہوئے 15 فیصد کر دی۔ سیاسی عدم استحکام کی وجہ سے مارکیٹ کی غیر یقینی صورتحال نے قومی کرنسی کو کمزور کیا جس کے باعث زیادہ نوٹ چھاپنے کی وجہ سے امریکی ڈالر کے مقابلے میں روپے کی قدر میں 11 فیصد کمی ہوئی ایس بی پی کے زرمبادلہ کے ذخائر سال کے اختتام پر 9.8 بلین روپے رہ گئے جس میں مالی سال 21 کے اختتام پر موجود 17.3 بلین روپے کے مقابلے میں سالانہ بنیادوں پر 43 فیصد کمی ہوئی

عالمی اجناس

سال کے دوران تیل کی قیمتوں میں اضافہ دیکھنے کو ملا، برنٹ آئل کی اوسط قیمت مالی سال 22 میں 91 ڈالر فی بیرل رہی جبکہ رواں سال کے شروع میں یہ قیمت 55 ڈالر فی بیرل تھی۔ روس اور یوکرائن کے درمیان جنگ شروع ہونے کے ایک ہفتے کے بعد مارچ 2022 میں برنٹ آئل کی قیمتیں 128 ڈالر فی بیرل کی بلند ترین سطح پر پہنچ گئیں کیونکہ سپلائی میں قلت کے حوالے سے خوف و ہراس منڈلانے لگا تھا۔ یہ صورتحال ایسے وقت میں سامنے آئی جب دنیا بھر میں کورونا کے بعد معاشی سرگرمیاں سال کے اوائل میں بحال ہونا شروع ہوئیں جس کی وجہ سے طلب میں اضافے کی توقع تھی۔ تاہم اس کے بعد سے قیمتوں میں کمی ہوئی جیسا کہ ترقی یافتہ معیشتوں نے ایک عیارانہ موقف اپنا کر اور شرح سود میں اضافہ کر کے افراط زر کا مقابلہ کرنے کی کوشش کی۔

مستقبل کا کاروباری جائزہ

ملک بھر میں سیلاب کی تباہ کاریوں کے باعث معاشی ترقی کے دباؤ کا شکار ہونے کی توقع ہے جبکہ مالی سال 23 میں جی ڈی پی کی 2.1 فیصد شرح نمو کا انداز لگایا جا رہا ہے۔ اس کے علاوہ کرنسی کی بے قدری، ایس بی پی کی طرف سے ذخائر میں کمی سے نمٹنے کیلئے اقدامات کے باعث ایل ایس ایم کی پیداوار کے ساتھ منافع میں کمی کا امکان ہے۔ سود کی بلند شرح اور بڑھتے ہوئے افراط زر (مالی سال 23 میں 24.8 فیصد متوقع ہے) سے صارف کی طلب متاثر ہوگی جس سے ملک کی معیشت مزید دباؤ کا شکار ہوگی۔ آئی ایم ایف پروگرام کی بحالی سے توقع ہے کہ کثیر الجہتی ایجنسیوں اور دوست ممالک سے مزید مالی اعانت مل سکتی ہے تاہم آئی ایم ایف پروگرام کی تمام شرائط کی تکمیل کو یقینی بنانا حکومت کیلئے ایک مشکل ٹاسک ہے۔

