

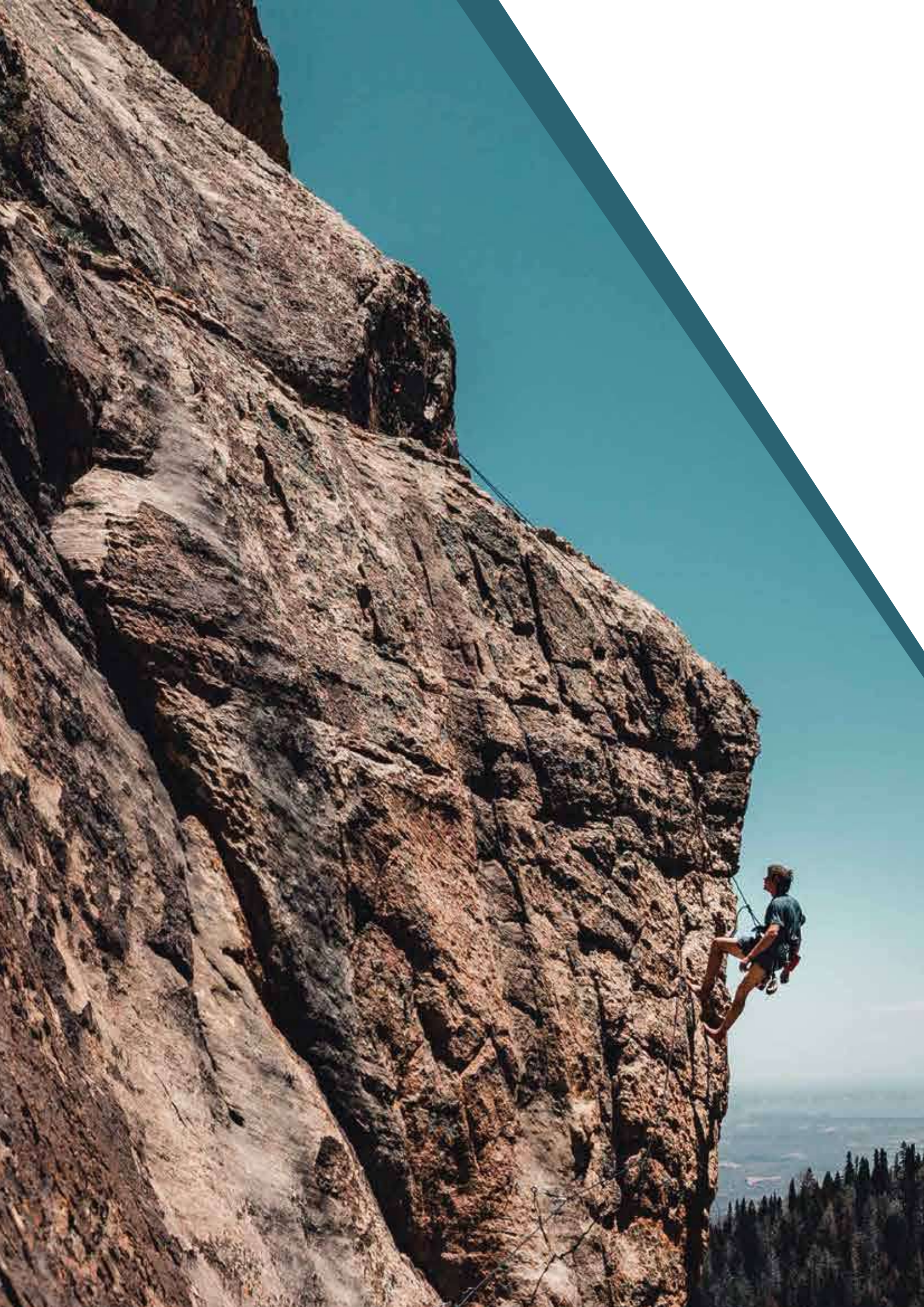
BIPL SECURITIES LIMITED 2021 ANNUAL REPORT



Pioneers in Providing Premium Financial Services
For Over 5 Decades



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COMPANY

INTRODUCTION

BIPL Securities Limited (BIPLS) is a full service brokerage house listed on the Pakistan Stock Exchange (PSX). We trace our history back to 1962 when we were incorporated as Khadim Ali Shah Bukhari. We were corporatized in Oct, 1991. BankIslami Pakistan Limited took over in May, 2015 and we eventually become BIPLS on Nov 03, 2016. On June 28, 2021 the share holding of BankIslami in BIPLS was acquired by AKD Securities Limited.

Over the 5 decades of our existence one thing that is constant is the drive for excellence and the desire to do the very best for our clients. Everything we do, the sole reason for our existence, is to serve our clients across our many product platforms and to help them achieve their investment objectives consistently and in a transparent and ethical manner.

Our efforts in service excellence has been consistently recognized, appreciated and awarded by local and international agencies. We believe that as long as we remain client focused and work for the long term bene fit of our clients, the company will continue to grow and all stakeholders will benefit and prosper.



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Vision & Mission



Our Vision

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



Our Mission

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



Core Values



INTEGRITY

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



EXCELLENCE

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



LEADERSHIP

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

Services Offered



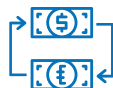
EQUITIES

- TREC Holder of Pakistan Stock Exchange.
- BIPL Direct: 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

Kamal Uddin Tipu – Chairman
Abdul Aziz Anis, CFA – Chief Executive Officer
Sikander Kasim
Ayesha Aqeel Dhedhi
Afsheen Aqeel
Khurshid Anwer
Muhammad Noorul Hasan

AUDIT COMMITTEE

Sikander Kasim - Chairman
Ayesha Aqeel Dhedhi
Afsheen Aqeel

HR & R COMMITTEE

Kamal Uddin Tipu - Chairman
Khurshid Anwer
Afsheen Aqeel

CHIEF EXECUTIVE OFFICER

Abdul Aziz Anis, CFA

COMPANY SECRETARY

Zafar Ahmed Khan - Acting Company Secretary

CHIEF FINANCIAL OFFICER

Zafar Ahmed Khan

STATUTORY / NCB AUDITOR

RSM Avais Hyder
Chartered Accountants 407,
Progressive Plaza, Beaumont Road,
Karachi, Pakistan

CREDIT RATING AGENCY

VIS Credit Rating Company Limited

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
Bank Al-Falah Limited
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited

LEGAL ADVISORS

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Bokhari Commercial Area,
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TAX ADVISOR

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Chartered Accountants
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REGISTERED OFFICE

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www.biplsec.com

SHARE REGISTRAR

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Direct: +92 (021) 35310185
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Business Ethics & Practices

BIPLS 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

Offering or acceptance of money, gifts, entertainment, loans or any other benefit or preferential treatment is not acceptable from any existing or potential customer, supplier or business associate of the Company, other than occasional gifts of a modest value and entertainment on a modest scale as part of customary business practice.

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

BIPLS 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

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

Environmental Responsibility

BIPLS 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 BIPLS 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 BIPL Securities (BIPLS) and adherence is expected on part of each employee. BIPLS 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 BIPLS with any supplier of goods or services to BIPLS 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 BIPLS, 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 BIPLS for any purpose other than to conduct BIPL's 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 BIPLS. Employees should endeavor to protect the assets of BIPL 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

2009

USD 9.5 millions



Nishat Chunian Limited

Advisors for the Initial Public Offering of Nishat Chunian Power Ltd.

2008

USD 3.25 millions



Descon Oxychem Limited

Advisors for the Initial Public Offering of Descon Oxychem Ltd.

2008

USD 109 millions GDRs



Lucky Cement

Advisors for the GDR Offering listed on the London Stock Exchange for Lucky Cement

2007

USD 650.3 millions GDRs



United Bank Limited

Advisor to GoP on GDR Offering, Listed on the London Stock Exchange.

2006

USD 150 millions GDRs



MCB Bank Limited

Advisors for the Add-on GDR Offering Listed on the London Stock Exchange for MCB Bank.

2006

USD 25 millions



World Call Telecommunication

Advisors for the Convertible Note Offering of WorldCall Telecommunication Companies.

2004

USD 13 millions



Pakistan International Airlines

Advisors for the Sale of 5% of Pakistan International Airlines through a Secondary Offering.

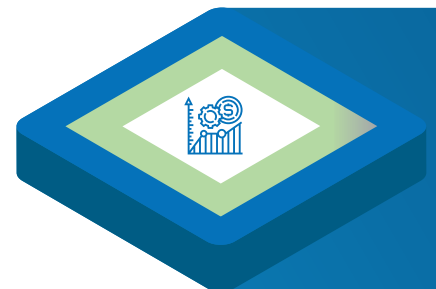
2003

USD 6.88 millions




Oil & Gas Development Corporation


Lead Manager for the Initial Public Offering of Oil and Gas Development Corporation.



M&A / ADVISORY / RESTRUCTURING





2005
 USD 20 millions

United Bank Limited
 Advisors & Arrangers for the Issuance of Tier II capital for United Bank Limited.

2002
 USD 1.5 millions

Saudi Pak Leasing
 Advisors and Arrangers for the TFC Issue of Saudi Pak Leasing.

2002
 USD 1.5 millions


Engro Chemicals
 Advisors & Arrangers for the TFC Issue of Engro Chemicals.


2010
 USD 5 millions

Nishat Chunian Limited
 Advisors for the Privately Placed Term Finance Certificate Issuance of Nishat Chunian Ltd.

2008
 USD 50 billions 10 year bond

Unity Group
 Co- Advisors and Arrangers to Allied Bank Limited Term Finance Certificate Issue.


2007
 USD 175 millions

Fauji Cement Company
 Advisors on expansion of Fauji Cement Company

2006
 USD 20 millions bridging facility

Mobilink
 Advisors and Arrangers for a 6-month bridging facility .

2006
 USD 33 millions 7 year bond

Mobilink
 Advisors and Arrangers 7 year Corporate bond.

EQUITY CAPITAL MARKETS


2008
 USD 926

MCB Bank Limited
 20% Strategic Sale to Maybank


2007
 USD 460 millions

China Mobile Limited
 Advisor to China Mobile for the Acquisition of 100% of Paktel Limited.


2005
 USD 200 millions

Karachi Electric Supply Corporation
 Advisors for the Acquisition of 73% of Karachi Electric Supply Corporation.

2004
 USD 56 millions

Allied Bank Limited
 Advisors for the Financial Restructuring and Sale of 75.3% of Allied Bank Limited.


2004
 USD 200 millions

Army Welfare Trust
 Joint Advisor to the AWT on the Acquisition of Wah Cement.



2017
 Not Disclosed

Unity Group
 Advisors and Managers for the Acquisition of 70.1% Shares of TAHA SPINNING MILLS by Unity Group

2011
 USD 28 millions

IBL Group
 Advisors for the Restructuring of IBL Group.

2010
 Not Disclosed

Nishat Mills Limited
 Advisor to Nishat Group for the Acquisition of AES Power's Assets in Pakistan.

Our Location & Branch Network

Corporate Office

5th Floor, Trade Center, I. I. Chundrigar Road, Karachi-74200, Pakistan.
UAN : 0092-21-111-222-000
Email : info@biplsec.com

Branch Offices

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PSX - Karachi

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Faisalabad

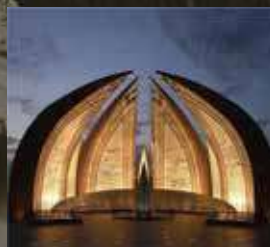
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Mr. M.Ilyas Khan

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

Like the other Countries, Pakistan experienced an unprecedented situation in the year 2021 when the COVID-19 affected the whole Country. Your company took immediate and pro-active steps to protect the employees and clients, while ensuring smooth operational continuity

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

The Board of Directors received agendas along with supporting materials in sufficient time prior to the Board and its Committee meetings. The Board has met frequently enough to adequately discharge its responsibilities, duly assisted by its Committees. All the Directors were equally and actively involved in important decisions.

Kamal Uddin Tipu

Chairman

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



CY21 has seen the company achieve its highest profitability in the last 12 years. It has been a team effort that has made this possible. Added to this is the focus on retail equity brokerage led by our online platform and nationwide branch network that has been the key driver of company earnings.

The coming year looks challenging due to various economic considerations but we are confident that with the team we have in place and the strong client relationships that we have cultivated, the company remains comfortably poised to successfully navigate market volatility and swings.

We remain thankful for the active guidance given to us by all our stakeholders, starting from company directors, employees, shareholders, regulators all the way to our clients etc. We thank them profusely and look forward to their continued support going forward.

A handwritten signature in black ink, appearing to be 'Aziz' with a stylized flourish.

Abdul Aziz Anis

CEO

Directors' Profile

Kamal Uddin Tipu Chairman

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



Abdul Aziz Anis, CFA Chief Executive Officer

Abdul Aziz is an investment management and capital markets specialist with multifaceted plus 24 years of successful track record spread over brokerage, asset management, investment advisory, wealth management and investment banking. His in-depth "C" level experience has led to strong leadership and expertise in establishing, running and growing business not only across product lines but also regionally and globally.

He has previously worked as Managing Director Investment Strategist in Asset Management at NCB Capital, Saudi Arabia, which managed close to USD 16bn in AUMS across diverse asset classes. He has actively worked in structuring and launching the largest employee's savings plans in the MENA region worth approx. USD 3.3bn. He has been the founding Chief Executive Officer of Alfalah GHP Investment Management Ltd, an asset management and investment advisory firm, and the Founding Executive Director of Alfalah Securities Ltd, a full service brokerage house. Earlier, he was the Chief Executive Officer of Elixir Securities (formerly Indosuez W.I. Carr Securities) which was the largest foreign brokerage in the country at the time.



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 Aqeel

Director

Ms. Afsheen has been associated with AKD 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.



Khurshid Anwar

Director

Mr. Khurshid Anwar has 40 years of work experience. He is currently performing his duties as advisor to Dr. Shamshad Akhtar. His prior experience includes working in State Bank of Pakistan, Samba Bank Ltd and Shaheen Air International.

By qualification he holds a Post Graduate Degree in Law (LLB) and is also a Bachelors of Science.



Muhammad Noorul Hasan

Director

Mr. Muhammad Noorul Hasan has over 37 years of work experience, he retired as Chief Mechanical & Electrical Engineer from Karachi Port Trust. His prior experience includes working in Karachi Port Trust. By qualification he holds a Bachelors of Engineering (Mechanical).



Corporate Social Responsibility (CSR)

BIPLS continues to be a good corporate citizen, supporting the communities from which it derives its business and recognizing its responsibilities towards all such communities. BIPLS will be supportive of community initiatives across the organization, targeting those most appropriate for each individual community.

The company has integrated CSR into its ethics and business practices. In this context, community and stakeholder needs are carefully assessed and support is extended in line with the company's policies, code of ethics and business objectives. Some of the key CSR activities undertaken by the company include:

Health, Safety and Environment

BIPLS ensures that all its present and future activities are conducted safely without endangering the health and safety of its employees, customers, the public and the environment in which we operate. Our aim is to minimize negative environmental impact and promote green and clean energy as is economically and practically possible.

The Citizens Foundation (TCF) and Support for Education

A TCF delegation was invited to the BIPLS office to give an overview about the work being carried out by the Foundation in the education of underprivileged children across Pakistan.

Impressed by the work done by TCF, the company sponsored the education of one complete classroom for six months. Also, a few senior management personnel in their individual capacities agreed to support individual child's education on monthly basis.

Indus Hospital and Blood Drive

Every day blood transfusions take place that saves lives of many people all over the world. Donating blood is good for the health of donors as well as those who need it.

With this in mind, a team from the Indus Hospital was invited to the office of BIPLS to give a briefing about the activities that the hospital was carrying out in this regard. Also, a blood drive was launched in the company and we are happy to report that a large number of employees actively participated in voluntary blood donation.

Tax Contribution

Taxation is essential for the economic and social development of a country and BIPL Securities takes pride in being a tax compliant company. The company and its employees contributed an amount of PKR 34.849 million to the National Exchequer in the form of taxes.

Directors' Report To The Members

On behalf of the Board of Directors of BIPL Securities Limited (BIPLS), we are pleased to present the audited standalone financial statements of the Company and commentary for the year ended December 31, 2021.

Economic Review

The local economy posted a robust recovery from COVID-19 related downturn to post a headline growth in GDP of 5.4% (revised) during FY21. This was the second highest growth number posted in over a decade. Not only did the economy outperform the official growth target of 4.8%, the headline GDP growth was broad-based with reasonable support coming from all three sectors of the economy with a considerable push coming from strong industrial growth.

However, given the significant macroeconomic risks which country still faces, the recovery shown during FY21 may yet again prove to be short lived. Firstly, the commodity cycle boom amid a recovery in global economies has once again resulted in ballooning of CAD which has already touched US\$9.0bn (or ~2.6% of GDP) already during 1HFY22. The slippages on external front has once again put significant pressure on PKR with currency depreciating by 10.4%YoY during CY21.

The current commodity super cycle coupled with rapid PKR depreciation has resulted in soaring inflation during CY21, a phenomena reported by most global economies. Consequently, the headline CPI inflation reading during CY21 has averaged around 9.5%, forcing the State Bank of Pakistan (SBP) to raise interest rates by 275bps during the second half of the year to 9.75%. However, with inflation now reaching double digits (averaging around 11.5% over the last few months), the real interest rates on forward basis are in the negative territory. Having said that, the SBP is comfortable with the current interest rates and has given an indication that the interest rates may be kept at these levels over the foreseeable futures.

On the fiscal side, the FBR has shown good performance with the 1HFY22 collections overshooting its tax collection target by PKR287bn. To this end, the total collections were PKR 2.9trn during 1HFY22 as against a target of PkR2.6trn. A substantially large part of the tax collection was generated at the import stage through customs duty and allied taxes.

Equity Market Review

Though CY21 started off strongly with index gaining 9.6% during 5MCY21, the resurgence fizzled out spectacularly during the second half of the year as various macroeconomic and geopolitical events dampened investor sentiments. Consequently, CY21 closed out with index returning just 1.9%YoY while the USD denominated return stood at approx. negative 8.5%. The foreigner institutional investors remained net sellers for another year with a total outflow of approx. USD359mn during CY21.

The average daily volumes during CY21 stood around 615mn shares with some major outliers seen during 1QCY21 that pushed the overall number higher. The average value traded during CY21 remained at US\$154mn.

Debt and Currency Market Review

Pakistan has successfully managed to restart the IMF program after undertaking painful reform measures necessary to stabilize the economy. After receiving the latest USD1bn tranche at the start of Feb'22, the GOP is now in process of raising another USD1bn from international bond market which will help shore up the FX reserves even further. However, with Pakistan required to make debt repayments of USD22.8bn on its international debt in FY23, the borrowing needs will likely remain elevated and the country may return to international bond market once again in order to roll over the maturing debt.

On the local front, after the SBP raised interest rates by 275bps during 2HCY21, the yields on secondary market government instruments have reached double digits. However, the central bank flooded the banking system with liquidity recently in a bid to bring down the yields on 3M and 6M papers. The move paid off with yields coming down by 20-50bps in the immediate term and the banks, flushed with new liquidity, parking money in short term papers. With SBP also giving the indication of keeping interest rates stable at current levels, we may see yields stabilizing at current levels in the short term.

Current Account Deficit (CAD) is expected to reach USD16-17bn in FY22 and projected to ease to USD10-11bn in FY23. Nonetheless, this together with large international debt repayments during this period means that PKR will continue to remain under pressure in the short to medium term.