روشن ڈیجیٹل اکاؤنٹ

روشن ڈیجیٹل اکاؤنٹ بیرون ملک کام کرنے والے ورکروں کی طرف سے ترسیلات زر کیلئے ایک کامیاب حل ثابت ہوا جو زرمبادلہ میں اضافہ کیلئے ترسیلات زر کو نہ صرف راغب کر رہا ہے بلکہ بیرون ملک مقیم پاکستانیوں کو مختلف اثاثوں میں سرمایہ کاری کرنے کا موقع بھی فراہم کرتا ہے۔ اس اقدام کے ذریعے حکومت نے نئے پروگرام جیسا کہ نیا پاکستان سٹیٹس اور سٹاک مارکیٹ میں سرمایہ کاری کے علاوہ روایتی ریئل اسٹیٹ اور کارفنانسنگ کی بھی پیش کش کی ہے۔ اے کے ڈی نے آر ڈی اے کلائنٹس کو کسٹمر سپورٹ فراہم کرنے کیلئے ایک ٹیم مختص کی ہے اور وہ آر ڈی اے کلائنٹس میں اضافہ کیلئے صارفین کی تعداد بڑھانے پر توجہ مرکوز کیے ہوئے

سرمایہ کاری بینکنگ / کارپوریٹ فنانس

مالی 2022 کے دوران اے کے ڈی سیکورٹیز لمیٹڈ نے کامیابی کے ساتھ 24 بلین روپے سے زائد کی ایکویٹی اور ڈیٹ ٹرانزیکشن کی تجویز اور انتظام کیا۔ ہم نے کامیابی سے مقامی بازار حصص میں بک بلڈنگ کے ذریعے پاک ایگریو پیکیجنگ لمیٹڈ کی پاکستان کی پہلی جی ای ایم بورڈ لسٹنگ کی۔ جو پاکستان میں ایکویٹی مارکیٹ میں ہمارا ایک سنگ میل ہے۔

اسی سال کے دوران ماضی قریب میں ہم نے آئل اینڈ گیس سیکٹر میں 11 بلین روپے سے زائد کی سب سے بڑی لین دین کو مکمل کیا، اے کے ڈی سیکورٹیز لمیٹڈ نے پاکستان کی سب سے بڑی آئل ریفاؤنڈری Cnergyico پاک لمیٹڈ کے 1,172,659,298 عمومی حصص کی نجی پبلسمنٹ جو کمپنی کے جاری کردہ اور ادا شدہ سرمایہ کا 22 فیصد بنتا ہے کیلئے فنانشل ایڈوائزر، انتظام کار اور انڈر رائٹرز کے طور پر خدمات سرانجام دیں۔

کمپنی کی کارکردگی کا جائزہ

پاکستان سٹاک ایکس چینج (پی ایس ایکس) میں حجم میں کمی کے باعث کمپنی کے آپریٹنگ محاصل میں گزشتہ سال کے مقابلے میں سالانہ بنیادوں پر 27 فیصد کمی ہوئی تاہم تقابلی اعداد و شمار کا یہ موازنہ نہیں جیسا کہ پڑتا ل شدہ مالی گوشواروں کے نوٹ 3.1 میں تفصیل سے بیان کیا گیا ہے۔

جیسا کہ بورڈ نے اپنے گزشتہ جائزہ میں اجاگر کیا تھا، ہمیں توقع ہے 2023-24 میں بھی ہمارے لئے چیلنجنگ ہوگا جس کی وجہ حالیہ سیلاب اور آئی ایم ایف پروگرام ہے۔ بورڈ کو یقین ہے کہ آئندہ سال تمام ایکویٹی مارکیٹ کیلئے مستحکم ہوگا۔ ایگزیکٹیو مینجمنٹ موجودہ مالی سال کے دوران تمام سٹیک ہولڈرز کیلئے زیادہ سے زیادہ فائدہ کے حصول کیلئے اپنی حیثیت کی سختی مانٹرنگ کر رہی ہے جس میں ٹریڈی مینجمنٹ، بنیادی بروکر تاج اور فیس پرنٹی آپریشنز کے ذریعے محاصل کے حصول کو بہتر بنانا شامل ہے جبکہ شامل ہے جبکہ لاگت کو بھی معقول بنانے کیلئے اقدامات کئے جا رہے ہیں۔

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 کتابیں 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 تواتر سے لاگو کی گئی ہیں اور اکاؤنٹنگ کے تخمینہ معقول اور دانشمندانہ فیصلہ کی بنیاد پر لگائے گئے ہیں۔

کی بنیاد پر لگائے گئے ہیں۔

☆ مالی گواشوروں 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 تیار میں پاکستان میں قابل اطلاق انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈ 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 ڈ 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 آپریٹنگ 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، 2022 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 17.64 ملین روپے ملازمین کے لیے پراؤنٹ فنڈ میں ادا کیے ہیں، کمپنی میں اہل ملازمین کیلئے منظوری کنٹری بیوٹری پروویڈنٹ فنڈ

موجود ہے۔

☆ کمپنی کی مالی حیثیت کو متاثر کرنے والے کسی قسم کی مادی تبدیلیاں اور وعدے نہیں کئے گئے جو بیلنس شیٹس کی تاریخ اور ڈائریکٹرز رپورٹ کی تاریخ

کے درمیان ہوئے ہیں۔

بورڈ

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (7) ہے (بشمول سی ای او جو ڈائریکٹر سمجھے جاتے ہیں)

مرد: 4

خواتین: 3

بورڈ کی تشکیل

آزاد ڈائریکٹرز: 2

نان ایگزیکٹو ڈائریکٹرز: 3

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 ہدایا پر عمل درآمد کیا گیا۔

☆ مالی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈ پر عمل درآمد کیا گیا۔

☆ انٹرنل کنٹرول کے نظام کو موثر انداز میں نافذ کیا گیا اور اس کا مسلسل جائزہ اور نگرانی کی جا رہی 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 ڈ 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 آپریٹنگ اور مالی اعداد و شمار مالی گوشواروں میں بیان کئے گئے ہیں۔

☆ ٹیکسوں، ڈیویڈنڈوں، لیویز اور چارجز کے حوالے سے کوئی قانونی ادائیگیاں ہیں جو 30 جون، 2022 تک قابل ادا ہیں سوائے ان کے جنہیں،

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 17.64 ملین روپے ملازمین کے لیے پراؤنٹ فنڈ میں ادائیگی کی ہیں، کمپنی میں اہل ملازمین کیلئے منظوری کنٹری بیوٹری پروڈنٹ

موجود ہے۔

☆ کمپنی کی مالی حیثیت کو متاثر کرنے والے کسی قسم کی مادی تبدیلیاں اور وعدے نہیں کئے گئے جو بیلنس شیٹس کی تاریخ اور ڈائریکٹرز رپورٹ کی تاریخ

کے درمیان ہوئے ہیں۔

بورڈ

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات (7) ہے (بشمول سی ای او جو ڈائریکٹر سمجھے جاتے ہیں)

مرد: 4

خواتین: 3

بورڈ کی تشکیل

آزاد ڈائریکٹرز: 2

نان ایگزیکٹو ڈائریکٹرز 3

☆ طارق گھمرا کو 28 جون، 2022 کو خورشید انور کی جگہ ڈائریکٹر تعینات کیا گیا۔

☆ محمد شہزاد ڈھیدی کو 4 مارچ، 2022 کو محمد حفیظ الدین کی جگہ ڈائریکٹر تعینات کیا گیا۔

☆ محمد نور الحسن نے 28 جون، 2022 کو ڈائریکٹر کے عہدے سے استعفیٰ دیا۔

بورڈ نے نئے ممبران کا خیر مقدم کیا اور سبکدوش ہونے والے ممبران کی خدمات کو سراہا۔

آڈٹ کمیٹی

کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق آڈٹ کمیٹی نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جس میں چیئرمین ایک آزاد ڈائریکٹر ہے۔ کمیٹی کے اجلاس میں ڈائریکٹرز کی شرکت درج ذیل ہے

ڈائریکٹر کا نام	2022 کے دوران منعقدہ اجلاسوں میں شرکت کی دعوت	2022 کے دوران اجلاس میں شرکت
سکندر قاسم	4	4
عائشہ عقیل ڈھیدی	4	3
افشین عقیل	4	4