Operating and Financial Performance

During the year ended December 31, 2021 the financial performance of the company is as follows:

	2021	2020
	----- (Rupees in '000) -----	
Profit before taxation	251,139	137,996
Taxation	(71,409)	(43,996)
Profit after taxation	179,730	94,000
Dividend paid during the year	-	-
Accumulated (loss) brought forward	(314,763)	(408,763)
Accumulated (loss) carried forward	(135,033)	(314,763)
	----- (Rupees) -----	
Earnings per share	1.80	0.94

The key driver of company profitability has been the 37% increase in total equity revenue to approx. PKR 481mn in CY21 as opposed to approx. PKR 351mn in CY20. Equity remains the biggest component of total operating revenue of the company accounting for 93% of the same in CY21 as compared to 91% a year before. While the topline of the company saw an impressive growth, the total operating & admin expenses of the company grew by only 12% YoY due to strict cost controls and monitoring.

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;
- The system of internal control, which is sound in design has been effectively implemented and is being continuously reviewed 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 December 31, 2021 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.
- The Company operates an approved contributory provident fund for its eligible employees. The value of investments as per the un-audited financial statements for the year ended December 31, 2021 amounts to approximately PKR 41.602 million;
- 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.

Corporate Social Responsibility

Responsibility towards the Community: BIPLS continues to be a good corporate citizen, supporting the communities from which it derives its business and recognizing its responsibilities towards all such communities. BIPLS will be supportive of community initiatives across the organization, targeting those most appropriate for each individual community.

Responsibility towards the Environment: BIPLS is concerned with 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 aims to limit its use of all finite resources, with specific focus on usage of energy.

BIPLS has integrated Corporate Social Responsibility (CSR) into its ethics and business practices. In this context, community and stakeholder needs are carefully assessed and support is extended in line with the company's policies, code of ethics and business objectives.

Summary of CSR activities during 2021 is as follows:

- **Adherence to regulatory requirements:** The Company and its employees contributed an amount of PKR 34.849 million to the national exchequer in the form of taxes.
- **People/Human Resources:** The Company follows a policy of contributing to employees' professional development and promoting physical, mental and emotional health.

The Board

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

Male	5
Female	2

Composition

Independent Directors	2
Non-Executive Directors	4
Executive Directors	1

The positions of the Chairman and the Chief Executive Officer are kept separate in line with the best governance practices and the Chairman has been elected from among the Independent Directors. The Board has established a separate Audit Committee and Human Resource & Remuneration Committee to assist the Board in the performance of its functions. The Chairman of Board and Audit Committee are Independent Directors and are not same person, in line with best practices. Further, none of the Directors is elected or nominated in more than seven listed companies.

Seven meetings of the Board of Directors were held during the year 2021. As per the requirements of the Code of Corporate Governance, written notices were circulated at least 7 days in advance except for emergent meetings and significant issues as detailed in the Code were placed for the information, consideration and decision of the Board and the Audit Committee. Minutes were appropriately recorded, including dissenting views, if any.

The attendance of Directors at the Board meetings was as follows:

Name of Directors	Invited for Meetings held during 2021	Meetings attended during 2021
Kamal Uddin Tipu – Chairman	7	7
Sikander Kasim	7	7
Muhammad Hafeezuddin Asif	7	7
Sohail Sikandar	4	4
Khurram Jamil	4	4
Muhammad Uzair Sipra	4	4
Mudassar Aslam	4	3
Ayesha Aqeel Dhedhi	3	2
Afsheen Aqeel	3	3
Khurshid Anwar	3	3
Muhammad Noorul Hasan	3	3
Abdul Aziz Anis-Chief Executive Officer	7	7

Name of Directors	Invited for Meetings held during 2021	Meetings attended during 2021
Board Members retired/resigned during 2021		
Sohail Sikandar	4	4
Khurram Jamil	4	4
Muhammad Uzair Sipra	4	4
Mudassar Aslam	4	3
Muhammad Hafeezuddin Asif	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 2021 in the composition of the Board of Directors:

- Ms. Ayesha Aqeel Dhedhi was appointed as Director in place of Mr. Sohail Sikandar on June 28, 2021.
- Ms. Afsheen Aqeel was appointed as Director in place of Mr. Khurram Jamil on June 28, 2021.
- Mr. Khurshid Anwar was appointed as Director in place of Muhammad Uzair Sipra on June 28, 2021.
- Mr. Muhammad Noorul Hasan was appointed as Director in place of Ms. Mudassar Aslam on June 28, 2021.
- Mr. Muhammad Hafeezuddin Asif was resigned from the Directorship on December 06, 2021 the casual vacancy would be filled up by the Directors in due course.
- 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	Meetings held during 2021	Meetings attended during 2021
Sikandar Kasim	4	4
Sohail Sikandar	2	2
Khurram Jamil	2	2
Ayesha Aqeel Dhedhi	2	1
Afsheen Aqeel	2	2

Name of Committee Members	Meetings held during 2021	Meetings attended during 2021
Committee Members resigned/retired during 2021		
Sohail Sikandar	2	2
Khurram Jamil	2	2

*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 2021	Meetings attended during 2021
Kamal Uddin Tipu - Chairman	2	2
Muhammad Uzair Sipra	2	2
Mudassar Aslam	2	2
Afsheen Aqeel	-	-
Khurshid Anwar	-	-

Name of Committee Members	Invited for Meetings held during 2021	Meetings attended during 2021
Committee Members resigned/retired during 2021		
Muhammad Uzair Sipra	2	2
Mudassar Aslam	2	2

Remuneration of Directors

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.

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 2022.

Shareholding

The pattern of shareholding as on December 31, 2021 is annexed with the report.

Dividends

The Directors are pleased to propose a final cash dividend for ordinary shareholders for the year ended December 31, 2021 at Rs.0.5 per share i.e.5%.

Future Outlook

The business outlook for CY22 remains cautious to neutral. The country has to implement difficult economic reforms to remain within the IMF program which though positive for long term economic stability can nonetheless lead to short term slowdown in economic activity. We expect inflation to remain elevated in the near term and hence interest rates too will remain high. All these combined can exert pressure on the equity market and keep investors sentiments in check.

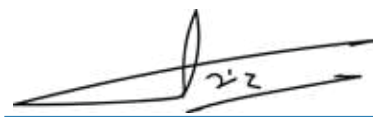
Acknowledgement

The Board of Directors of your company 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



Director



Chief Executive Officer

Karachi

Dated: February 22, 2022

Financial Highlights

	Year ended December 31,				
	2021	2020	2019	2018	2017
Operating Performance (Rupees in '000)					
Revenue	654,823	501,703	322,362	271,588	372,322
Operating and administrative expenses	(384,678)	(344,149)	(311,822)	(299,019)	(358,080)
Reversal of provision / (provision) / impairment	244	4,255	(681)	(3,504)	23,289
Finance cost	(22,312)	(25,381)	(26,521)	(15,426)	(14,181)
Other income	3,062	1,568	1,786	4,840	59,288
Profit / (loss) before taxation	251,139	137,996	(14,876)	(41,521)	82,638
Profit / (loss) after taxation	179,730	94,000	(11,941)	(26,959)	38,043
Per Ordinary Share (Rupees)					
Earning / (loss) per share	1.80	0.94	(0.12)	(0.27)	0.38
Break-up value per share	9.30	7.82	7.53	8.75	9.25
Dividends (Percentage)					
Final dividend	5%	-	-	-	-
Assets and Liabilities (Rupees in '000)					
Total assets	2,108,374	2,680,713	1,895,960	1,825,951	1,915,858
Current assets	1,755,494	2,264,101	1,385,195	1,203,967	1,304,494
Current liabilities	1,026,297	1,744,281	982,676	801,686	840,873
Financial Position (Rupees in '000)					
Shareholders equity	930,319	782,199	753,395	874,265	924,985
Share capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Reserves	(69,681)	(217,801)	(246,605)	(125,735)	(75,015)
Share outstanding (Number in '000)	100,000	100,000	100,000	100,000	100,000
Return on capital employed - (%)	26.99	17.64	(1.97)	(4.75)	8.93
Return on total assets - (%)	12.97	6.09	0.61	(1.43)	5.05
Current ratio-times	1.71	1.30	1.41	1.50	1.55
Interest cover ratio-times	12.26	6.44	0.44	(1.69)	6.83

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting ("AGM") of BIPL Securities Limited (the "Company") will be held on Thursday, April 21, 2022 at 10:00 a.m. through "Zoom" arrangement via audio/video link to transact the following businesses:

ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on April 21, 2021.
2. To confirm the minutes of the Extraordinary General Meeting held on November 29, 2021.
3. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2021 together with the Directors' Report and Auditors' Report thereon.
4. To consider, approve, declare and authorize the payment of final dividend for the year ended December 31, 2021. The Directors have proposed the payment of a final cash dividend of 5% that is, Rs. 0.5 per share.
5. To appoint Auditors of the Company and fix their remuneration for the year ending December 31, 2022.
6. To present any other business with the permission of the Chairman

By order of the Board



Zafar Ahmed Khan
Acting Company Secretary

Karachi: April 01, 2022

Notes:

1. Participation in the AGM proceeding via the electronic facility

Due to current COVID-19 pandemic situation and while considering the wellbeing and safety of the shareholders, the AGM proceedings shall be held via electronic facility only. Shareholders interested to participate in the meeting are requested to share below information at following email address for their appointment and proxy's verification by April 19, 2022 from their registered email addresses (to update if not done earlier).

Email address: agm@biplsec.com

S. No.	Name of the shareholder	CNIC Number and Copy*	Folio Number	Cell Number	Email Address

*along with snapshot of CNIC (both side)

Login credentials will be shared on April 19, 2022 with those shareholders whose emails containing all the required particulars are received at our email address. The Shareholders can also email us their questions and suggestions on the agenda items of AGM on our email address provided above.

2. Closure of Share Transfer Books

The Share Transfer Books of the Company will be closed from April 15, 2022 to April 21, 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 April 14, 2022 will be treated in time for the purpose of attending the Annual General Meeting.

3. Proxy

A member entitled to attend and vote at the above meeting may appoint a person/ representative as proxy to attend and vote on his behalf at the Meeting. The annexed instrument of proxy duly executed in accordance with the Articles of Association of the Company must be received at the Registered Office of the Company not less than 48 hours before the time of holding of the meeting. 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.

- (a) 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.
- (b) The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- (c) Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- (d) The proxy shall produce his/her original CNIC or original passport at the time of the Annual General Meeting

4. Updating of particulars

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

5. Submission of copies of valid CNIC

As per SECP directives and in terms of Section 243(2) (a) of the Companies Act, 2017 the dividend of shareholders who's valid CNIC (for individuals) and National Tax Number (for a corporate entity) are not available with the Share Registrar could be withheld.

All Shareholders are once again reminded to submit a copy of their valid CNIC or NTN, if not provided earlier to the Company's Share Registrar, M/s. THK Associates (Private) Limited.

6. Payment of Cash Dividend Electronically

In accordance with the provisions of section 242 of the Companies Act, 2017 and Companies (Distribution of Dividend) Regulations, 2017, it is mandatory that dividend payable in cash, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.

Therefore shareholders are advised that in order for them to receive their dividends through electronic mode, the details of their bank mandate specifying: (i) title of account, (ii) account number, (iii) IBAN number (iv) bank name, (v) branch name, code and address be provided as soon as possible, to 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. The "E- Dividend Mandate Form" is also available on the Company's website.

7. Withholding Tax on Dividend

Pursuant to the provisions of the Finance Act 2021 effective July 1, 2021, the rate of deduction of income tax from dividend payments has been revised as follows:

- (i) Rate of tax deduction for filers of income tax return – 15%
- (ii) Rate of tax deduction for non-filers of income tax return – 30%

Shareholders whose names are not entered into the Active Tax-payers List (ATL) available on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Withholding Tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate is made available to Company's Share Registrar by the first day of book closure.

Further, according to clarification received from FBR, withholding tax will be determined separately on "Filer/Non-filer" status of principal shareholder as well as joint-holder(s) based on their shareholding proportions.

For any query/problem/information, the investors may contact the Company's Registrar, THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street-2, D.H.A., Phase VII, Karachi, Pakistan, (021) 35310191-95 or email address sfc@thk.com.pk.

The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders are requested to send a copy of their NTN certificate to the Company's Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

8. Change of Address and Zakat Deduction

Shareholders (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Company's Registrar. All the shareholders holding their shares through the CDC are requested to please update their addresses and Zakat status with their participants.

9. 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 of the Company, 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 December 31, 2021 have also been made available on the Company's website.

Independent Auditor's Review Report

To The Members



RSM Avais Hyder Liaquat Nauman
Chartered Accountants

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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 BIPL Securities Limited for the year ended December 31, 2021 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 December 31, 2021.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Avais Hyder Liaquat Nauman is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. the RSM network is not itself a separate legal entity in any jurisdiction.



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 also holds the office of the company secretary.
2.	15 & 19 (b)	The head of internal audit resigned in the month of November 2019, and position head of internal audit remain vacant till the date of our report.


 Chartered Accountants
 Karachi.

Date: March 17, 2022

Statement Of Compliance

With The Code Of Corporate Governance

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

For the year ended December 31, 2021

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

1. The total number of directors are Seven (7) as per the following
 - a. Male: Five (5)
 - b. Female: Two (2)
2. The composition of board is as follows:

Category	Names
Independent Directors	Mr. Kamal Uddin Tipu Mr. Sikander Kasim
Non-Executive Directors	Ms. Ayesha Aqeel Dhedhi Ms. Afsheen Aqeel Mr. Khurshid Anwer Mr. Muhammad Noorul Hasan
Female Director	Ms. Ayesha Aqeel Dhedhi Ms. Afsheen Aqeel
Executive Director / Chief Executive Officer	Abdul Aziz Anis

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. There is one director from the Board has attended the Directors' Training Program:
 - Mr. Kamal Uddin Tipu
10. 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.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

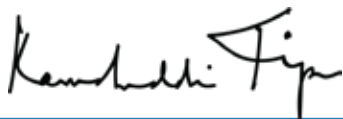
Audit Committee

Mr. Sikander Kasim – Chairman
 Ms. Ayesha Aqeel Dhedhi – Member
 Ms. Afsheen Aqeel – Member

HR and Remuneration Committee

Mr. Kamal Uddin Tipu – Chairman
 Mr. Khurshid Anwer - Member
 Ms. Afsheen Aqeel – 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;
- Audit Committee - Quarterly
 - 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:
- The Chief Financial Officer also holds the office of the Company Secretary. As BIPL Securities Ltd (Company) is in merging process under Scheme of arrangement, therefore CFO is also holding the office of Company Secretary as Acting Company Secretary.
 - The Company did not have a Head of Internal Audit during the period. The Company is in the process of searching for an appropriate candidate for the position of Head of Internal Audit.



Chairman



Chief Executive Officer

Karachi: February 22, 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



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

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

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Opinion

We have audited the annexed financial statements of BIPL Securities Limited (the Company), which comprise the statement of financial position as at December 31, 2021, 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 December 31, 2021 and of the profit, 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.

S.No.	Key Audit Matters	How the matter was addressed in our audit
1	<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 25.008 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>
2	<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>

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; and
- (d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

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


Rana Saad Huda
Chartered Accountants
Karachi

Dated: March 17, 2022

**STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021**

	Note	2021	2020
---(Rupees in '000)---			
ASSETS			
Non-current assets			
Property and equipment	7	31,864	43,346
Intangible assets	8	5,068	4,091
Long-term investments	9	264,235	296,017
Long-term loans and advances	10	424	645
Long-term deposits and prepayments	11	26,281	21,260
Deferred tax asset - net	12	25,008	51,253
		352,880	416,612
Current assets			
Short-term investments	13	205,592	-
Trade debts	14	229,526	362,828
Advances, deposits, prepayments and other receivables	15	361,106	874,037
Taxation - net		93,518	118,028
Cash and bank balances	16	865,752	909,207
		1,755,494	2,264,101
TOTAL ASSETS		2,108,374	2,680,713
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Capital :			
200,000,000 Ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid-up capital	17	1,000,000	1,000,000
Fair value reserve		46,600	78,210
Revenue reserve:			
General reserve		18,752	18,752
Accumulated loss		(135,033)	(314,763)
		930,319	782,199
Non-current liabilities			
Long-term financing-secured	18	150,000	150,000
Lease liability	19	1,758	4,233
		151,758	154,233
Current liabilities			
Trade and other payables	20	870,095	1,695,070
Short term financing-secured	21	150,000	40,000
Current portion of lease liability	19	4,566	7,768
Unclaimed dividend		1,402	1,402
Accrued mark-up	22	234	42
		1,026,297	1,744,281
TOTAL EQUITY AND LIABILITIES		2,108,374	2,680,713
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 44 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021	2020	
	----- (Rupees in '000) -----		
Operating revenue	24	516,899	389,821
Net gain on investments			
Gain on sale of short term investments 'at fair value through profit and loss' - net	25	21,710	11,064
Unrealised gain on re-measurement of short term investments 'at fair value through profit or loss' -net	13.1	2,360	-
		24,070	11,064
Dividend income		321	-
Mark-up / profit on bank deposits and other receivables	26	113,533	100,818
		654,823	501,703
Operating and administrative expenses	27	(384,678)	(344,149)
Impairment on long-term investment - subsidiary	9.2	(172)	(164)
Reversal against doubtful debts-net	14.1	416	4,419
		(384,434)	(339,894)
Operating profit		270,389	161,809
Finance cost	28	(22,312)	(25,381)
		248,077	136,428
Other income	29	3,062	1,568
Profit before taxation for the year		251,139	137,996
Taxation	30	(71,409)	(43,996)
Profit for the year		179,730	94,000
Other comprehensive loss for the year			
Unrealized loss arising on re-measurement of long term investment at fair value through other comprehensive income-net	9.3.4	(31,610)	(65,196)
Total comprehensive income for the year		148,120	28,804
Earnings per share - basic and diluted	31	1.80	0.94

The annexed notes 1 to 44 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	-----(Rupees in '000)----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	251,139	137,996
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	16,423	17,154
Amortization	336	319
Gain on sale of short term investments'at fair value through profit and loss' - net	(21,710)	(11,064)
Gain on sale of property and equipment	(57)	(1,200)
Unrealised gain on re-measurement of short term investments 'at fair value through profit or loss' - net	(2,360)	-
Impairment on long-term investment - subsidiary	172	164
Reversal of doubtful debts-net	(416)	(4,419)
Finance cost	22,312	25,381
Dividend income	(321)	-
	14,379	26,335
	265,518	164,331
Working capital adjustments:		
Decrease / (Increase) in current assets		
Trade debts	133,718	(207,652)
Advances, deposits, prepayments and other receivables	512,931	(1,917)
	646,649	(209,569)
(Decrease)/Increase in current liabilities		
Trade and other payables	(824,603)	720,584
	87,564	675,346
Finance cost paid	(22,492)	(25,711)
Income tax paid	(20,654)	(19,624)
Net cash flows generated from operating activities	44,418	630,011
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	(181,522)	11,064
Purchase of property and equipment	(2,661)	(5,374)
Purchase of intangible assets	(1,313)	(231)
Proceeds from disposal of property and equipment	70	1,200
Dividend received	321	-
Net cash flows (used in)/ generated from investing activities	(185,104)	6,659
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	221	(77)
Lease liability	(7,969)	(7,024)
Long-term deposits and prepayments	(5,021)	813
Net cash flows used in financing activities	(12,769)	(6,288)
Net (decrease) / increase in cash and cash equivalents	(153,455)	630,382
Cash and cash equivalents at the beginning of the year	869,207	238,825
Cash and cash equivalents at the end of the year	715,752	869,207
Cash and cash equivalents comprises of:		
Cash and bank balances	16 865,752	909,207
Short term financing-secured	21 (150,000)	(40,000)
	715,752	869,207

The annexed notes 1 to 44 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

	Revenue reserves			Fair value reserve	Total
	Share capital	General reserve	Accumulated loss		
------(Rupees in '000)-----					
Balance as at January 01, 2020	1,000,000	18,752	(408,763)	143,406	753,395
Profit for the year	-	-	94,000	-	94,000
Other comprehensive loss for the year	-	-	-	(65,196)	(65,196)
Balance as at December 31, 2020	1,000,000	18,752	(314,763)	78,210	782,199
Profit for the year			179,730		179,730
Other comprehensive loss for the year				(31,610)	(31,610)
Balance as at December 31, 2021	1,000,000	18,752	(135,033)	46,600	930,319

The annexed notes 1 to 44 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

1 STATUS AND NATURE OF BUSINESS

- 1.1** BIPL Securities Limited (the Company) was incorporated in Pakistan on October 24, 2000 under the Companies Ordinance, 1984 repealed Companies Act, 2017 and commenced its operations effective January 1, 2003, on the transfer of assets and liabilities of the securities segment of the then Khadim Ali Shah Bukhari and Company 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 registered office of the Company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, 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;

- 90-91, Razia Sharif Plaza, Jinnah Avenue, Blue Area, Islamabad.
- Office # 313, ISE Tower, Jinnah Avenue, Blue Area, Islamabad.
- 2nd Floor Fountain Avenue Building, 64-A, Main Boulevard, Main Gulberg, Lahore.
- 1st Floor, State Life Building, 34-The Mall, Peshawar Cantt, Peshawar.
- Friends Paradise, 1st Floor, SB-36, Block No. 13D, KDA Scheme 24, Main University Road, Karachi.
- Room No 93-95, 2nd floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi.
- Room # 509 & 510, 5th Floor, State Life Building, Liaquat Road, Faisalabad.
- 81, Ground Floor, GDA Trust Plaza, Gujranwala.
- Ground Floor, City Tower, Shahab Pura Road, Sialkot.
- Ground Floor, State Life Building, Abdali Road, Multan.
- Plot # 24, City Park Chowk, Model Town, Rahim Yar Khan.