☆ غیر حاضری سے چھوٹ کی منظوری کمیٹی کی طرف سے دی گئی

ہیومن ریسورس اینڈ ریمونیریشن کمیٹی

ہیومن ریسورس اینڈ ریمونیریشن کمیٹی مکمل طور پر نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جس میں چیئرمین ایک آزاد ڈائریکٹر ہے۔ کمیٹی کے اجلاس میں ڈائریکٹرز کی شرکت درج ذیل ہے

کمیٹی اراکین کا نام	2022 کے دوران منعقدہ اجلاسوں میں شرکت کی دعوت	2022 کے دوران اجلاس میں شرکت
کمال الدین ٹیپو	1	1
افشین عقیل	1	1
خورشید انور	1	1

کریڈٹ ریٹنگ

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے اے کے ڈی کی ریٹنگ (A Plus/A-One) 'A+/A-1' اپ گریڈ کر دیا۔ تفویض کردہ ریٹنگ پر آؤٹ لک "Rating Watch - Positive" ہے۔ A+ کی Long Term 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۔ A-1 کی Short Term ریٹنگ بروقت ادائیگی اور بہترین لیکویڈیٹی عوام کی نشاندہی کرتی ہے جن کو بنیادی تحفظ کے عوامل کی حمایت حاصل ہے جبکہ رسک 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 پیمز میں کنسلٹنسی کی آمدنی سے زیادہ شراکت اور مالیاتی اثاثوں پر سرمایہ کاری کے منافع کے ساتھ تنوع میں اضافہ ظاہر کرتا ہے۔ سٹریٹجک سبسٹنس سلسلہ ترقی کے لیے انتظامیہ کے وژن کی مزید توثیق کی ہے اور امید کی جاتی ہے کہ اے کے ڈی براڈ کی ساکھ اور استحکام کے حوالے سے کمپنی کے صارفین کو مزید اعتماد فراہم کرے گا۔

مینجمنٹ ریٹنگ

JCR-VIS نے اے کے ڈی ایس ایل کی بروکر مینجمنٹ ریٹنگ کو "BMR2+" سے "BMR1" میں اپ گریڈ کر دیا ہے۔ تفویض کردہ ریٹنگ پر آؤٹ لک ریٹنگ "Rating Watch - Positive" 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 کیپرانے 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 مجموعہ حصول کی تکمیل کے بعد منافع میں مزید بہتری متوقع ہے۔

بروکر فیڈ یوٹری ریٹنگ

JCR-VIS نے "BFR2++" کی بروکر فیڈ یوٹری ریٹنگ دوبارہ تفویض کی ہے۔ تفویض کردہ ریٹنگ "Rating Watch - Positive" ہے۔

انسانی وسائل

کسی بھی ادارے کے ملازمین ریڈھ 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 ایس ایل سماجی طور پر ذمہ دار ادارے کے طور پر فلاح و بہبود کی متعدد سرگرمیوں کے ذریعے معاشرے اور بزنس کمیونٹی میں اپنا کردار جاری رکھے ہوئے۔ اے کے ڈی ایس ایل اپنی کارپوریٹ سماجی ذمہ داری کو پورا کرنے کیلئے پرعزم 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۔

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 ساتھ مزید ممکنہ غیر ملکی اور ملکی کلائنٹس اپنے تعلقات کو وسیع دے کر اپنی پریم 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 ڈیٹا سٹریٹجی 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 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

کمپنیز 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 آڈیٹڈ فنانشل اسٹیٹمنٹس کے نوٹ 35 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 تیز تال شدہ مالی گوشواروں کے نوٹ 34 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 کی مطابق کام کرتی ہے۔ کمیٹی تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جس میں چیئر مین ایک آزاد ڈائریکٹر ہے۔ کمیٹی کے سال میں چار اجلاس منعقد ہوئے۔

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 چیئر مین ایک آزاد ڈائریکٹر ہے۔ کمیٹی کا سال کے دوران ایک اجلاس منعقد ہوا۔

ایکسٹرنل آڈیٹرز کی تقرری

ایکسٹرنل آڈیٹرز میسرز آرایس ایم اویس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس مدت کے اختتام پر سبکدوش ہو گئے۔ آڈٹ کمیٹی کی سفارشات پر بورڈ نے

میسرز آرائس ایم او ایس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس کی بطور ایکسٹرنل آڈیٹر مالی سال 2023 کے لیے دوبارہ تقرری کی توثیق کی۔
شیئر ہولڈنگ

30 جون، 2022 تک کمپنی کے شیئر ہولڈنگ کا پیٹرن اور شیئر ہولڈرز کی کیٹنگز یا سالانہ رپورٹ کے ساتھ منسلک ہے۔
منافع منقسمہ

توسیع اور ترقی کے حوالے سے لیکویڈیٹی کو جمع کرنے کے لیے سال کے دوران کوئی منافع منقسمہ ادا نہیں کیا گیا۔
اظہار تشکر

اے کے ڈی سیکورٹیز لمیٹڈ (سابقہ پی آئی پی ایل سیکورٹیز لمیٹڈ) کے بورڈ آف ڈائریکٹرز کمپنی کی بہتری اور ترقی کیلئے تمام سٹیک ہولڈرز اور کمپنی کے ملازمین سے ان کی کوششوں اور کردار پر اظہار تشکر کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے

کراچی

16 اکتوبر، 2022



چیف ایگزیکٹو آفیسر



ڈائریکٹر

چیئر پرسن جائزہ رپورٹ

مجھے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے موثر کردار AKD سیکورٹیز لمیٹڈ (سابقہ BIPL سیکورٹیز لمیٹڈ) کمپنی کے حصص یافتگان کو جائزہ رپورٹ پیش کرنے میں انتہائی مسرت ہو رہی ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز نے کمپنی کے حصص یافتگان کے بہترین مفاد کے تحفظ کیلئے بہت توجہ اور احتیاط سے اپنے فرائض سرانجام دیئے اور مروجہ قوانین اور ضابطوں کے مطابق کمپنی کے مقاصد کے حصول کیلئے کمپنی کے امور کو موثر اور بہتر انداز میں چلایا۔

بورڈ آف ڈائریکٹرز میں فنانس، آڈٹ، ہزنس اور بینکاری کے شعبوں کے انتہائی تجربہ کار اور متنوع پس منظر سے تعلق رکھنے والے افراد شامل ہیں۔ کارپوریٹ گورننس کے ضابطہ کے تحت بورڈ اپنی کارکردگی کا خود تریب دیئے گئے میکنزم کے ذریعے جائزہ لیتا ہے۔ بورڈ کمپنی کی ترقی میں مکمل کردار ادا کرتے ہوئے مینجمنٹ کو تیز ویراتی رہنمائی فراہم کرتا ہے۔ بورڈ گورننس کے اعلیٰ معیارات کو یقینی بنانے کیلئے اپنا کردار جاری رکھے گا۔

بورڈ آف ڈائریکٹرز نے بورڈ اور اس کی کمیٹیوں کے اجلاس کے اراکین کی مطلوبہ تعداد کے ساتھ انعقاد کو یقینی بنایا ہے۔ تمام فیصلے بورڈ کی قرارداد کے ذریعے انجام پائے اور بورڈ بشمول کمیٹیوں کے اجلاسوں کی کارروائی کو مناسب انداز میں ریکارڈ کا حصہ بنایا گیا اور برقرار رکھا گیا۔