- 1.2** The Company is a subsidiary of AKD Securities Limited (the Parent), who holds 77.12% (2020: BankIslami Pakistan Limited 77.12%) shares of the Company.
- 1.3** The Company is a TREC holder of the Pakistan Stock Exchange Limited (PSX) and Corporate member of Pakistan Mercantile Exchange Limited (PMEX) and is principally engaged in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research and advisory services, consultancy and corporate finance.
- 1.4** The former parent company ("BIPL") has released public information on April 24, 2019 pertaining to BIPL Securities Limited, (in which board of the former parent had authorized the bank to explore and evaluate the strategic option including divestment of shares held in BIPL Securities Limited.

Further the BankIslami Pakistan Limited ("BIPL") the former parent company has approved the final bid of AKD Securities Limited ("AKD") for the purchase of BIPL's entire shareholding of 77,117,500 shares in BIPL Securities Limited at a price of PKR 8.60 per share and for this purpose BIPL and AKD Securities Limited have entered into Sale Purchase Agreement dated November 25, 2020.

In accordance with Section 96 and section 131 of the Securities Act, 2015 and Clause 5.6.1(a) of the Rule Book of Pakistan Stock Exchange Limited. The Board of Directors of BIPL Securities Limited ("Company") at its duly convened meeting held on June 28, 2021, has approved the transfer of 77,117,500/- shares (representing 77.12% share capital) of the Company held by BankIslami Pakistan Limited to AKD Securities Limited. The said approval has been effectuated in consonance of the approval for share transfer accorded by the Securities and Exchange Commission of Pakistan (the SECP) vide its letter dated April 06 2021.

As a result of the above share transfer, the Company is now a subsidiary of AKD Securities Limited.

Further on September 28, 2021, the Board of Directors of BIPLS (Company) approved the terms of a Scheme of Arrangement ("Scheme") by way of amalgamation of M/s. AKD Securities Ltd (AKDSL) with and into the BIPLS (Company) prepared under the provisions of Sections 279 to 283 and 285 of the Companies Act, 2017, subject to the approval of the requisite majority of the Shareholders of the Company and Creditors, and sanction of the Honorable High Court of Sindh at Karachi.

According to the terms of the approved Scheme of Arrangement, M/s. AKD Securities Ltd (AKDSL) shall be merged with and into the BIPLS 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, shall be 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, in accordance with the provisions of the Scheme. 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, shall be 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, in accordance with the provisions of the Scheme.

The authorised capital of the Company, upon the sanction of the Scheme, shall stand automatically 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 shall stand amended in terms of the Scheme.

That upon sanction of the Scheme, the name of the surviving entity i.e. the Company shall be changed to "AKD Securities Ltd.".

Pursuant to the Order dated October 12, 2021 of the High Court of Sindh at Karachi passed in Judicial Companies Miscellaneous No. 36 of 2021 a Extra Ordinary General Meeting ('EOGM') of the shareholders and Creditors of M/s. BIPL Securities Ltd. held on Monday, November 29, 2021. Accordingly, the Scheme was approved by the Shareholders and Creditors of M/S BIPL Securities Ltd.

- 1.5 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 December 31, 2021 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.

These financial statements are presented in Pakistani Rupees, which is Company'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

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after January 01, 2021 and therefore, have been applied in preparing these financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16)

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. This amendment is effective for annual reporting periods beginning on or after 1 June 2020.

The application of amendments has no material impact on the financial statements of the company.

Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the KIBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the KIBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from KIBORs to alternative benchmark rates, and how the entity is managing this transition. This amendment is effective for annual reporting periods beginning on or after 1 January 2021.

The application of amendments has no material impact on the financial statements of the company.

Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. This amendment is effective for annual reporting periods beginning on or after 1 April 2021.

The application of amendments has no material impact on the financial statements of the company.

Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements include amendments to the following Standards:

IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. 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.

IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

4.1.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the companies beginning on or after January 01, 2021 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

4.1.3 Standards, amendments to standards and interpretations becoming effective in future periods

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. This amendment is effective for reporting periods beginning on or after 1 January 2022.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). This amendment is effective for reporting periods beginning on or after 1 January 2022.

Disclosure of Accounting Policies (Amendments to IAS 1)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. This amendment is effective for reporting periods beginning on or after 1 January 2023.

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. This amendment is effective for reporting periods beginning on or after 1 January 2023.

4.1.4 Standards, amendments to standards and interpretations becoming effective in future period but not relevant

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**5.1 Property and equipment**

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

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

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

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

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

5.2 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.

5.3 Investment properties

Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged at the rate specified in note 9. Subsequent expenditures, depreciation and gains or losses on disposals are accounted for in the same manner as property and equipment.

5.4 Financial Instruments**5.4.1 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.

5.4.2 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'.

5.4.3 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.

5.4.4 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.

5.5 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.

5.6 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.

5.7 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.

5.8 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 income is recognised as and when such services are rendered.
- Financial advisory fees and other income is recognised on an accrual basis.
- Underwriting commission is recognised on accrual basis in accordance with the terms of the agreement.
- 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.

5.9 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.

5.10 Dividend distributions and appropriations

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

5.11 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.

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.

5.12 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.

5.13 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.

5.14 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.

5.15 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.

5.16 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.

5.17 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.

5.18 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.

5.19 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.

5.20 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.

5.21 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.

5.22 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 assets and methods of depreciation and impairment	5.1 to 5.3, 7 & 8
Classification of investments	5.4.1, 9 & 13
Provision for doubtful debts	5.15 & 14.1
Deferred taxation and taxation	5.9, 12 & 30

7 PROPERTY AND EQUIPMENT

		2021	2020
		----- (Rupees in '000) -----	
Property and equipment	7.1	25,176	31,081
Right to use asset under IFRS 16	7.2	6,688	12,265
		<u>31,864</u>	<u>43,346</u>

7.1 PROPERTY AND EQUIPMENT

	2021				
	Office premises- lease hold	Furniture and fixtures	Computers and office equipment	Motor vehicles	Total
	----- (Rupees in '000) -----				
As at January 01, 2021					
Cost	47,932	25,854	108,953	2,736	185,475
Accumulated depreciation	<u>(33,011)</u>	<u>(23,457)</u>	<u>(95,737)</u>	<u>(2,189)</u>	<u>(154,394)</u>
Net book value at the beginning of the year	14,922	2,397	13,216	547	31,081

Changes during the year

Additions during the year	-	34	1,165	1,462	2,661
Disposals during the year					
-Cost	-	-	(227)	-	(227)
-Depreciation	-	-	214	-	214
	-	-	(13)	-	(13)
Depreciation charge for the year	<u>(1,866)</u>	<u>(493)</u>	<u>(6,113)</u>	<u>(82)</u>	<u>(8,554)</u>
	<u>(1,866)</u>	<u>(459)</u>	<u>(4,961)</u>	<u>1,380</u>	<u>(5,906)</u>
Net book value at the end of the year	<u>13,056</u>	<u>1,938</u>	<u>8,255</u>	<u>1,927</u>	<u>25,176</u>

Analysis of net book value

As at December 31, 2021

Cost	47,932	25,888	109,891	4,198	187,909
Accumulated depreciation	<u>(34,876)</u>	<u>(23,950)</u>	<u>(101,636)</u>	<u>(2,271)</u>	<u>(162,733)</u>
Net book value	<u>13,056</u>	<u>1,938</u>	<u>8,255</u>	<u>1,927</u>	<u>25,176</u>
Depreciation rate (% per annum)	<u>5</u>	<u>10</u>	<u>20-45</u>	<u>20</u>	

2020

	Office premises- lease hold	Furniture and fixtures	Computers and office equipment	Motor vehicles	Total
	----- (Rupees in '000) -----				
As at January 01, 2020					
Cost	46,095	25,854	106,023	2,736	180,708
Accumulated depreciation	<u>(31,634)</u>	<u>(22,924)</u>	<u>(89,714)</u>	<u>(2,189)</u>	<u>(146,461)</u>
Net book value at the beginning of the year	14,461	2,930	16,309	547	34,247

Changes during the year

Additions during the year	2,444	-	2,930	-	5,374
Disposals during the year					
-Cost	(607)	-	-	-	(607)
-Depreciation	607	-	-	-	607
Depreciation charge for the year	<u>(1,983)</u>	<u>(532)</u>	<u>(6,022)</u>	<u>-</u>	<u>(8,537)</u>
	461	(532)	(3,092)	-	(3,164)
Net book value at the end of the year	<u>14,922</u>	<u>2,397</u>	<u>13,216</u>	<u>547</u>	<u>31,081</u>

Analysis of net book value

As at December 31, 2020

Cost	47,932	25,854	108,953	2,736	185,475
Accumulated depreciation	<u>(33,011)</u>	<u>(23,457)</u>	<u>(95,737)</u>	<u>(2,189)</u>	<u>(154,394)</u>
Net book value	<u>14,922</u>	<u>2,397</u>	<u>13,216</u>	<u>547</u>	<u>31,081</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

7.2 RIGHT-OF-USE ASSETS

Opening balance	12,265	18,162
Additions during the year-net	2,292	2,720
Depreciation for the year	<u>(7,869)</u>	<u>(8,617)</u>
Closing balance	<u>6,688</u>	<u>12,265</u>

8 INTANGIBLE ASSETS

	2021					Total
	Computer software	Membership of PMEX	Booths at PSX	License and trademark	TREC -PSX (Note 8.1 & 8.2)	
	(Rupees in '000)					
As at January 01, 2021						
Cost	12,881	750	950	1,223	1,350	17,154
Accumulated amortization	(12,540)	-	-	(523)	-	(13,063)
Net book value at the beginning of the year	341	750	950	700	1,350	4,091
Addition during the year	1,313	-	-	-	-	1,313
Amortization for the year	(336)	-	-	-	-	(336)
Net book value at the end of the year	1,318	750	950	700	1,350	5,068
Analysis of Net Book Value						
Cost	14,194	750	950	1,223	1,350	18,467
Accumulated amortization	(12,876)	-	-	(523)	-	(13,399)
Net book value as at December 31, 2021	1,318	750	950	700	1,350	5,068
Amortization rate (% per annum)	33.33	-	-	0 - 33.33	-	
	2020					
	Computer software	Membership of PMEX	Booths at PSX	License and trademark	TREC -PSX (Note 8.1 & 8.2)	Total
	(Rupees in '000)					
As at January 01, 2020						
Cost	12,650	750	950	1,223	1,350	16,923
Accumulated amortization	(12,221)	-	-	(523)	-	(12,744)
Net book value at the beginning of the year	429	750	950	700	1,350	4,179
Addition during the year	231	-	-	-	-	231
Amortization for the year	(319)	-	-	-	-	(319)
Net book value at the end of the year	341	750	950	700	1,350	4,091
Analysis of Net Book Value						
Cost	12,881	750	950	1,223	1,350	17,154
Accumulated amortization	(12,540)	-	-	(523)	-	(13,063)
Net book value as at December 31, 2020	341	750	950	700	1,350	4,091
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.

	Note	2021	2020
------(Rupees in '000)-----			
9 LONG TERM INVESTMENTS			
Subsidiary company -Structured Venture (Private) Limited (SVPL)	9.2	371	543
At fair value through Other Comprehensive Income	9.3	263,864	295,474
		264,235	296,017

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 extraordinary 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	488,581
Less: Provision for impairment	(488,210)	(488,039)
	371	543

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

2021	2020	Note	2021		2020		
			Cost	Carrying value	Cost	Carrying value	
Number of shares		Name of the Investee Company	------(Rupees in '000)-----				
Quoted shares							
1,602,953	1,602,953	Pakistan Stock Exchange Limited	9.3.1, & 9.3.4	1,438	22,041	1,438	23,756
Unquoted shares							
3,370	3,370	Al Jomaih Power Limited	9.3.2 & 9.3.4	184,197	241,823	184,197	271,718
14,760,000	14,760,000	New Horizon Exploration and Production Limited (Related Party) - Class 'A' ordinary shares Less: impairment	9.3.3	31,629 (31,629)	- -	31,629 (31,629)	- -
				185,635	263,864	185,635	295,474

9.3.1 Fair value of the investment as the year end was Rs. 13.75 per share (2020: 14.82 per share) determined on the basis of information / unaudited financial statement from investee.

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 December 31, 2021. 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 (2020: 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 upto year 2016. As of reporting date there is no change in management assumption of recoverability of this investment, accordingly no impairment loss has been reversed.

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

Pakistan Stock Exchange Limited	9.3.1	(1,715)	3,751
Al Jomaih Power Limited	9.3.2	(29,895)	(68,947)
		(31,610)	(65,196)

	Note	2021	2020					
		----- (Rupees in '000) -----						
10 LONG-TERM LOANS AND ADVANCES - Considered Good								
Loans and advances to:								
Employees	10.1	3,555	1,618					
Current maturity shown in current assets	15	(3,131)	(973)					
		<u>424</u>	<u>645</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 9.85% (2020: 9%) per annum and are recovered through deduction from salaries over varying periods upto 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	21,112	16,112					
- National Clearing Company of Pakistan Limited (NCCPL)		400	400					
- Pakistan Mercantile Exchange Limited (PMEX)		2,500	2,500					
- Central Depository Company of Pakistan Limited (CDC)		200	200					
- Rent deposits against rented premises		2,103	2,103					
- Others		126	106					
		<u>26,441</u>	<u>21,420</u>					
Prepayments								
- Impact of expected credit loss	11.2	18	18					
		(178)	(178)					
		<u>26,281</u>	<u>21,260</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		(178)	(178)					
12 DEFERRED TAX ASSET - NET								
Deductible temporary differences arising from:								
Deferred tax asset at the beginning of the year		51,253	70,159					
(Reversal) for the year		(26,245)	(18,906)					
		<u>25,008</u>	<u>51,253</u>					
Taxable temporary differences arising due to:								
- accelerated tax depreciation		958	90					
- lease liability		(106)	(77)					
		<u>852</u>	<u>13</u>					
Deductible temporary differences arising due to:								
- carry forward of tax losses		-	8,757					
- carry forward of minimum tax and ACT		4,472	22,678					
- provision for doubtful debts		19,684	19,805					
		<u>24,156</u>	<u>51,240</u>					
		<u>25,008</u>	<u>51,253</u>					
13 SHORT-TERM INVESTMENTS								
'At fair value through profit or loss'								
- Quoted equity securities	13.1	205,592	-					
- Term finance certificates - Pace Pakistan Ltd.	13.2	-	-					
		<u>205,592</u>	<u>-</u>					
13.1 Quoted equity securities								
		2021	2020					
		Number of shares	Name of Investee Company					
			Note					
			Cost					
			Carrying value					
			Cost					
			Carrying value					
			----- (Rupees in '000) -----					
		175,000	-	Ghandhara Nissan Limited	13,395	13,675	-	-
		100,000	-	International Steels Limited	6,475	6,612	-	-
		2,000,000	-	Pakistan Aluminium Beverage Cans Limited	68,320	68,480	-	-
		488,000	-	Pakistan State Oil Company Limited	86,781	88,762	-	-
		500,000	-	Pakistan Stock Exchange Limited	6,960	6,875	-	-
		297,000	-	The Hub Power Company Limited	21,301	21,188	-	-
		<u>3,560,000</u>	<u>-</u>		<u>203,232</u>	<u>205,592</u>	<u>-</u>	<u>-</u>
13.1.1 This includes shares with carrying value of Rs.205.592 million (December 31, 2020: Nil) pledged with NCCPL against exposure margin.								
13.2 Term Finance Certificates								
		2021	2020					
		Number of certificates	Name of Investee Company					
		4,000	4,000	Pace Pakistan Ltd. (Face value Rs. 5,000/- each)				
				Opening			18,147	18,147
				Less : Sold during the year			-	-
				Closing			<u>18,147</u>	<u>18,147</u>
				Less : Provision for impairment	13.2.1		(18,147)	(18,147)
		<u>4,000</u>	<u>4,000</u>				<u>-</u>	<u>-</u>
13.2.1 Impairment								
Opening balance							18,147	18,147
Impairment written off							-	-
							<u>18,147</u>	<u>18,147</u>

	Note	2021	2020
		----- (Rupees in '000) -----	
14 TRADE DEBTS			
Receivable against purchase of marketable securities - net of provisions		106,698	322,113
Receivable from National Clearing Company of Pakistan Limited		117,091	36,315
Inter-bank brokerage		5,737	4,400
Considered good		229,526	362,828
Considered doubtful		64,285	64,701
		293,811	427,528
Less: Provision for doubtful debts	14.1	(64,285)	(64,701)
		229,526	362,828
14.1 Reconciliation of provisions against trade debts			
Opening balance		64,701	69,119
Provision for the year		1,559	244
Reversal during the year		(1,975)	(4,663)
		(416)	(4,419)
		64,285	64,701
15 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances to:			
Current portion of long-term loans and advances to employees and executives	10	3,131	973
Deposits:			
Exposure deposit with -NCCPL		218,293	626,380
Exposure deposit with -PMEX		6,040	6,080
Ijarah deposits		-	1,462
Others	15.1	2,100	2,100
		226,433	636,022
-Impact of expected credited loss		(2,100)	(2,100)
		224,333	633,922
Prepayments:			
Insurance		78	1,581
Software development and maintenance		416	200
Others		2,217	2,472
		2,711	4,253
Other receivables:			
Profit on bank deposits		5,003	5,009
Profit on exposure deposit with -NCCPL		769	2,280
Receivable against margin finance		118,873	222,330
Others	15.2	7,601	6,584
		132,246	236,203
-Impact of expected credited loss		(1,315)	(1,315)
		130,931	234,888
		361,106	874,037
15.1			
This includes amounts deposited with the Honorable District and Sessions Court Karachi South in the form of Defense Saving Certificates (DSCs) having face value Rs. 2.1 million. These DSCs carry yield of 7.34% per annum and will mature in August 2026 (December 31, 2020 :7.34%).			
15.2			
This includes an amount of Rs. 1.3mn paid against an award made by PSX.			
16 CASH AND BANK BALANCES			
Company accounts			
Current accounts		1,785	1,536
Saving accounts	16.1	201,005	123,443
		202,790	124,979
Client accounts			
Current accounts		77	209
Saving accounts	16.1	662,883	784,014
		662,960	784,223
		865,750	909,202
Cash in hand		-	-
Stamps in hand		2	5
		865,752	909,207
16.1			
These carry profit at rates ranging from 2.24% to 8.20% (2020: 2.33% to 12.5%) per annum.			
17 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
10,132,100	10,132,100	Ordinary shares of Rs. 10 each fully paid-up as part of the scheme of arrangement	101,321
100,000,000	100,000,000		1,000,000
18 LONG-TERM FINANCING - SECURED			
Loan from Financial Institution		150,000	150,000
18.1			
This represents long-term financing obtained from BankIslami Pakistan Ltd (Former Parent Company) on December 31, 2015. The financing is secured by way of Exclusive Charge over DM Assets along with equitable mortgage over all other commercial properties of the Company as disclosed in note 7. The financing was payable as a bullet payment in December 2020. BIPL is entitled to rental payments for use of musharakah assets. Rental payments are calculated to provide return equal to 3 months KIBOR + 3% per annum payable on quarterly basis from March 2016 till the date of bullet payment. The said financing has been rescheduled according to which company will pay off the financing as a bullet payment in December 2023, keeping other terms and conditions same.			

19 LEASE LIABILITIES	Note	2021	2020
		--(Rupees in '000)--	
Opening		12,001	16,305
Additions during the year		2,292	2,447
Payments made during the year		(7,969)	(6,751)
		6,324	12,001
Transferred to current maturity		(4,566)	(7,768)
		1,758	4,233

19.1 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 December 31, 2021		
Principal	4,566	1,758
Finance charges allocated to future years	401	154
	4,967	1,912
As at December 31, 2020		
Principal	7,768	4,233
Finance charges allocated to future years	1,170	195
	8,938	4,428

20 TRADE AND OTHER PAYABLES

Trade creditors		838,866	1,658,271
Accrued liabilities		14,624	24,460
Withholding tax		3,889	1,897
Provision for Workers' Welfare Fund - Federal	20.1	-	2,647
Provision for Workers' Welfare Fund - Sindh		9,998	4,873
Unwinding part of Finance lease		141	513
Others		2,577	2,410
		870,095	1,695,070

20.1 During the year, based on the legal opinion obtained by the Company, provision against Federal Workers' Welfare Fund amounting to Rs.2.647 (2020: Nil) million has been reversed.

21 SHORT TERM FINANCING- SECURED

Loan from Financial Institution	150,000	40,000
---------------------------------	---------	--------

This represents running musharkah facility obtained from BankIslami Pakistan Ltd (Former Parent Company) 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% (2020: 1 week KIBOR plus 1%) per annum. The payment frequency is maximum 30 days from the date of financing obtained.

22 ACCRUED MARK-UP:

Mark-up accrued on:		
- BankIslami Pakistan Limited -(2020 : Parent Company)	234	42

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies:

23.1.1 The income tax authorities substitute Section 5A of Income Tax Ordinance 2001 through Finance Act 2017 which requires company to be subjected to additional tax of 7.5% of the accounting profit before tax if it fails to distribute at least 40% of profit after tax within six months of the end of tax year through cash or bonus. However, the company has filed an appeal before the Honorable High Court of Sindh at Karachi dated September 29, 2017. The Honorable High Court of Sindh has granted Stay orders in favor of the company. During the year 2021 the Honorable High Court of Sindh at Karachi dated April 30, 2021 decided the appeal in favour of the company. Accordingly, no provisions has been made in these financial statements.

23.1.2 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.

23.1.3 In response to SVPL's Suit filed against Noor Developers (NDPL) & others, as referred in Note 9.2 of the financial statements, Arif Ali Shah Bukhari & Noor Developers filed Suit No.714/2018 against the Company & others. This Suit is basically a counterblast to the criminal and civil proceedings initiated by the Subsidiary Company against Mr. Bukhari and NDPL. The said Suit is inter-alia for cancellation of the Sale Agreement referred in Note 9.2 of the financial statements and for recovery of Rs.275 million along with special damages of Rs.4.355 billion and general damages of Rs.4 billion. In addition, Mr. Arif Ali Shah has filed another Suit (1829/2019) against the Company & others, stating amongst other things that his claim alleged in Suit No.714/2018 is a contingent liability. As per management's view, the claim of Mr. Bukhari is baseless, therefore, it does not required to be disclosed as contingent liability, however, as a matter of abundant caution, the subject case has been disclosed in the financial statements.

As per the opinion of the Company's legal counsel, the assertions made by Mr Bukhari in the suits are not likely to be upheld by the Court and the management based on the opinion of its legal counsel is confident that these Suits are likely to be dismissed by the Honorable Court. However, the said suit has been unconditionally withdrawn by the petitioner.

23.2 Commitments:

The Company has entered into Ijarah arrangements for vehicles with M/s. Bankislami Pakistan Limited amounting to Rs 15 million. The aggregate amount of commitments against these arrangements are as follows:

	2021	2020
	----- (Rupees in '000) -----	
Not later than one year	-	2,114
Later than one year but not later than 5 years	-	-
	<u>-</u>	<u>2,114</u>

24 OPERATING REVENUE

Brokerage	577,078	434,806
Subscription research income	440	615
Financial advisory fee	565	-
Custody services	6,013	5,076
Less: sales tax on services	(67,197)	(50,677)
	<u>516,899</u>	<u>389,821</u>

25 GAIN ON SALE OF SHORT TERM INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT AND LOSS' - NET

Quoted equity securities	15,663	10,674
Debt securities	6,047	390
	<u>21,710</u>	<u>11,064</u>

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

Profit on bank deposits	82,893	83,314
Margin finance income	30,429	17,308
Others	211	196
	<u>113,533</u>	<u>100,818</u>

	Note	2021	2020
		----- (Rupees in '000) -----	
27 OPERATING AND ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits	27.1	188,842	179,204
Commission expense		40,381	28,830
Staff training and development-Directors		82	-
Rent, rates and taxes		5,942	4,616
Insurance charges		1,697	914
Depreciation	27.2	16,423	17,154
Amortization of intangible assets		336	319
Repairs and maintenance		7,014	8,834
Power and utilities		13,490	10,569
Communication		18,929	16,455
Trading costs		32,423	23,551
Information technology related cost		9,979	9,408
Fees and subscription		8,456	7,132
Director fee		1,620	1,380
Printing and stationery		1,541	1,724
Papers and periodicals		99	111
Advertisement and business promotion		332	192
Sales and marketing		1,077	1,685
Travelling and conveyance		1,545	1,325
Entertainment		1,269	784
Legal and professional charges		7,300	5,105
Auditor's remuneration	27.3	1,555	1,607
Stamp charges		617	10
Donations		-	50
Workers' welfare fund		5,125	2,817
Kitchen expenses		1,694	1,348
Profit -paid to clients	27.4	15,315	16,374
Ijara rental		1,408	2,587
Bad debts written off		23	-
Others		163	66
		384,678	344,149

27.1 Salaries, allowances and benefits include company's contribution to provident fund amount to Rs 4.16 million (2020: Rs 4.09 million).

27.2 Depreciation

Property and equipment	8,554	8,537
Right-of-use assets	7,869	8,617
	16,423	17,154

27.3 Auditor's Remuneration

Statutory audit fee	688	649
Half-yearly review fee and other certifications	793	760
Out of pocket expenses	74	198
	1,555	1,607

27.4 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.

	Note	2021	2020
---(Rupees in '000)---			
28 FINANCE COST			
Mark-up on:			
Long-term loan		15,795	19,182
Short-term loan-RF		5,105	3,351
Lease liabilities		1,166	2,222
Bank charges		246	626
		<u>22,312</u>	<u>25,381</u>
29 OTHER INCOME			
Gain on disposal of property and equipment	7.1.1	57	1,200
Staff loan		135	202
Reversal of provision against Workers' Welfare Fund	20.1	2,647	-
Others		223	166
		<u>3,062</u>	<u>1,568</u>
30 TAXATION			
Current			
for the year		45,230	24,700
for prior year		(66)	390
Deferred		26,245	18,906
		<u>71,409</u>	<u>43,996</u>

30.1 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.

30.2 Relationship between tax expense and accounting profit

For the year		45,230	24,700
Prior year		(66)	390
Deferred tax		26,245	18,906
		<u>71,409</u>	<u>43,996</u>
Profit before tax		<u>251,139</u>	<u>137,996</u>
Tax at the applicable rate of 29% (2020 : 29%)		72,830	40,019
Tax effect of non-deductible expenses		6,717	(5,189)
Tax effect of Income at reduced rate		(2,453)	(3,095)
Tax effect of Minimum Tax and Alternative Corporate Tax (ACT)		(5,290)	12,456
Tax effect of prior year charges		(66)	390
Others		(329)	(585)
		<u>71,409</u>	<u>43,996</u>

31 EARNINGS PER SHARE-BASIC AND DILUTED

31.1 Basic earnings per share

Profit for the year attributable to ordinary shareholders (Rs in '000')		<u>179,730</u>	<u>94,000</u>
Weighted average number of ordinary shares ('000')		<u>100,000</u>	<u>100,000</u>
Earnings per share - Basic and diluted	31.2	<u>1.80</u>	<u>0.94</u>

31.2 Diluted earnings per share

There is no diluted effect on the basic earnings of the company.

32 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:

	2021			2020		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
-----(Rupees in '000)-----						
Managerial remuneration	16,567	-	57,726	13,477	-	42,920
Fee (note 32.2)	-	1,620	-	-	1,380	-
Contribution to provident fund	407	-	1,141	355	-	1,027
	<u>16,974</u>	<u>1,620</u>	<u>58,867</u>	<u>13,832</u>	<u>1,380</u>	<u>43,947</u>
Number of persons	1	3	13	1	3	12

32.1 Certain executives of the Company are provided Company owned and maintained cellular phones.

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

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

32.4 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>3,712</u>	<u>7,742</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.

33 RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of Parent company, associated undertakings including companies under common directorship, employee benefit plans and its key management personnel. The balances with related parties as at December 31, 2021 and December 31, 2020 and transactions with related parties during the year ended December 31, 2021 and December 31, 2020 are as follows:

Name of the related party, relationship with company & Nature of Transaction

	2021					Total
	Parent Company	Subsidiary / associates	Directors	Key management personnel	Others	
(Rupees in '000)						
BALANCES						
Trade payables	-	-	269	164	-	433

	2020					Total
	Parent Company- Old	Subsidiary / associates	Directors	Key management personnel	Others	
(Rupees in '000)						
BALANCES						
Accrued mark-up	42	-	-	-	-	42
Bank balances	627,692	-	-	-	-	627,692
Ijara deposits	1,462	-	-	-	-	1,462
Ijara rental payable	675	-	-	-	-	675
Long-term loan	150,000	-	-	-	-	150,000
Short-term loan	40,000	-	-	-	-	40,000
Profit receivable on bank deposit	3,719	-	-	-	-	3,719
Lease liability	1,842	-	-	-	-	1,842
Prepaid rent	116	-	-	-	-	116
Trade debts	197	-	3	-	-	200
Trade payables	-	-	277	605	-	882

	2021					Total
	Parent Company (Old) till June 2021	Subsidiary / associates	Directors	Key management personnel	Others	
(Rupees in '000)						
TRANSACTIONS						
Income						
Brokerage income earned	185	-	-	282	-	467
Custody services	3	-	-	1	-	4
Profit on bank deposits	22,559	-	-	-	-	22,559
Expenses						
Bank charges	16	-	-	-	-	16
Charge in respect of contributory plan	-	-	-	519	3,640	4,159
Mark-up expense	10,702	-	-	-	-	10,702
Remuneration paid	-	-	-	21,239	-	21,239
Ijarah expense	1,176	-	-	-	-	1,176
Meeting fees	-	-	1,620	-	-	1,620
Other transactions						
Short term loan obtained	679,000	-	-	-	-	679,000
Short term loan repaid	619,000	-	-	-	-	619,000
Rent paid	695	-	-	-	-	695
Maintenance paid	697	-	-	-	-	697

	2020					Total
	Parent Company (Old)	Subsidiary / associates	Directors	Key management personnel	Others	
(Rupees in '000)						
TRANSACTIONS						
Income						
Brokerage income earned	468	-	-	106	-	574
Custody services	5	-	-	-	-	5
Profit on bank deposits	28,383	-	-	-	-	28,383
Expenses						
Bank charges	437	-	-	-	-	437
Charge in respect of contributory plan	-	-	-	445	3,646	4,091
Mark-up expense	22,533	-	-	-	-	22,533
Remuneration paid	-	-	-	17,374	-	17,374
Ijarah expense	2,587	-	-	-	-	2,587
Meeting fees	-	-	1,380	-	-	1,380
Other transactions						
Short term loan obtained	665,000	-	-	-	-	665,000
Short term loan repaid	625,000	-	-	-	-	625,000
Rent paid	1,351	-	-	-	-	1,351
Maintenance paid	3,080	-	-	-	-	3,080

Particulars relating to remuneration of Chief Executive Officer, Directors and Executives who are key management personnel are disclosed in note 32.

33.1 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 Securities Limited (2020: Bankislami Pakistan Limited)	Parent company	77.12%
Mr. Kamal Uddin Tipu	Director	0.00%
Mr. Sikander Kasim	Director	0.00%
Ms. Ayesha Aqeel Dhedhi	Director	-
Ms. Afsheen Aqeel	Director	-
Mr. Khurshid Anwer	Director	-
Mr. Muhammad Noorul Hasan	Director	-
Mr. Abdul Aziz Anis	Key management personnel	-
Mr. Zafar Ahmed Khan	Key management personnel	-
KASB Securities Ltd Employee's Provident Fund	Retirement benefit fund	-

34 PROVIDENT FUND RELATED DISCLOSURE

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

	Note	2021	2020
		(Rupees in '000)	
Size of the fund-Net assets		55,413	53,198
Cost of investments made		41,602	45,026
Percentage of investments made		92.79%	92.10%
Fair value of investments	34.1	51,419	48,995

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

	2021		2020	
	(Rs. in '000)	%	(Rs. in '000)	%
Investments in various Funds / Government Securities	43,453	84.51%	45,226	92.31%
Saving accounts	7,966	15.49%	3,769	7.69%
	<u>51,419</u>	<u>100.00%</u>	<u>48,995</u>	<u>100.00%</u>

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.

35 NUMBER OF EMPLOYEES

Average number of employees during the year	<u>162</u>	<u>170</u>
Total number of employees as at year end	<u>157</u>	<u>168</u>

36 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.

36.1 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. 5.64 million (2020: Rs. 7.17 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.241.82 million (2020: Rs. 271.7 million) [US dollars 1.37 million (2020: US dollars 1.7 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. 24.18 million (2020: Rs. 27.17 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. 20.56 million (2020: Rs. NIL) 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. 2.20 million (2020: Rs 2.375 million).

36.2 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. 865.75 million (2020:Rs. 909.2 million), unutilized credit lines Rs. 1 million to manage the liquidity issues and liquid assets in the form of short term securities Rs. 205.59 million (2020: Nil).

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:

	2021				Total
	On Demand	Upto three months	More than three months and upto one year	More than one year	
	(Rupees in '000)				
Long-term loan	-	-	-	150,000	150,000
Trade and other payables	866,206	-	-	-	866,206
Lease liability	-	-	4,566	1,758	6,324
Accrued mark-up	234	-	-	-	234
Short term loan	-	150,000	-	-	150,000
	<u>866,440</u>	<u>150,000</u>	<u>4,566</u>	<u>151,758</u>	<u>1,172,764</u>
	2020				
	On Demand	Upto three months	More than three months and upto one year	More than one year	Total
	(Rupees in '000)				
Long-term loan	-	-	-	150,000	150,000
Trade and other payables	1,693,173	-	-	-	1,693,173
Lease liability	-	-	7,768	4,233	12,001
Accrued mark-up	42	-	-	-	42
Short term loan	-	40,000	-	-	40,000
	<u>1,693,215</u>	<u>40,000</u>	<u>7,768</u>	<u>154,233</u>	<u>1,895,216</u>

36.3 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	2021	2020
----- (Rupees in '000) -----			
Short term investments		205,592	-
Trade debts	36.3.1	293,811	427,528
Bank balances	36.3.2	865,750	909,202
Long-term loans and advances		424	645
Long-term deposits and prepayments		26,441	21,420
Advances, deposits, prepayments and other receivables		358,395	869,784
		<u>1,750,413</u>	<u>2,228,579</u>

36.3.1 The aging analysis of trade debts are as follows:

	2021		2020	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
	Gross	Impairment	Gross	Impairment
Past due 1 - 30 days	138,128	-	279,230	4
Past due 31 - 180 days	9,350	98	3,656	70
Past due 181 days - 1 year	1,875	136	1,910	120
More than one year	144,458	64,051	142,734	64,507
	<u>293,811</u>	<u>64,285</u>	<u>427,528</u>	<u>64,701</u>

36.3.2 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*

A-1	651,840	625,862
A-1+	213,910	283,340
	<u>865,750</u>	<u>909,202</u>

*Rating of banks performed by PACRA.

36.4 Financial instruments by categories

Financial assets as per balance sheet	As at December 31, 2021			
	Asset at fair value through profit and loss	Asset at fair value through OCI	Amortized cost	Total
----- (Rupees in '000) -----				
Long term investment	-	263,864	371	264,235
Long term deposits	-	-	26,441	26,441
Long term loans and advances	-	-	424	424
Short term investments	205,592	-	-	205,592
Trade debts	-	-	229,526	229,526
Advances, deposits and other receivables	-	-	358,395	358,395
Cash and bank balances	-	-	865,750	865,750
	<u>205,592</u>	<u>263,864</u>	<u>1,480,907</u>	<u>1,950,363</u>

Financial liabilities as per balance sheet	As at December 31, 2021	
	Financial liabilities at amortized cost	
----- Rupees in '000 -----		
Long-term financing-secured		150,000
Short-term financing-secured		150,000
Lease liability		6,324
Trade and other payables		866,206
Accrued mark-up		234
		<u>1,172,764</u>

Financial assets as per balance sheet	As at December 31, 2020			
	Asset at fair value through profit and loss	Asset at fair value through OCI	Amortized cost	Total
----- (Rupees in '000) -----				
Long term investment	-	295,474	543	296,017
Long term deposits	-	-	21,420	21,242
Long term loans and advances	-	-	645	645
Short term investments	-	-	362,828	362,828
Trade debts	-	-	869,784	869,784
Advances, deposits and other receivables	-	-	909,202	909,202
Cash and bank balances	-	295,474	2,164,422	2,459,717

	As at December 31, 2020
	Financial liabilities at amortized cost
	----- Rupees in '000 -----
Financial liabilities as per balance sheet	
Long-term financing-secured	150,000
Short-term financing-secured	40,000
Lease liability	12,001
Trade and other payables	1,693,173
Accrued mark-up	42
	<u>1,895,216</u>

37 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 profiles;
- 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.