بورڈ نے انٹرنل کنٹرول سسٹم، پالیسی سازی، مالیاتی ڈھانچہ، نگرانی اور منظوری کے تیز ویراتی منصوبہ سازی کے عمل میں بھرپور حصہ لیا۔ کارپوریٹ فیصلہ سازی کے عمل کو مضبوط اور باضابطہ بنانے کے لیے سال بھر کے تمام اہم مسائل بورڈ یا اس کی کمیٹیوں کے سامنے پیش کیے گئے۔ بورڈ نے انٹرنل کنٹرول کے موثر نظام کے نفاذ اور خود احتسابی میکنزم اور ایوانٹنل آڈٹ سرگرمیوں کے ذریعے اس کے باقاعدگی سے جائزہ کو یقینی بنایا ہے۔ بورڈ نے اس بات کو یقینی بنایا ہے کہ بورڈ کے اراکین کو مناسب انداز میں بروقت معلومات فراہم کرنے کے ساتھ اراکین کو اجلاسوں کے درمیان پیش رفتوں کے بارے میں بھی آگاہ رکھا گیا۔

بورڈ نے کمپنی پر قابل اطلاق متعلقہ قوانین اور ضابطوں کے مطابق بورڈ کو تفویض کردہ اختیار کی روشنی میں اپنے اختیارات کا استعمال کیا۔ بورڈ نے بطور ڈائریکٹرز اختیارات کے استعمال اور فیصلہ سازی کے تناظر میں مروجہ قوانین اور ضابطوں کی تعمیل کو ہمیشہ ترجیح دی ہے۔

میں بورڈ آف ڈائریکٹرز اور اے کے ڈی سیکورٹیز لمیٹڈ (سابقہ بی آئی پی ایل سیکورٹیز لمیٹڈ) کے تمام ملازمین کی مشکوہوں جنہوں نے کمپنی کے مقاصد کے حصول کیلئے سخت محنت، عزم اور لگن کا مظاہرہ کیا۔



حنا جنید

چیئر پرسن

کراچی، 16 اکتوبر، 2022

**FORM OF PROXY
TWENTY-THIRD ANNUAL GENERAL MEETING**



AKD Securities Limited

The Company Secretary
AKD Securities Limited (Formerly 'BIPL 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 (Formerly 'BIPL 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 (Formerly 'BIPL 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-Third Annual General Meeting of the AKD Securities Limited (Formerly 'BIPL Securities Limited') Company to be held on Friday October 28, 2022 at 10:30 AM 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 _____ 2022

Witnesses

1. _____

2. _____

Shareholder Folio No.
or
CDC Participant I.D.No.
&
Sub Account No.

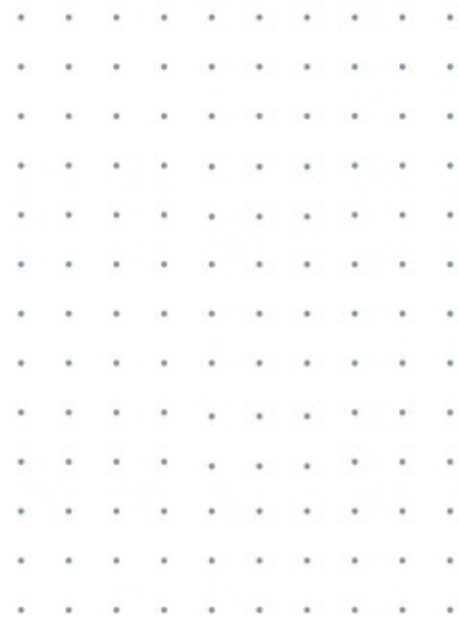
Signature on
Ten Rupees
Revenue Stamp



The Signature should agree with the
specimen registered with the
Company's Registrar

NOTES

1. The Member is requested:
 - (a) to affix Revenue Stamp of Rs.10 at the place indicated above;
 - (b) to sign across the Revenue Stamp in the same Style of Signature as is registered with the Company's Registrar; and
 - (c) to write down his folio number.
2. 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
3. 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.
4. CDC shareholders or their proxies should bring their original Computerised National Identity Card or Pasport along with the Participant's ID Number and their Account number to facilitate their identification.



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.