38 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.

38.1 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:

	2021			
	Total	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----			
Financial assets at fair value through profit or loss				
Quoted equity securities	205,592	205,592	-	-
Fair value through other comprehensive income				
Investment 'at fair value through other comprehensive income	263,864	22,041	-	241,823
	2020			
	Total	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----			
Financial assets at fair value through profit or loss				
Quoted equity securities	-	-	-	-
Fair value through other comprehensive income				
Investment 'at fair value through other comprehensive income	295,474	23,756	-	271,718

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

	2021	2020
	----- (Rupees in '000) -----	
Opening balance	271,718	340,665
Unrealized loss arising on re-measurement of long term investment at fair value through OCI	<u>(29,895)</u>	<u>(68,947)</u>
Closing balance	<u>241,823</u>	<u>271,718</u>

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

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

39.1 Person holding more than 5% of shares

	2021	2020	2021	2020
	% of holding		No. of shares	
M/s. AKD Securities Ltd. (Year 2020 BankIslami Pak Ltd.)	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.55%	6.54%	6,551,000	6,535,500
Mr. Mohammad Aslam Motiwala	9.36%	8.34%	9,360,000	8,342,000

39.2 During the year, M/s. AKD Securities Ltd. acquired 77,117,500/- shares, Mr. Mohammed Aslam Motiwala acquired 1,018,000/- shares and Mrs. Noor Jehan Bano acquired 15,500/- shares of the company.

39.3 As at December 31, 2021, the value of customer shares maintained with the company pledged with financial institution is Rs. 423.44 million (December 31, 2020: Rs. 1,434 million).

39.4 As at December 31, 2021, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.15,303 million (December 31, 2020: Rs. 19,125 million).

40 CAPITAL ADEQUACY LEVEL

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

	Note	2021	2020
		----- (Rupees in '000) -----	
Total Assets		2,108,374	2,680,713
Add : Notional value increase of TRE Certificate		1,150	1,150
Less: Total Liabilities		(1,178,055)	(1,898,515)
Less: Revaluation Reserves (created upon revaluation of fixed assets)		-	-
		931,469	783,348

40.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by the company as at the year ended December 31, 2021 as determined by Pakistan Stock Exchange has been considered.

41 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.

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	31,864,305	100.00%	-
1.2	Intangible Assets	5,067,936	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 upto 1 year.		5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.		7.50%	-
	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 upto 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.	-	15.00%	-
1.5	Investment in Equity Securities			
	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.	227,632,404	41,715,751	185,916,653
	ii. If unlisted, 100% of carrying value.	241,823,495	100.00%	-
1.6	Investment in subsidiaries	371,084	100.00%	-
1.7	Investment in associated companies/undertaking			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	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.	24,211,500	100.00%	-
1.9	Margin deposits with exchange and clearing house.	224,333,131	-	224,333,131
1.10	Deposit with authorized intermediary against borrowed securities under SLB.		-	-
1.11	Other deposits and prepayments	4,780,255	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	5,771,880		5,771,880
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties		100.00%	-
1.13	Dividends receivables.	-	-	-
	Amounts receivable against Repo financing.			
1.14	Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)	-	-	-
	Advances and Receivables other than trade receivables			
	1) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months	3,130,831	-	3,130,831
	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	125,238,695	100.00%	-
1.16	Receivables from clearing house or securities exchange(s)			
	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.			

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	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.	118,872,979	119,699,198	118,872,979
	ii. In case receivables are against margin trading, 5% of the net balance sheet value. ii. Net amount after deducting haircut	-	5.00%	-
1.17	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	-	-	-
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value. iv. Balance sheet value	132,793,106	-	132,793,106
	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	96,732,436	54,428,636	54,428,636
	vi. 100% haircut in the case of amount receivable from related parties.		100.00%	-
	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts	202,789,505	-	202,789,505
	ii. Bank balance-customer accounts	662,960,001	-	662,960,001
	iii. Cash in hand	-	-	-
1.19	Subscription money against investment in IPO/ offer for sale (asset)			
1.20	Total Assets	2,108,373,543	517,376,821	1,590,996,723

2. Liabilities

	Trade Payables			
2.1	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	838,865,874	-	838,865,874
	Current Liabilities			
	i. Statutory and regulatory dues	3,889,050	-	3,889,050
	ii. Accruals and other payables	24,622,317	-	24,622,317
	iii. Short-term borrowings	150,000,000	-	150,000,000
2.2	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	4,566,000	-	4,566,000
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	4,353,278	-	4,353,278
	Non-Current Liabilities			
	i. Long-Term financing	150,000,000	100.00%	-
	a. Long-Term financing obtained from financial instituon: Long term portion of financing obtained from a financial institution including amount due against finance lease	1,758,451	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. Boad 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 agasint shares for increase in capital of securities broker			
2.6	Total Liabilities	1,178,054,969		1,026,296,518

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.	118,872,979	28,169,386	28,169,386
	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 issue : 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 issue 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	-	-	-

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	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	-	-	-
	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	8,637,416	2,754,159	2,754,159
	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	127,510,395	30,923,545	30,923,545
	Liquid Capital	802,808,179	Liquid Capital	533,776,659

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	1,590,996,723
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(1,026,296,518)
(iii) Less: Total ranking liabilities (series number 3.11)	(30,923,545)
	<u>533,776,659</u>

42 IMPACTS OF COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan.

The management has carried out its assessment in respect of COVID-19 and is of the view that there is no material impact due to COVID-19 on the financial statements of the Company.

43 DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on February 22, 2022.

44 GENERAL

- 44.1 Corresponding figures have been rearranged and reclassified, wherever necessary.
- 44.2 The Board of Directors of the Company has proposed a cash dividend of Rs. 0.50 per share (2020: Nil) amounting to Rs. 50 million (2020: Nil) at its meeting held on February 22, 2022 for the approval of members at the Annual General Meeting to be held on April 21, 2022. These unconsolidated financial statements do not reflect the appropriation.
- 44.3 Figures have been rounded off to the nearest thousand.



Chief Executive Officer



Director



Chief Financial Officer



Consolidated Financial Statements

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

Directors' Report

On The Consolidated Financial Statements

The Board of Directors present the report on consolidated financial statements of BIPL Securities Limited and its wholly owned subsidiary namely Structured Venture (Private) Limited, for the year ended December 31, 2021.

The consolidated financial results of the group for the year ended December 31, 2021, under review, are summarized as follows:

	2021	2020
	----- (Rupees in '000) -----	
Profit before taxation	251,139	137,996
Taxation	(71,409)	(43,996)
Profit after taxation	179,730	94,000
Dividend paid during the year	-	-
Accumulated (loss) brought forward	(271,392)	(365,392)
Accumulated (loss) carried forward	(91,662)	(271,392)
	----- (Rupees) -----	
Earnings per share	1.80	0.94

Summary of changes in equity

The Group's profit after tax was PKR 179.730 Million, EPS 1.80 in CY21 as compare to profit after tax PKR 94 million, EPS 0.94 in CY20.

In the light of the performance for the year, the Directors are pleased to propose a final cash dividend for ordinary shareholders for the year ended December 31, 2021 at Rs.0.5 per share i.e.5%.

Summary of changes in the nature of group business interests

BIPL Securities Limited and Structured Venture (Private) Limited continue in their stated nature of business and have made no changes to the nature of business interests, nor to the class of business interests in which the Company has an interest.

Pattern of Shareholding

The pattern of shareholding as at December 31, 2021 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: February 22, 2022

Independent Auditor's Report

To The Members



RSM Avasi Hyder Liaquat Nauman
Chartered Accountants

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

Opinion

We have audited the annexed consolidated financial statements of BIPL Securities Limited and its subsidiary, namely Structured Venture Private Limited, (the Group), which comprise the consolidated statement of financial position as at December 31, 2021 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 December 31, 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p>Recognition and realization of deferred tax asset:</p> <p>As disclosed in note 12, the group has recognized deferred tax asset amounting to Rs 25.008 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>
2.	<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>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 group 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 group.</p>

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 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: March 17, 2022

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021**

	Note	2021	2020
---(Rupees in '000)---			
ASSETS			
Non-current assets			
Property and equipment	7	31,864	43,346
Intangible assets	8	5,068	4,091
Long-term investments	9	263,864	295,474
Long-term loans and advances	10	424	645
Long-term deposits and prepayments	11	26,281	21,260
Deferred tax asset - net	12	25,008	51,253
		352,509	416,070
Current assets			
Short-term investments	13	205,592	-
Trade debts	14	229,526	362,828
Advances, deposits, prepayments and other receivables	15	361,158	874,078
Taxation - net		93,744	118,251
Cash and bank balances	16	866,420	909,966
		1,756,440	2,265,123
TOTAL ASSETS		2,108,949	2,681,193
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Capital :			
200,000,000 Ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid-up capital	17	1,000,000	1,000,000
Fair value reserve		3,229	34,839
Revenue reserve:			
General reserve		18,752	18,752
Accumulated loss		(91,662)	(271,392)
		930,319	782,199
Non-current liabilities			
Long-term financing-secured	18	150,000	150,000
Lease liability	19	1,758	4,233
		151,758	154,233
Current liabilities			
Trade and other payables	20	870,670	1,695,550
Short term financing-secured	21	150,000	40,000
Current portion of lease liability	19	4,566	7,768
Unclaimed dividend		1,402	1,402
Accrued mark-up	22	234	42
		1,026,872	1,744,761
TOTAL EQUITY AND LIABILITIES		2,108,949	2,681,193
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes 1 to 43 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021**

		2021	2020
		----- (Rupees in '000) -----	
Operating revenue	24	516,899	389,821
Net gain on investments			
Gain on sale of short term investments - at fair value through profit and loss'-net	25	21,710	11,064
Unrealised gain on re-measurement of short term investments 'at fair value through profit or loss' -net	13.1	2,360	-
		24,070	11,064
Dividend income		321	-
Mark-up / profit on bank deposits and other receivables	26	113,549	100,839
		654,839	501,724
Operating and administrative expenses	27	(384,866)	(344,335)
Reversal against doubtful debts-net	14.1	416	4,419
		(384,450)	(339,915)
Operating profit		270,389	161,809
Finance cost	28	(22,312)	(25,381)
		248,077	136,428
Other income	29	3,062	1,568
Profit before taxation for the year		251,139	137,996
Taxation	30	(71,409)	(43,996)
Profit for the year		179,730	94,000
Other comprehensive loss for the year			
Unrealized loss arising on re-measurement of long term investment at fair value through other comprehensive income-net	9.1.4	(31,610)	(65,196)
Total comprehensive income for the year		148,120	28,804
Earnings per share - basic and diluted	31	1.80	0.94

The annexed notes 1 to 43 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	251,139	137,996
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	16,423	17,154
Amortization	336	319
Gain on sale of short term investments 'at fair value through profit and loss' - net	(21,710)	(11,064)
Gain on sale of property and equipment	(57)	(1,200)
Unrealised gain on re-measurement of short term investments 'at fair value through profit or loss' - net	(2,360)	-
Reversal of doubtful debts-net	(416)	(4,419)
Finance cost	22,312	25,381
Dividend income	(321)	-
	<u>14,207</u>	<u>26,170</u>
	265,346	164,166
Working capital adjustments:		
Decrease/(Increase) in current assets		
Trade debts	133,718	(207,652)
Advances, deposits, prepayments and other receivables	512,920	(1,905)
	646,638	(209,557)
(Decrease)/Increase in current liabilities		
Trade and other payables	(824,508)	720,620
	87,476	675,229
Finance cost paid	(22,492)	(25,711)
Income tax paid	(20,657)	(19,625)
Net cash flows generated from operating activities	<u>44,327</u>	<u>629,893</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	(181,522)	11,064
Purchase of property and equipment	(2,661)	(5,374)
Purchase of intangible assets	(1,313)	(231)
Proceeds from disposal of property and equipment	70	1,200
Dividend received	321	-
Net cash flows (used in)/ generated from investing activities	<u>(185,104)</u>	<u>6,659</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	221	(77)
Lease liability	(7,969)	(7,024)
Long-term deposits and prepayments	(5,021)	813
Net cash flows used in financing activities	<u>(12,769)</u>	<u>(6,288)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(153,546)</u>	<u>630,264</u>
Cash and cash equivalents at the beginning of the year	869,966	239,702
Cash and cash equivalents at the end of the year	<u>716,420</u>	<u>869,966</u>
Cash and cash equivalents comprises of:		
Cash and bank balances	16 866,420	909,966
Short term financing-secured	21 (150,000)	(40,000)
	<u>716,420</u>	<u>869,966</u>

The annexed notes 1 to 43 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Revenue reserves		Fair value reserve	Total	
	Share capital	General reserve			Accumulated loss
------(Rupees in '000)-----					
Balance as at January 01, 2020	1,000,000	18,752	(365,392)	100,035	753,395
Profit for the year	-	-	94,000	-	94,000
Other comprehensive loss for the year	-	-	-	(65,196)	(65,196)
Balance as at December 31, 2020	1,000,000	18,752	(271,392)	34,839	782,199
Profit for the year			179,730		179,730
Other comprehensive loss for the year				(31,610)	(31,610)
Balance as at December 31, 2021	1,000,000	18,752	(91,662)	3,229	930,319

The annexed notes 1 to 43 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

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

- 1.1** BIPL Securities Limited (the Company) was incorporated in Pakistan on October 24, 2000 under the Companies Ordinance, 1984 repealed Companies Act, 2017 and commenced its operations effective January 1, 2003, on the transfer of assets and liabilities of the securities segment of the then Khadim Ali Shah Bukhari and Company 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 registered office of the Group Company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, 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;

- 90-91, Razia Sharif Plaza, Jinnah Avenue, Blue Area, Islamabad.
- Office # 313,ISE Tower, Jinnah Avenue, Blue Area, Islamabad.
- 2nd Floor Fountain Avenue Building, 64-A, Main Boulevard, Main Gulberg, Lahore.
- 1st Floor, State Life Building, 34-The Mall, Peshawar Cantt, Peshawar.
- Friends Paradise, 1st Floor, SB-36, Block No. 13D, KDA Scheme 24, Main University Road, Karachi.
- Room No 93-95, 2nd floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi.
- Room # 509 & 510, 5th Floor, State Life Building, Liaquat Road, Faisalabad.
- 81, Ground Floor, GDA Trust Plaza, Gujranwala.
- Ground Floor, City Tower, Shahab Pura Road, Sialkot.
- Ground Floor, State Life Building, Abdali Road, Multan.
- Plot # 24, City Park Chowk, Model Town, Rahim Yar Khan.

The Group is a subsidiary of AKD Securities Limited (2020 : BankIslami Pakistan Limited- the Ultimate Parent Holding Company) which holds 77.12% of the shares of the Group.

- 1.2** The Holding Company is a TREC holder of the Pakistan Stock Exchange Limited (PSX) and Corporate member of Pakistan Mercantile Exchange Limited (PMEX) and is principally engaged in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research and advisory services, consultancy and corporate finance.
- 1.3** The former parent company ("BIPL") has released public information on April 24, 2019 pertaining to BIPL Securities Limited, (in which board of the former parent had authorized the bank to explore and evaluate the strategic option including divestment of shares held in BIPL Securities Limited.

Further the BankIslami Pakistan Limited ("BIPL") the parent company has approved the final bid of AKD Securities Limited ("AKD") for the purchase of BIPLS's entire shareholding of 77,117,500 shares in BIPL Securities Limited at a price of PKR 8.60 per share and for this purpose BIPL and AKD Securities Limited have entered into Sale Purchase Agreement dated November 25, 2020.

In accordance with Section 96 and section 131 of the Securities Act, 2015 and Clause 5.6.1(a) of the Rule Book of Pakistan Stock Exchange Limited. The Board of Directors of BIPL Securities Limited ('Company') at its duly convened meeting held on June 28, 2021, has approved the transfer of 77,117,500/- shares (representing 77.12% share capital) of the Company held by BankIslami Pakistan Limited to AKD Securities Limited. The said approval has been effectuated in consonance of the approval for share transfer accorded by the Securities and Exchange Commission of Pakistan (the SECP) vide its letter dated April 06 2021.

As a result of the above share transfer, the Company is now a subsidiary of AKD Securities Limited.

Further on September 28, 2021, the Board of Directors of BIPLS (Company) approved the terms of a Scheme of Arrangement ("Scheme") by way of amalgamation of M/s. AKD Securities Ltd (AKDSL) with and into the BIPLS (Company) prepared under the provisions of Sections 279 to 283 and 285 of the Companies Act, 2017, subject to the approval of the requisite majority of the Shareholders of the Company and Creditors, and sanction of the Honorable High Court of Sindh at Karachi.

According to the terms of the approved Scheme of Arrangement, M/s. AKD Securities Ltd (AKDSL) shall be merged with and into the BIPLS 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, shall be 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, in accordance with the provisions of the Scheme. 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, shall be 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, in accordance with the provisions of the Scheme.

The authorised capital of the Company, upon the sanction of the Scheme, shall stand automatically 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 shall stand amended in terms of the Scheme.

That upon sanction of the Scheme, the name of the surviving entity i.e. the Company shall be changed to "AKD Securities Ltd."

Pursuant to the Order dated October 12, 2021 of the High Court of Sindh at Karachi passed in Judicial Companies Miscellaneous No. 36 of 2021 a Extra Ordinary General Meeting ('EOGM') of the shareholders and Creditors of M/s. BIPL Securities Ltd. held on Monday, November 29, 2021. Accordingly, the Scheme was approved by the Shareholders and Creditors of M/S BIPL Securities Ltd.

Subsidiary company was incorporated in Pakistan on June 25, 2010 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.

Subsidiary is wholly owned by BIPL Securities Limited.

Subsidiary's core objective is to capitalize opportunities across different asset classes, including but not limited to, commodities, structured products, real estate etc. In addition, the company can, subject to regulatory approvals, invest / participate in selected local and foreign business ventures.

The following additional disclosures was made in the subsidiary's financial statements which has no material impact on these consolidated financial statements.

At present, the subsidiary has no operational activities, except to pursue the legal case against M/s. Noor Developer (Private) Limited (the Developer) for the purchase of investment property of Rs 375 million due to the following reason:

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 canceled provisional booking vide its letter dated June 15, 2015 and in response, the subsidiary has filed legal suit for specific performance, declaration, injunction, petition 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 the subsidiary as per sale agreement dated November 10, 2010 between the subsidiary 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 subsidiary against which, criminal and civil proceedings have already been initiated.

Considering the facts stated above, the history of this transaction and legal implications, the subsidiary as a matter of prudence, has decided to fully provide this amount.

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.

Further, the subsidiary's management made its investment in New Horizon Exploration and Production Limited (NHEPL), which was fully impaired in 2015 due to the fact that the subsidiary will not be able to recover cash flows from such investment.

The above said amounts of investment property and long term investment were the substantial assets of the subsidiary which constituted more than 99% of the total assets of the subsidiary. The subsidiary does not have sufficient cash flows, equity and other means to operate the company, therefore the board of directors of subsidiary have decided to prepare subsidiary's financial statements on other than going concern basis (net realisable basis).

The Carrying value of assets and liabilities of the Group Company as at December 31, 2021 is equivalent to the realizable value.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements of the Group for the year ended December 31, 2021 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

The following standards, amendments to standards and interpretations have been effective and are mandatory for consolidated financial statements of the Group for the periods beginning on or after January 01, 2021 and therefore, have been applied in preparing these consolidated financial statements.

Covid-19-Related Rent Concessions (Amendment to IFRS 16)

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. This amendment is effective for annual reporting periods beginning on or after 1 June 2020.

The application of amendments has no material impact on the consolidated financial statements of the Group.

Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the KIBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the KIBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from KIBORs to alternative benchmark rates, and how the entity is managing this transition. This amendment is effective for annual reporting periods beginning on or after 1 January 2021.

The application of amendments has no material impact on the Group's financial statements.

Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. This amendment is effective for annual reporting periods beginning on or after 1 April 2021.

The application of amendments has no material impact on the Group's financial statements.

Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements include amendments to the following Standards:

IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. 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.

IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

4.1.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the companies beginning on or after January 01, 2021 but are considered not to be relevant to the Group's operations and are, therefore, not disclosed in these Group's financial statements.

4.1.3 Standards, amendments to standards and interpretations becoming effective in future periods

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these Group's financial statements, except for the following:

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss. This amendment is effective for reporting periods beginning on or after 1 January 2022.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). This amendment is effective for reporting periods beginning on or after 1 January 2022.

Disclosure of Accounting Policies (Amendments to IAS 1)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. This amendment is effective for reporting periods beginning on or after 1 January 2023.

Definition of Accounting Estimates (Amendments to IAS 8)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. This amendment is effective for reporting periods beginning on or after 1 January 2023.

4.1.4 Standards, amendments to standards and interpretations becoming effective in future period but not relevant

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Group's operations, therefore, not disclosed in these Group's financial statements.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Property and equipment

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

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

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

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

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

5.2 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.

5.3 Investment properties

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

5.4 Financial instruments

5.4.1 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 Group's 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.

5.4.2 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'.

5.4.3 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.

5.4.4 Impairment of Financial assets

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

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

5.5 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.

5.6 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.

5.7 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.

5.8 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 income is recognised as and when such services are rendered.
- Financial advisory fees and other income is recognised on an accrual basis.
- Underwriting commission is recognised on accrual basis in accordance with the terms of the agreement.
- 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.

5.9 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.

5.10 Dividend distributions and appropriations

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

5.11 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.

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.

5.12 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.

5.13 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

5.14 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.

5.15 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.

5.16 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.

5.17 Ijarah

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

5.18 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.

5.19 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group 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.

5.20 Lease liabilities

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

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

5.21 Short term leases and leases of low-value assets

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

5.22 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 Consolidated 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:

	Note
Useful lives of assets and methods of depreciation and impairment	5.1 to 5.3, 7 & 8
Classification of investments	5.4.1, 9 & 13
Provision for doubtful debts	5.15 & 14.1
Deferred taxation and taxation	5.9, 12 & 30

7 PROPERTY AND EQUIPMENT

	Note	2021	2020
		------(Rupees in '000)-----	
Property and equipment	7.1	25,176	31,081
Right of use asset under IFRS 16	7.2	6,688	12,265
		<u>31,864</u>	<u>43,346</u>

7.1 PROPERTY AND EQUIPMENT

	2021				
	Office premises- lease hold	Furniture and fixtures	Computers and office equipment	Motor vehicles	Total
	------(Rupees in '000)-----				
As at January 01, 2021					
Cost	47,932	25,854	108,953	2,736	185,475
Accumulated depreciation	(33,011)	(23,457)	(95,737)	(2,189)	(154,394)
Net book value at the beginning of the year	<u>14,922</u>	<u>2,397</u>	<u>13,216</u>	<u>547</u>	<u>31,081</u>

Changes during the year

Additions during the year	-	34	1,165	1,462	2,661
Disposals during the year					
-Cost	-	-	(227)	-	(227)
-Depreciation	-	-	214	-	214
	-	-	(13)	-	(13)
Depreciation charge for the year	(1,866)	(493)	(6,113)	(82)	(8,554)
	(1,866)	(493)	(4,961)	1,380	(5,906)
Net book value at the end of the year	<u>13,056</u>	<u>1,938</u>	<u>8,255</u>	<u>1,927</u>	<u>25,176</u>

Analysis of net book value

As at December 31, 2021

Cost	47,932	25,888	109,891	4,198	187,909
Accumulated depreciation	(34,876)	(23,950)	(101,636)	(2,271)	(162,733)
Net book value	<u>13,056</u>	<u>1,938</u>	<u>8,255</u>	<u>1,927</u>	<u>25,176</u>
Depreciation rate (% per annum)	<u>5</u>	<u>10</u>	<u>20 - 45</u>	<u>20</u>	

	2020				
	Office premises- lease hold	Furniture and fixtures	Computers and office equipment	Motor vehicles	Total
	------(Rupees in '000)-----				
As at January 01, 2020					
Cost	46,095	25,854	106,023	2,736	180,708
Accumulated depreciation	(31,634)	(22,924)	(89,714)	(2,189)	(146,461)
Net book value at the beginning of the year	<u>14,461</u>	<u>2,930</u>	<u>16,309</u>	<u>547</u>	<u>34,247</u>

Changes during the year

Additions during the year	2,444	-	2,930	-	5,374
Disposals during the year					
-Cost	(607)	-	-	-	(607)
-Depreciation	607	-	-	-	607
Depreciation charge for the year	(1,983)	(532)	(6,022)	-	(8,537)
	461	(532)	(3,092)	-	(3,164)
Net book value at the end of the year	<u>14,922</u>	<u>2,397</u>	<u>13,216</u>	<u>547</u>	<u>31,081</u>

Analysis of net book value

As at December 31, 2020

Cost	47,932	25,854	108,953	2,736	185,475
Accumulated depreciation	(33,011)	(23,457)	(95,737)	(2,189)	(154,394)
Net book value	<u>14,922</u>	<u>2,397</u>	<u>13,216</u>	<u>547</u>	<u>31,081</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

7.2 RIGHT-OF-USE ASSETS

Opening balance	12,265	18,162
Additions during the year-net	2,292	2,720
Depreciation for the year	(7,869)	(8,617)
Closing balance	<u>6,688</u>	<u>12,265</u>

8 INTANGIBLE ASSETS

	2021					Total
	Computer software	Membership of PMEX	Booths at PSX	License and trademark	TREC -PSX (Note 8.1 & 8.2)	
	------(Rupees in '000)-----					
As at January 01, 2021						
Cost	12,881	750	950	1,223	1,350	17,154
Accumulated amortization	(12,540)	-	-	(523)	-	(13,063)
Net book value at the beginning of the year	341	750	950	700	1,350	4,091
Addition during the year	1,313	-	-	-	-	1,313
Amortization for the year	(336)	-	-	-	-	(336)
Net book value at the end of the year	1,318	750	950	700	1,350	5,068
Analysis of Net Book Value						
Cost	14,194	750	950	1,223	1,350	18,467
Accumulated amortization	(12,876)	-	-	(523)	-	(13,399)
Net book value as at December 31, 2021	1,318	750	950	700	1,350	5,068
Amortization rate (% per annum)	33.33	-	-	0 - 33.33	-	
	2020					
	Computer software	Membership of PMEX	Booths at PSX	License and trademark	TREC -PSX (Note 8.1 & 8.2)	Total
	------(Rupees in '000)-----					
As at January 01, 2020						
Cost	12,650	750	950	1,223	1,350	16,923
Accumulated amortization	(12,221)	-	-	(523)	-	(12,744)
Net book value at the beginning of the year	429	750	950	700	1,350	4,179
Addition during the year	231	-	-	-	-	231
Amortization for the year	(319)	-	-	-	-	(319)
Net book value at the end of the year	341	750	950	700	1,350	4,091
Analysis of Net Book Value						
Cost	12,881	750	950	1,223	1,350	17,154
Accumulated amortization	(12,540)	-	-	(523)	-	(13,063)
Net book value as at December 31, 2020	341	750	950	700	1,350	4,091
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.

	Note	2021	2020
		------(Rupees in '000)-----	
9 LONG TERM INVESTMENTS			
At fair value through Other Comprehensive Income	9.1	<u>263,864</u>	<u>295,474</u>
		<u>263,864</u>	<u>295,474</u>

9.1 Description Investment 'at fair value through Other Comprehensive Income

2021	2020		Note	2021		2020	
Number of shares	Name of the Investee Company			Cost	Carrying value	Cost	Carrying value
------(Rupees in '000)-----							
Quoted shares							
1,602,953	1,602,953	Pakistan Stock Exchange Limited	9.1.1, & 9.1.4	1,438	22,041	1,438	23,756
Unquoted shares							
3,370	3,370	Al Jomaih Power Limited	9.1.2 & 9.1.4	184,197	241,823	184,197	271,718
		New Horizon Exploration and Production Limited (Related Party)					
25,000,000	25,000,000	- Class 'A' ordinary shares		25,000	-	25,000	-
10,000,000	10,000,000	- Class 'B' ordinary shares		50,000	-	50,000	-
				75,000	-	75,000	-
		Less: impairment	9.1.3	(75,000)	-	(75,000)	-
				-	-	-	-
				<u>185,635</u>	<u>263,864</u>	<u>185,635</u>	<u>295,474</u>

9.1.1 This represents 1,602,953 shares having a market value of Rs 13.75 per share as at December 31, 2021 (December 31, 2020: 14.82 per share).

9.1.2 The Group 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 December 31, 2021. 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 (2020: 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 Gcoup 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 it's investment in NHEPL and an impairment loss of Rs. 31.63 million was recognised upto year 2016. As of reporting date there is no change in management assumption of recoverability of this investment, accordingly no impairment loss has been reversed.

9.1.4 Unrealized (loss) / gain on investment 'at fair value through Other Comprehensive Income

Pakistan Stock Exchange Limited	9.1.1	(1,715)	3,751
Al Jomaih Power Limited	9.1.2	<u>(29,895)</u>	<u>(68,947)</u>
		<u>(31,610)</u>	<u>(65,196)</u>

	Note	2021	2020
----- (Rupees in '000) -----			
10 LONG-TERM LOANS AND ADVANCES - Considered Good			
Loans and advances to:			
Employees	10.1	3,555	1,618
Current maturity shown in current assets	15	(3,131)	(973)
		<u>424</u>	<u>645</u>

10.1 This represents loans and advances given to executives and employees for general purpose in accordance with their terms of employment. These loan and advances carry mark-up at the rate of 9.85% (2020: 9%) per annum and are recovered through deduction from salaries over varying periods upto 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	21,112	16,112
- National Clearing Company of Pakistan Limited (NCCPL)		400	400
- Pakistan Mercantile Exchange Limited (PMEX)		2,500	2,500
- Central Depository Company of Pakistan Limited (CDC)		200	200
- Rent deposits against rented premises		2,103	2,103
- Others		126	106
		<u>26,441</u>	<u>21,420</u>
Prepayments			
- Impact of expected credit loss	11.2	18	18
		<u>(178)</u>	<u>(178)</u>
		<u>26,281</u>	<u>21,260</u>

11.1 This includes amount of Rs 21.1 million (2020: 16.1 million) as 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		(178)	(178)

12 DEFERRED TAX ASSET - NET

Deductible temporary differences arising from:			
Deferred tax asset at the beginning of the year		51,253	70,159
(Reversal) for the year		(26,245)	(18,906)
		<u>25,008</u>	<u>51,253</u>

Taxable temporary differences arising due to:			
- accelerated tax depreciation		958	90
- lease liability		(106)	(77)
		<u>852</u>	<u>13</u>

Deductible temporary differences arising due to:			
- carry forward of tax losses		-	8,757
- carry forward of minimum tax and ACT		4,472	22,678
- provision for doubtful debts		19,684	19,805
		<u>24,156</u>	<u>51,240</u>
		<u>25,008</u>	<u>51,253</u>

13 SHORT-TERM INVESTMENTS

'At fair value through profit or loss'			
- Quoted equity securities	13.1	205,592	-
- Term finance certificates - Pace Pakistan Ltd.	13.2	-	-
		<u>205,592</u>	<u>-</u>

13.1 Quoted equity securities

2021		2020		2021		2020	
Number of shares		Name of Investee Company	Note	Cost	Carrying value	Cost	Carrying value
----- (Rupees in '000) -----							
175,000	-	Gandhara Nissan Limited		13,395	13,675	-	-
100,000	-	International Steels Limited		6,475	6,612	-	-
2,000,000	-	Pakistan Aluminium Beverage Cans Limited		68,320	68,480	-	-
488,000	-	Pakistan State Oil Company Limited		86,781	88,762	-	-
500,000	-	Pakistan Stock Exchange Limited		6,960	6,875	-	-
297,000	-	The Hub Power Company Limited		21,301	21,188	-	-
<u>3,560,000</u>	<u>-</u>			<u>203,232</u>	<u>205,592</u>	<u>-</u>	<u>-</u>

13.1.1 This includes shares with carrying value of Rs.205.592 million (December 31, 2020: Nil) pledged with NCCPL against exposure margin.

13.2 Term Finance Certificates

2021		2020		2021		2020	
Number of certificates		Name of Investee Company		Cost	Carrying value	Cost	Carrying value
4,000	4,000	Pace Pakistan Ltd. (Face value Rs. 5,000/- each)					
		Opening			18,147	18,147	
		Less : Sold during the year			-	-	
		Closing			<u>18,147</u>	<u>18,147</u>	
		Less : Provision for impairment	13.2.1		(18,147)	(18,147)	
<u>4,000</u>	<u>4,000</u>				<u>-</u>	<u>-</u>	

13.2.1 Impairment

Opening balance		18,147	18,147
Impairment written off		-	-
		<u>18,147</u>	<u>18,147</u>

	Note	2021	2020	
		----- (Rupees in '000) -----		
14 TRADE DEBTS				
Receivable against purchase of marketable securities - net of provisions		106,698	322,113	
Receivable from National Clearing Company of Pakistan Limited		117,091	36,315	
Inter-bank brokerage		5,737	4,400	
Considered good		229,526	362,828	
Considered doubtful		64,285	64,701	
		293,811	427,528	
Less: Provision for doubtful debts	14.1	(64,285)	(64,701)	
		<u>229,526</u>	<u>362,828</u>	
14.1 Reconciliation of provisions against trade debts				
Opening balance		64,701	69,119	
Provision for the year		1,559	244	
Reversal during the year		(1,975)	(4,663)	
		<u>(416)</u>	<u>(4,419)</u>	
		<u>64,285</u>	<u>64,701</u>	
15 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES				
Advances to:				
Current portion of long-term loans and advances to employees and executives	10	3,131	973	
Deposits:				
Exposure deposit with -NCCPL		218,293	626,380	
Exposure deposit with -PMEX		6,040	6,080	
Ijarah deposits		-	1,462	
Others	15.1	2,100	2,100	
		226,433	636,022	
-Impact of expected credited loss		(2,100)	(2,100)	
		<u>224,333</u>	<u>633,922</u>	
Prepayments:				
Insurance		78	1,581	
Software development and maintenance		416	200	
Others		2,268	2,511	
		<u>2,762</u>	<u>4,292</u>	
Other receivables:				
Profit on bank deposits		5,004	5,011	
Profit on exposure deposit with -NCCPL		769	2,280	
Receivable against margin finance		118,873	222,330	
Others	15.2	7,601	6,584	
		132,247	236,205	
-Impact of expected credited loss		(1,315)	(1,315)	
		<u>130,932</u>	<u>234,890</u>	
		<u>361,158</u>	<u>874,078</u>	
15.1 This includes amounts deposited with the Honorable District and Sessions Court Karachi South in the form of Defense Saving Certificates (DSCs) having face value Rs. 2.1 million. These DSCs carry yield of 7.34% per annum and will mature in August 2026 (December 31, 2020 : 7.34%).				
15.2 This includes an amount of Rs. 1.3mn paid against an award made by PSX.				
16 CASH AND BANK BALANCES				
Company accounts				
Current accounts		1,785	1,536	
Saving accounts	16.1	201,673	124,202	
		<u>203,458</u>	<u>125,738</u>	
Client accounts				
Current accounts		77	209	
Saving accounts	16.1	662,883	784,014	
		<u>662,960</u>	<u>784,223</u>	
		866,418	909,961	
Cash in hand		-	-	
Stamps in hand		2	5	
		<u>866,420</u>	<u>909,966</u>	
16.1 These carry profit at rates ranging from 2.24% to 8.20% (2020: 2.33% to 12.5%) per annum.				
17 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	898,679
<u>10,132,100</u>	<u>10,132,100</u>	Ordinary shares of Rs. 10 each fully paid-up as part of the scheme of arrangement	<u>101,321</u>	<u>101,321</u>
<u>100,000,000</u>	<u>100,000,000</u>		<u>1,000,000</u>	<u>1,000,000</u>
18 LONG-TERM FINANCING - SECURED				
Loan from Financial Institution		<u>150,000</u>	<u>150,000</u>	
18.1 This represents long-term financing obtained by Holding Company from BankIslami Pakistan Ltd (Former Parent Company) on December 31, 2015. The financing is secured by way of Exclusive Charge over DM Assets along with equitable mortgage over all other commercial properties of the Company as disclosed in note 7. The financing is payable as a bullet payment in December 2020. BIPL is entitled to rental payments for use of musharakah assets. Rental payments are calculated to provide return equal to 3 months KIBOR + 3% per annum payable on quarterly basis from March 2016 till the date of bullet payment. The said financing has been rescheduled according to which company will pay off the financing as a bullet payment in December 2023, keeping other terms and conditions same.				

Note	2021	2020
	--(Rupees in '000)--	
	12,001	16,305
	2,292	2,447
	(7,969)	(6,751)
	6,324	12,001
	(4,566)	(7,768)
	1,758	4,233

19 LEASE LIABILITIES

Opening	
Additions during the year	
Payments made during the year	
Transferred to current maturity	

19.1 The future minimum lease payments to which the Group Company is committed to is as follows:

	Not later than one year	Later than one year not later than five years
As at December 31, 2021		
Principal	4,566	1,758
Finance charges allocated to future years	401	154
	4,967	1,912
As at December 31, 2020		
Principal	7,768	4,233
Finance charges allocated to future years	1,170	195
	8,938	4,428

20 TRADE AND OTHER PAYABLES

Trade creditors		838,866	1,658,271
Accrued liabilities		15,199	24,940
Withholding tax		3,889	1,897
Provision for Workers' Welfare Fund - Federal	20.1	-	2,647
Provision for Workers' Welfare Fund - Sindh		9,998	4,873
Unwinding part of Finance lease		141	513
Others		2,577	2,410
		870,670	1,695,550

20.1 During the year, based on the legal opinion obtained by the Holding Company, provision against Federal Workers' Welfare Fund amounting to Rs.2.647 (2020: Nil) million has been reversed.

21 SHORT TERM FINANCING- SECURED

Loan from Financial Institution	150,000	40,000
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This represents running musharkah facility obtained by Holding Company from BankIslami Pakistan Ltd (Former Parent Company) which is secured by way of Hypothecation over shares / receivables equivalent to amount of financing obtained. This facility carries markup at the rate of 1 week KIBOR plus 2% (2020: 1 week KIBOR plus 1%) per annum. The payment frequency is maximum 30 days from the date of financing obtained.

22 ACCRUED MARK-UP:

Mark-up accrued on:		
- BankIslami Pakistan Limited - (2020 : Parent Company)	234	42

23 CONTINGENCIES AND COMMITMENTS**23.1 Contingencies:**

23.1.1 The income tax authorities substitute Section 5A of Income Tax Ordinance 2001 through Finance Act 2017 which requires company to be subjected to additional tax of 7.5% of the accounting profit before tax if it fails to distribute at least 40% of profit after tax within six months of the end of tax year through cash or bonus. However, the company has filed an appeal before the Honorable High Court of Sindh at Karachi dated September 29, 2017. The Honorable High Court of Sindh has granted Stay orders in favor of the company. During the year 2021 the Honorable High Court of Sindh at Karachi dated April 30, 2021 decided the appeal in favour of the company. Accordingly, no provisions has been made in these financial statements.

23.1.2 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.

23.1.3 In response to SVPL's Suit filed against Noor Developers (NDPL) & others, as referred in Note 1.3 of the financial statements, Arif Ali Shah Bukhari & Noor Developers filed Suit No.714/2018 against the Company & others. This Suit is basically a counterblast to the criminal and civil proceedings initiated by the Group Company against Mr. Bukhari and NDPL. The said Suit is inter-alia for cancellation of the Sale Agreement referred in Note 1.3 of the financial statements and for recovery of Rs.275 million along with special damages of Rs.4.355 billion and general damages of Rs.4 billion. In addition, Mr. Arif Ali Shah has filed another Suit (1829/2019) against the Company & others, stating amongst other things that his claim alleged in Suit No.714/2018 is a contingent liability. As per management's view, the claim of Mr. Bukhari is baseless, therefore, it does not required to be disclosed as contingent liability, however, as a matter of abundant caution, the subject case has been disclosed in the financial statements.

As per the opinion of the Company's legal counsel, the assertions made by Mr Bukhari in the suits are not likely to be upheld by the Court and the management based on the opinion of its legal counsel is confident that these Suits are likely to be dismissed by the Honorable Court. However, the said suit has been unconditionally withdrawn by the petitioner.

23.2 Commitments:

The Holding Company has entered into Ijarah arrangements for vehicles with M/s. Bankislami Pakistan Limited amounting to Rs 15 million. The aggregate amount of commitments against these arrangements are as follows:

	2021	2020
	----- (Rupees in '000) -----	
Not later than one year	-	2,114
Later than one year but not later than 5 years	-	-
	<u>-</u>	<u>2,114</u>
24 OPERATING REVENUE		
Brokerage	577,078	434,806
Subscription research income	440	615
Financial advisory fee	565	-
Custody services	6,013	5,076
Less: sales tax on services	(67,197)	(50,677)
	<u>516,899</u>	<u>389,821</u>
25 GAIN ON SALE OF SHORT TERM INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT AND LOSS' - NET		
Quoted equity securities	15,663	10,674
Debt securities	6,047	390
	<u>21,710</u>	<u>11,064</u>
26 MARK-UP / PROFIT ON BANK DEPOSITS AND OTHER RECEIVABLES		
Profit on bank deposits	82,909	83,335
Margin finance income	30,429	17,308
Others	211	196
	<u>113,549</u>	<u>100,839</u>

	Note	2021	2020
		----- (Rupees in '000) -----	
27 OPERATING AND ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits	27.1	188,842	179,204
Commission expense		40,381	28,830
Staff training and development-Directors		82	-
Rent, rates and taxes		6,032	4,704
Insurance charges		1,697	914
Depreciation	27.2	16,423	17,154
Amortization of intangible assets		336	319
Repairs and maintenance		7,014	8,834
Power and utilities		13,490	10,569
Communication		18,929	16,455
Trading costs		32,423	23,551
Information technology related cost		9,979	9,408
Fees and subscription		8,459	7,134
Director fee		1,620	1,380
Printing and stationery		1,541	1,724
Papers and periodicals		99	111
Advertisement and business promotion		332	192
Sales and marketing		1,077	1,685
Travelling and conveyance		1,545	1,325
Entertainment		1,269	784
Legal and professional charges		7,336	5,141
Auditor's remuneration	27.3	1,614	1,667
Stamp charges		617	10
Donations		-	50
Workers' welfare fund		5,125	2,817
Kitchen expenses		1,694	1,348
Profit -paid to clients	27.4	15,315	16,374
Ijara rental		23	-
Bad debts written off		1,408	2,587
Others		163	67
		384,866	344,335
27.1 Salaries, allowances and benefits include company's contribution to provident fund amount to Rs 4.16 million (2020: Rs 4.09 million).			
27.2 Depreciation			
Property and equipment		8,554	8,537
Right-of-use assets		7,869	8,617
		16,423	17,154
27.3 Auditor's Remuneration			
Statutory audit fee		688	649
Half-yearly review fee and other certifications		852	819
Out of pocket expenses		74	198
		1,614	1,667
27.4 This relates to share of client in mark-up income earned against their unutilised fund balances in PLS bank accounts of BIPL Securities Limited-Client account 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.			
28 FINANCE COST			
Mark-up on:			
Long-term loan		15,795	19,182
Short-term loan-RF		5,105	3,351
Lease liabilities		1,166	2,222
Bank charges		246	626
		22,312	25,381

	Note	2021	2020
---(Rupees in '000)---			
29 OTHER INCOME			
Gain on disposal of property and equipment	7.1.1	57	1,200
Staff loan		135	202
Reversal of provision against Workers' Welfare Fund	20.1	2,647	-
Others		223	166
		3,062	1,568
30 TAXATION			
Current			
for the year		45,230	24,700
for prior year		(66)	390
Deferred		26,245	18,906
		71,409	43,996

30.1 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.

30.2 Relationship between tax expense and accounting profit

For the year		45,230	24,700
Prior year		(66)	390
Deferred tax		26,245	18,906
		71,409	43,996
Profit before tax		251,139	137,996
Tax at the applicable rate of 29% (2020 : 29%)		72,830	40,019
Tax effect of non-deductible expenses		6,717	(5,189)
Tax effect of Income at reduced rate		(2,453)	(3,095)
Tax effect of Minimum Tax and Alternative Corporate Tax (ACT)		(5,290)	12,456
Tax effect of prior year charges		(66)	390
Others		(329)	(585)
		71,409	43,996

31 EARNINGS PER SHARE-BASIC AND DILUTED

31.1 Basic earnings per share

Profit for the year attributable to ordinary shareholders (Rs in '000')		179,730	94,000
Weighted average number of ordinary shares ('000')		100,000	100,000
Earnings per share - Basic and diluted	31.2	1.80	0.94

31.2 Diluted earnings per share

There is no diluted effect on the basic earnings of the company.

32 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:

	2021			2020		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
----(Rupees in '000)-----						
Managerial remuneration	16,567	-	57,726	13,477	-	42,920
Fee (note 32.2)	-	1,620	-	-	1,380	-
Contribution to provident fund	407	-	1,141	355	-	1,027
	16,974	1,620	58,867	13,832	1,380	43,947
Number of persons	1	3	13	1	3	12

32.1 Certain executives of the holding Company are provided Company owned and maintained cellular phones.

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

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

32.4 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	3,712	7,742
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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.

33 RELATED PARTY TRANSACTIONS

The related parties of the Group Company comprise of the Parent company, associated undertakings including companies under common directorship, employee benefit plans and its key management personnel. The balances with related parties as at December 31, 2021 and December 31, 2020 and transactions with related parties during the year ended December 31, 2021 and December 31, 2020 are as follows:

Name of the related party, relationship with company & Nature of Transaction

	2021					Total
	Parent Company	Subsidiary / associates	Directors	Key management personnel	Others	
----- (Rupees in '000) -----						
BALANCES						
Trade payables	-	-	269	164	-	433
----- (Rupees in '000) -----						
	2020					Total
	Parent Company-Old	Subsidiary / associates	Directors	Key management personnel	Others	
----- (Rupees in '000) -----						
BALANCES						
Accrued mark-up	42	-	-	-	-	42
Bank balances	628,451	-	-	-	-	628,451
Ijara deposits	1,462	-	-	-	-	1,462
Ijara rental payable	675	-	-	-	-	675
Long-term loan	150,000	-	-	-	-	150,000
Short-term loan	40,000	-	-	-	-	40,000
Profit receivable on bank deposit	3,721	-	-	-	-	3,721
Lease liability	1,842	-	-	-	-	1,842
Prepaid rent	116	-	-	-	-	116
Trade debts	197	-	3	-	-	200
Trade payables	-	-	277	605	-	882
----- (Rupees in '000) -----						
	2021					Total
	Parent Company (Old)	Subsidiary / associates	Directors	Key management personnel	Others	
----- (Rupees in '000) -----						
TRANSACTIONS						
Income						
Brokerage income earned	185	-	-	282	-	467
Custody services	3	-	-	1	-	4
Profit on bank deposits	22,559	-	-	-	-	22,559
Expenses						
Bank charges	16	-	-	-	-	16
Charge in respect of contributory plan	-	-	-	519	3,640	4,159
Mark-up expense	10,702	-	-	-	-	10,702
Remuneration paid	-	-	-	21,239	-	21,239
Ijarah expense	1,176	-	-	-	-	1,176
Meeting fees	-	-	1,620	-	-	1,620
Other transactions						
Short term loan obtained	679,000	-	-	-	-	679,000
Short term loan repaid	619,000	-	-	-	-	619,000
Rent paid	695	-	-	-	-	695
Maintenance paid	697	-	-	-	-	697

	2020					Total
	Parent Company (Old)	Subsidiary / associates	Directors	Key management personnel	Others	
----- (Rupees in '000) -----						
TRANSACTIONS						
Income						
Brokerage income earned	468	-	-	106	-	574
Custody services	5	-	-	-	-	5
Profit on bank deposits	28,404	-	-	-	-	28,404
Expenses						
Bank charges	437	-	-	-	-	437
Charge in respect of contributory plan	-	-	-	445	3,646	4,091
Mark-up expense	22,533	-	-	-	-	22,533
Remuneration paid	-	-	-	17,374	-	17,374
Ijarah expense	2,587	-	-	-	-	2,587
Meeting fees	-	-	1,380	-	-	1,380
Other transactions						
Short term loan obtained	665,000	-	-	-	-	665,000
Short term loan repaid	625,000	-	-	-	-	625,000
Rent paid	1,351	-	-	-	-	1,351
Maintenance paid	3,080	-	-	-	-	3,080

Particulars relating to remuneration of Chief Executive Officer, Directors and Executives who are key management personnel are disclosed in note 32.

33.1 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 Securities Limited (2020: Bankislami Pakistan Limited)	Parent company	77.12%
Mr. Kamal Uddin Tipu	Director	0.00%
Mr. Sikander Kasim	Director	0.00%
Ms. Ayesha Aqeel Dhedhi	Director	-
Ms. Afsheen Aqeel	Director	-
Mr. Khurshid Anwer	Director	-
Mr. Muhammad Noorul Hasan	Director	-
Mr. Abdul Aziz Anis	Key management personnel	-
Mr. Zafar Ahmed Khan	Key management personnel	-
KASB Securities Ltd Employee's Provident Fund	Retirement benefit fund	-

34 PROVIDENT FUND RELATED DISCLOSURE

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

	Note	2021	2020
		----- (Rupees in '000) -----	
Size of the fund-Net assets		<u>55,413</u>	<u>53,198</u>
Cost of investments made		<u>41,602</u>	<u>45,026</u>
Percentage of investments made		<u>92.79%</u>	<u>92.10%</u>
Fair value of investments	34.1	<u>51,419</u>	<u>48,995</u>

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

	2021		2020	
	(Rs. in '000)	%	(Rs. in '000)	%
Investments in various Funds / Government Securities	<u>43,453</u>	<u>84.51%</u>	45,226	92.31%
Saving accounts	<u>7,966</u>	<u>15.49%</u>	3,769	7.69%
	<u>51,419</u>	<u>100.00%</u>	<u>48,995</u>	<u>100.00%</u>

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.

35 NUMBER OF EMPLOYEES

Average number of employees during the year	<u>162</u>	<u>170</u>
Total number of employees as at year end	<u>157</u>	<u>168</u>

36 FINANCIAL INSTRUMENTS

Financial Risk Factors

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

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

36.1 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 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's total comprehensive income would have increased / (decreased) by Rs. 5.65 million (2020: Rs. 7.18 million).

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of change in foreign exchange rates relates only to the investment in Al Jomaih Power Limited maintained in US dollars amounting to Rs.241.82 million (2020: Rs. 271.7 million) [US dollars 1.37 million (2020: US dollars 1.7 million)].

With 10% increase / (decrease) in the exchange rate between US dollars and Pak Rupees, comprehensive income of the Group would have increased / (decreased) by Rs. 24.18 million (2020: Rs. 27.17 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 profit by Rs. 20.56 million (2020: Rs. NIL) 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. 2.20 million (2020: Rs 2.375 million).

36.2 Liquidity risk

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

On the reporting date, the Group Company has cash and bank balance Rs. 866.42 million (2020:Rs. 909.96 million) unutilized credit lines Rs. 1 million (2020: Rs. 385 million) and liquid assets in the form of short term securities Rs. 205.59 million (2020: NIL).

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:

	2021				Total
	On Demand	Upto three months	More than three months and upto one year	More than one year	
	------(Rupees in '000)-----				
Long-term loan	-	-	-	150,000	150,000
Trade and other payables	866,781	-	-	-	866,781
Lease liability	-	-	4,566	1,758	6,324
Accrued mark-up	234	-	-	-	234
Short term loan	-	150,000	-	-	150,000
	<u>867,015</u>	<u>150,000</u>	<u>4,566</u>	<u>151,758</u>	<u>1,173,339</u>
	------(Rupees in '000)-----				
	2020				Total
	On Demand	Upto three months	More than three months and upto one year	More than one year	
	------(Rupees in '000)-----				
Long-term loan	-	-	-	150,000	150,000
Trade and other payables	1,693,653	-	-	-	1,693,653
Lease liability	-	-	7,768	4,233	12,001
Accrued mark-up	42	-	-	-	42
Short term loan	-	40,000	-	-	40,000
	<u>1,693,695</u>	<u>40,000</u>	<u>7,768</u>	<u>154,233</u>	<u>1,895,696</u>

36.3 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	2021	2020
----- (Rupees in '000) -----			
Short term investments		205,592	-
Trade debts	36.3.1	293,811	427,528
Bank balances	36.3.2	866,418	909,961
Long-term loans and advances		424	645
Long-term deposits and prepayments		26,441	21,420
Advances, deposits, prepayments and other receivables		358,396	869,786
		<u>1,751,082</u>	<u>2,229,340</u>

36.3.1 The aging analysis of trade debts are as follows:

	2021		2020	
----- (Rupees in '000) -----				
	Gross	Impairment	Gross	Impairment
Past due 1 - 30 days	138,128	-	279,230	4
Past due 31 - 180 days	9,350	98	3,656	70
Past due 181 days - 1 year	1,875	136	1,910	120
More than one year	144,458	64,051	142,734	64,507
	<u>293,811</u>	<u>64,285</u>	<u>427,528</u>	<u>64,701</u>

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

	2021	2020
----- (Rupees in '000) -----		
Rating (short-term) of Banks and Financial Institutions*		
A-1	652,508	626,621
A-1+	213,910	283,340
	<u>866,418</u>	<u>909,961</u>

*Rating of banks performed by PACRA.

36.4 Financial instruments by categories

	As at December 31, 2021			
	Asset at fair value through profit and loss	Asset at fair value through OCI	Amortized Cost	Total
----- (Rupees in '000) -----				
Financial assets as per balance sheet				
Long term investment	-	263,864	-	263,864
Long term deposits	-	-	26,441	26,441
Long term loans an advances	-	-	424	424
Short term investments	205,592	-	-	205,592
Trade debts	-	-	229,526	229,526
Advances, deposits and other receivables	-	-	358,396	358,396
Cash and bank balances	-	-	866,418	866,418
	<u>205,592</u>	<u>263,864</u>	<u>1,481,205</u>	<u>1,950,661</u>

	As at December 31, 2021	
	Financial liabilities at amortized cost	
----- Rupees in '000 -----		
Financial liabilities as per balance sheet		
Long-term financing-secured		150,000
Short-term financing-secured		150,000
Lease liability		6,324
Trade and other payables		866,781
Accrued mark-up		234
		<u>1,173,339</u>

	As at December 31, 2020			
	Asset at fair value through profit and loss	Asset at fair value through OCI	Amortized cost	Total
----- (Rupees in '000) -----				
Financial assets as per balance sheet				
Long term investment	-	295,474	-	295,474
Long term deposits	-	-	21,420	21,242
Long term loans an advances	-	-	645	645
Trade debts	-	-	362,828	362,828
Advances, deposits and other receivables	-	-	869,786	869,786
Cash and bank balances	-	-	909,961	909,961
	-	<u>295,474</u>	<u>2,164,640</u>	<u>2,459,936</u>

	As at December 31, 2020
	Financial liabilities at amortized cost
	----- Rupees in '000 -----
Financial liabilities as per balance sheet	
Long-term financing-secured	150,000
Short-term financing-secured	40,000
Lease liability	12,001
Trade and other payables	1,693,653
Accrued mark-up	42
	<u>1,895,696</u>

37 CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital include :

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

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

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

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 Company manages its net capital requirements by assessing its capital structure against required capital level on a regular basis.

38 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.

38.1 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 December 31, 2021 the Group held the following financial instruments measured at fair value:

	2021			
	Total	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----			
Financial assets at fair value through profit or loss				
Quoted equity securities	205,592	205,592	-	-
Fair value through other comprehensive income				
Investment 'at fair value through other comprehensive income	263,864	22,041	-	241,823
	2020			
	Total	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----			
Financial assets at fair value through profit or loss				
Quoted equity securities	-	-	-	-
Financial assets at fair value through profit or loss				
Investment 'at fair value through other comprehensive income	295,474	23,756	-	271,718

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

	2021	2020
	----- (Rupees in '000) -----	
Opening balance	271,718	340,665
Unrealized loss arising on re-measurement of long term investment at fair value through OCI	(29,895)	(68,947)
Closing balance	<u>241,823</u>	<u>271,718</u>

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

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

39.1 Person holding more than 5% of shares

	2021	2020	2021	2020
	% of holding		No. of shares	
M/s. AKD Securities Ltd. (Year 2020 BankIslami Pak Ltd.)	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.55%	6.54%	6,551,000	6,535,500
Mr. Mohammad Aslam Motiwala	9.36%	8.34%	9,360,000	8,342,000

39.2 During the year, M/s. AKD Securities Ltd. acquired 77,117,500/- shares, Mr. Mohammed Aslam Motiwala acquired 1,018,000/- shares and Mrs. Noor Jehan Bano acquired 15,500/- shares of the holding company.

39.3 As at December 31, 2021, the value of customer shares maintained with the holding company pledged with financial institution is Rs.423.44 million (December 31, 2020: Rs. 1,434 million).

39.4 As at December 31, 2021, the value of customer shares maintained with the holding company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.15,303 million (December 31, 2020: Rs. 19,125 million).

40 CAPITAL ADEQUACY LEVEL

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

	Note	2021	2020
		----- (Rupees in '000) -----	
Total Assets		2,108,374	2,680,713
Add : Notional value increase of TRE Certificate	40.1	1,150	1,150
Less: Total Liabilities		(1,178,055)	(1,898,515)
Less: Revaluation Reserves (created upon Revaluation of fixed assets)		-	-
		<u>931,469</u>	<u>783,348</u>

40.1 While determining the value of the total assets of the TREC Holder, Notional value of the TRE certificate held by the Holding Company as at the year ended December 31, 2021 as determined by Pakistan Stock Exchange has been considered.

41 IMPACTS OF COVID-19

The COVID-19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan.

The management has carried out its assessment in respect of COVID-19 and is of the view that there is no material impact due to COVID-19 on the financial statements of the Group's Company.

42 DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Holding Company on February 22, 2022.

43 GENERAL

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

43.2 The Board of Directors of the Group has proposed a cash dividend of Rs. 0.50 per share (2020: Nil) amounting to Rs. 50 million (2020: Nil) at its meeting held on February 22, 2022 for the approval of members at the Annual General Meeting to be held on April 21, 2022. These consolidated financial statements do not reflect the said appropriation

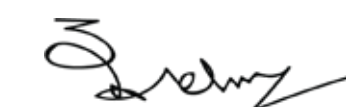
43.3 Figures have been rounded off to the nearest thousand.



Chief Executive Officer



Director



Chief Financial Officer

PATTERN OF SHAREHOLDING

As On 31/12/2021				
Shareholding				
No. Of Shareholders	From	To	Shares Held	Percentage
429	1	100	6056	0.0061
3268	101	500	708277	0.7083
188	501	1000	146903	0.1469
130	1001	5000	314667	0.3147
28	5001	10000	234870	0.2349
11	10001	15000	137400	0.1374
4	15001	20000	72300	0.0723
2	20001	25000	47500	0.0475
2	25001	30000	60000	0.0600
1	40001	45000	45000	0.0450
1	50001	55000	51000	0.0510
1	65001	70000	68500	0.0685
2	75001	80000	153027	0.1530
1	95001	100000	96500	0.0965
1	105001	110000	110000	0.1100
1	130001	135000	131000	0.1310
1	375001	380000	378500	0.3785
1	395001	400000	400000	0.4000
1	495001	500000	500000	0.5000
1	565001	570000	569000	0.5690
1	1000001	1005000	1000500	1.0005
1	2790001	2795000	2792000	2.7920
1	6495001	6500000	6500000	6.5000
1	8355001	8360000	8359500	8.3595
1	77115001	77120000	77117500	77.1175
4,079			Company Total 100000000	100.0000

PATTERN OF SHAREHOLDING

ADDITIONAL INFORMATION

Description	Number of Shareholders	Number of Shares Held
Associated Companies and Related Parties		
AKD Securities Limited	1	77,117,500
	1	77,117,500
Directors		
Sikander Kasim	1	5,000
Kamal Uddin Tipu	1	500
	2	5,500
Individuals	4,064	21,878,422
Others	12	998,578

حصص یافتگان کیلئے ڈائریکٹر رپورٹ

بی آئی پی ایل سیکورٹیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی طرف سے ہم 31 دسمبر، 2021 کو ختم ہونے والے سال کیلئے کمپنی کے مکمل مالی نتائج پیش کرنے میں خوشی محسوس کرتے ہیں۔

معاشی جائزہ

ملکی معیشت نے کورونا وبا سے پیدا ہونے والی مشکلات سے تیزی سے مستحکم بحالی کا مظاہرہ کیا جس کے نتیجے میں مالی سال 2021 کے دوران جی ڈی پی کی شرح میں 5.4 فیصد کا (نظر ثانی شدہ) نمایاں اضافہ ہوا۔ ایک عشرے میں جی ڈی پی کی یہ دوسری بلند ترین معاشی نمو ہے۔ معیشت نے حکومت کی طرف سے 4.8 فیصد کے معاشی نمو کے ہدف سے بڑھ کر کارکردگی کا مظاہرہ کیا۔ جی ڈی پی کی نمایاں ترقی و وسیع البنیاد تھی جس کو مضبوط صنعتی ترقی کے ساتھ ساتھ معیشت کے تین شعبوں سے معقول معاونت حاصل رہی ہے۔

تاہم ملک کو تاحال درپیش میکرو اکنامک کے نمایاں خطرات کے باعث مالی سال 2021 میں ہونے والی بحالی قلیل المدت ثابت ہو سکتی ہے۔ سب سے پہلے عالمی معیشت کی بحالی میں کمیوڈٹی سائیکل کو حاصل ہونے والا عروج ایک بار پھر سی اے ڈی میں اضافہ کا باعث بنا جو مالی سال 2022 کے پہلے نصف کے دوران پہلے ہی 9.0 بلین ڈالر اور (جی ڈی پی کا تقریباً 2.6 فیصد) ڈالر کو چھو چکا تھا۔ بیرونی سطح پر اصل اور متوقع قیمتوں میں فرق نے ایک بار پھر پاکستانی روپے پر خاطر خواہ دباؤ ڈالا جس سے مالی سال 2021 کے دوران پاکستانی روپے کی قدر میں سال بہ سال کی بنیاد پر 10.4 فیصد کمی ہوئی۔

کمیوڈٹی کے موجودہ سپر سائیکل اور روپے کی قدر میں تیزی سے کمی موجودہ سال 2021 کے دوران افراط زر میں اضافہ کا باعث بنا یہ وہ مظہر ہے جس کا اظہار زیادہ تر عالمی معیشتوں کی طرف سے کیا گیا۔ موجودہ مالی سال 21 کے دوران نمایاں سی پی آئی افراط زر تقریباً 9.5 فیصد رہا جس کے باعث سٹیٹ بینک آف پاکستان (ایس بی پی) کو سال کے دوسرے نصف کے دوران شرح سود کو 275 بی پی ایس اضافہ کے ساتھ 9.75 فیصد کرنا پڑا۔ تاہم افراط زر کی شرح میں اضافہ دوہرے ہندسوں تک پہنچ رہا ہے (گزشتہ چند مہینوں میں 11.5 فیصد کے لگ بھگ)۔ بظاہر تو ایس بی پی موجودہ شرح سود سے مطمئن ہے اور اس نے اس بات کا اشارہ دیا ہے کہ مستقبل قریب میں شرح سود کو ان سطحوں پر برقرار رکھا جاسکتا ہے۔

ایف بی آر نے مالی سال 2022 کے پہلے نصف میں اچھی کارکردگی کا مظاہرہ کرتے ہوئے اپنے ٹیکس وصولی کا ہدف عبور کرتے ہوئے 287 بلین روپے زائد کا ٹیکس اکٹھا کیا۔ مالی سال 2022 کے پہلے نصف کے دوران 2.6 ٹریلین روپے کے ہدف کے مقابلے میں کل ٹیکس 2.9 ٹریلین روپے رہا۔ ٹیکس کی وصولی کا کافی بڑا حصہ درآمدی مرحلے پر کسٹم ڈیوٹی اور اس سے منسلک ٹیکسوں کے ذریعے پیدا کیا گیا۔

ایکویٹی مارکیٹ کا جائزہ

اگرچہ موجودہ مالی سال 2021 کے مضبوط آغاز اور مالی سال 2021 کے پانچ ماہ کے دوران انڈیکس میں 9.6 فیصد اضافہ کے باوجود سال کے دوسرے نصف کے دوران یہ بحالی قائم نہیں رہ سکی کیونکہ مختلف میکرو اکنامک اور جیو پالیٹیکل واقعات نے سرمایہ کاروں کے جذبات کو متاثر کیا۔ اسی طرح سال 2021 کا اختتام انڈیکس کی سال بہ سال کی بنیاد پر 1.9 فیصد پروا پسی کے ساتھ ہوا جبکہ امریکی ڈالر کے تبادلے میں منفی تقریباً 8.5 فیصد رہا۔ غیر ملکی ادارہ جاتی سرمایہ کار نے سال 2021 کے دوران تقریباً 359 بلین امریکی ڈالر کے آؤٹ فلو کے ساتھ خالص فروخت کنندگان رہے۔

موجودہ سال 2021 کے دوران حصص کا اوسط یومیہ حجم 615 ملین رہا جبکہ مالی سال 2021 کی پہلی سہ ماہی کے دوران چند بڑے اتار چڑھاؤ کی بدولت مجموعی تعداد زیادہ ہوئی۔ سال 2021 کے دوران 154 ملین ڈالر کے حصص کا کاروبار ہوا۔

ڈیٹ اور کرنسی مارکیٹ کا جائزہ

پاکستان معاشی استحکام کیلئے ضروری تکلیف دہ اصلاحی اقدامات اٹھانے کے بعد آئی ایم ایف پروگرام کو دوبارہ شروع کرنے میں کامیاب ہوا ہے۔ فروری 2022 کے آغاز میں ایک بلین امریکی ڈالر کی قسط وصول کرنے کے بعد حکومت پاکستان عالمی بانڈ مارکیٹ سے مزید ایک بلین امریکی ڈالر اکٹھا کرنے کے عمل میں ہے جس سے غیر ملکی زرمبادلہ کے ذخائر میں اضافہ میں مدد ملے گی۔ تاہم پاکستان کو مالی سال 2023 میں 22.8 بلین روپے کا عالمی قرضہ واپس کرنا ہے جس سے مزید قرضہ لینے کی ضروریات بلند رہ سکتی ہے اور ملک کو قریب الاختتام قرضوں کو مزید آگے بڑھانے کیلئے ایک بار پھر عالمی بانڈ مارکیٹ میں واپس جانا پڑ سکتا ہے۔

مقامی سطح پر ایس بی پی کی طرف سے سال 2021 کے دوسرے نصف کے دوران شرح سود میں 275 بی پی ایس اضافے کے بعد سیکنڈری مارکیٹ کے سرکاری انسٹرومنٹ پر سود دہرے ہندسوں پر پہنچ گیا۔ تاہم مرکزی بینک نے تھری ایم اور سکس ایم پیپر ز پر سود کو کم کرنے کیلئے بینکنگ سسٹم کو لیکویڈیٹی سے بھر دیا۔ اس اقدام سے سود میں 20 سے 50 بی پی ایس کمی ہوئی۔ اسٹیٹ بینک کی جانب سے شرح سود کو موجودہ سطح پر مستحکم رکھنے کا اشارہ دینے کے ساتھ، ہم مختصر مدت میں پیداوار کو موجودہ سطح پر مستحکم ہوتے دیکھ سکتے ہیں۔

کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) کے مالی سال 22 میں 16 سے 17 بلین امریکی ڈالر تک پہنچنے کی توقع ہے تاہم مالی سال 23 تک 10 سے 11 بلین امریکی ڈالر تک آنے کا تخمینہ ہے۔ بہر حال، اس مدت کے دوران بڑے عالمی قرضوں کی ادائیگی کے ساتھ اس کا مطلب یہ ہے کہ پاکستانی روپے مختصر سے درمیانی مدت میں دباؤ میں رہے گا۔

آپریٹنگ اور مالی کارکردگی

31 دسمبر، 2021 کو ختم ہونے والے سال کیلئے کمپنی کی مالی کارکردگی درج ذیل ہے

2020	2021	
		روپے '000 میں
137,996	251,139	قبل از ٹیکس منافع
(43,996)	(71,409)	ٹیکس
94,000	179,730	بعد از ٹیکس منافع
-	-	سال کے دوران ادا شدہ منقسمہ منافع
(408,763)	(314,763)	آگے لایا گیا جمع شدہ (نقصان)
(314,763)	(135,033)	آگے بڑھایا گیا جمع شدہ (نقصان)
-----روپے-----		
0.94	1.80	فی حصص آمدنی

کمپنی کے منافع میں کلیدی کردار ایکویٹی سے حاصل کل آمدن میں 37 فیصد اضافہ نے ادا کیا جو مالی سال 2020 میں 351 ملین روپے کے مقابلے میں سال 2021 میں 481 ملین روپے رہی۔ ایکویٹی کمپنی کی کل آپریٹنگ آمدن کا سب سے بڑا جزو ہے جو 2020 کے 91 فیصد کے مقابلے میں سال 2021 میں 93 فیصد رہا۔ کمپنی کی ٹاپ لائن میں متاثر کن نمورہی۔ کمپنی کے مجموعی آپریٹنگ اور انتظامی اخراجات میں سال بہ سال کی بنیاد پر صرف 12 فیصد اضافہ ہوا جس کی وجہ اخراجات کو کم کرنے کیلئے سخت کنٹرول اور نگرانی کا نظام ہے۔

کارپوریٹ گورننس

ڈائریکٹرز مندرجہ ذیل کے تناظر میں سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان (ایس ای سی پی) کے کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں۔

☆ کمپنی کے کھاتوں کی مناسب کتابیں برقرار رکھی گئی ہیں۔

☆ کمپنی کی طرف سے تیار کردہ مالی نتائج کمپنی کے معاملات، اس کے آپریٹنگ کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو شفاف انداز میں پیش کرتے ہیں۔

☆ مالی گوشواروں کی تیاری میں اکاؤنٹنگ کے حوالے سے مناسب پالیسیاں تو اترو سے لاگو کی گئی ہیں اور اکاؤنٹنگ کے تخمینہ معقول اور دانشمندانہ فیصلہ کی بنیاد پر لگائے گئے ہیں۔

☆ مالی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق منظور شدہ اکاؤنٹ معیارات، کمپنیز ایکٹ، 2017 اور کمیشن کی طرف سے جاری ہدایات پر عمل درآمد کیا گیا۔

☆ 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 31 دسمبر، 2021 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۔

☆ کمپنی میں اہل ملازمین کیلئے منظوری کنٹری بیوٹری پروڈنٹ فنڈ موجود ہے۔ 31 دسمبر، 2021 کو ختم ہونے والے سال کیلئے غیر پڑتال شدہ مالی

گوشواروں کے مطابق سرمایہ کاری کی مالیت تقریباً 41.602 ملین روپے 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 ڈائریکٹر رپورٹ کی تاریخ کے درمیان ہوئے ہیں۔

کارپوریٹ سماجی ذمہ داریاں

کمپنی کی طرف ذمہ داری: بی آئی پی ایل ایک بہتر کارپوریٹ ادارہ بننے کیلئے کوشاں ہے۔ وہ ان طبقات کو معاونت فراہم کرتا ہے جہاں وہ اپنا کاروبار چلاتا ہے اور ان کے فلاح بہود کیلئے اپنی ذمہ داریاں سے بخوبی آگاہ ہے۔ بی آئی پی ایل سیکورٹیز ادارہ کی طرف سے کمپنی کی فلاح بہود کے لئے کئے جانے والے اقدامات میں معاون ثابت ہوگا اور ہر طبقے پر خصوصی توجہ مرکوز کی جائے گی۔

ماحولیاتی تحفظ کی ذمہ داری: بی آئی پی ایل سیکورٹیز وسیع تر تناظر میں ماحول کے تحفظ کے حوالے سے برسر پیکار ہے۔ کمپنی اپنے زیر استعمال عمارات اور اراضی کے حوالے سے اپنی ذمہ داریوں کو برقرار رکھنے کے تناظر میں اپنے کردار سے آگاہ ہے اور توانائی کے استعمال پر خصوصی توجہ کے ساتھ وسائل کے محدود استعمال کا ارادہ رکھتی ہے۔

بی آئی پی ایل سیکورٹیز نے اپنے ضابطہ اخلاق اور کاروباری طریقوں میں کارپوریٹ سماجی ذمہ داری (سی ایس آر) کو ضم کیا ہے۔ اس تناظر میں کمپنی اور سٹیک ہولڈرز کی ضروریات کو احتیاط کے ساتھ جائزہ لیا جاتا ہے اور کمپنی کی پالیسیوں، ضابطہ اخلاق اور کاروباری مقاصد کے مطابق انہیں معاونت فراہم کی جاتی ہے۔

2021 کے دوران سی ایس آر اقدامات کا خلاصہ درج ذیل ہے:

- ☆ ریگولیٹری تقاضوں کی تعمیل: کمپنی اور اس کے ملازمین نے ٹیکسوں کی مد میں سرکاری خزانہ میں 34.849 ملین روپے کا حصہ ڈالا۔
- ☆ لوگ/انسانی وسائل: کمپنی ملازمین کی پیشہ ورانہ ترقی اور جسمانی، ذہنی اور جذباتی صحت کو فروغ دینے کی پالیسی پر عمل پیرا ہے

بورڈ

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

5 مرد:

2 خواتین:

بورڈ کی تشکیل

2 آزاد ڈائریکٹرز:

4 نان ایگزیکٹو ڈائریکٹرز

1 ایگزیکٹو ڈائریکٹر:

چیرمین اور چیف ایگزیکٹو آفیسر کی حیثیت پر رٹس کے بہترین طریقہ کار کے مطابق علیحدہ رکھی گئی ہے۔ چیرمین کا انتخاب آزاد ڈائریکٹرز کی طرف سے کیا جاتا

ہے۔ بورڈ نے اپنے فنکشنز کی کارکردگی میں بورڈ کی معاونت کیلئے ایک علیحدہ آڈٹ کمیٹی اور انسانی وسائل اور معاوضہ کمیٹی تشکیل دی ہے۔ بورڈ کا چیئرمین اور آڈٹ کمیٹی آزاد ڈائریکٹرز ہوتے ہیں۔ مزید برآں کوئی بھی ڈائریکٹرسات سے زائد سٹڈ کمپنیوں میں منتخب یا نامزد نہیں کیا جاتا۔

سال 2021 کے دوران بورڈ آف ڈائریکٹرز کے ساتھ اجلاس منعقد ہوئے۔ کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق سوائے ہنگامی اجلاسوں کے علاوہ اجلاس کے انعقاد کیلئے 7 یوم کا پیشگی نوٹس جاری کئے گئے اور اہم مسائل جن کی تفصیلات ضابطہ میں درج ہے کو بورڈ اور آڈٹ کمیٹی کی معلومات، غور اور فیصلہ کیلئے رکھے گئے ہیں۔ اجلاس کی کارروائی بشمول اختلافی تکتہ نظر، اگر کوئی ہے، کو مناسب انداز میں ریکارڈ کیا گیا۔ بورڈ اجلاس میں ڈائریکٹرز کی شرکت درج ذیل ہے:

ڈائریکٹرز کا نام	2021 کے دوران منعقدہ اجلاسوں میں شرکت کی دعوت	2021 کے دوران اجلاس میں شرکت
کمال الدین ٹیو۔ چیئرمین	7	7
سکندر قاسم	7	7
محمد حفیظ الدین آصف	7	7
سہیل سکندر	4	4
خرم جمیل	4	4
محمد عزیز سپرا	4	4
مدثر اسلم	4	3
عائشہ عقیل ڈھیڈی	3	2
افشین عقیل	3	3
خورشید انور	3	3
محمد نور الحسن	3	3
عبدالعزیز انیس۔ چیف ایگزیکٹو آفیسر	7	7

ڈائریکٹرز کا نام	2021 کے دوران منعقدہ اجلاسوں میں شرکت کی دعوت	2021 کے دوران اجلاس میں شرکت
2021 کے دوران		
ریٹائرڈ / مستعفی بورڈ اراکین		
سہیل سکندر	4	4
خرم جمیل	4	4
محمد عزیز سپرا	4	4
مدثر اسلم	4	3
محمد حفیظ الدین آصف	7	7

- ☆ تمام غیر حاضریوں کے حوالے سے استثنیٰ کی منظوری بورڈ آف ڈائریکٹرز کی طرف سے دی گئی۔
- ☆ بورڈ سال 2021 کے دوران بورڈ آف ڈائریکٹرز کی تشکیل میں مندرجہ ذیل تبدیلیوں کی رپورٹ پیش کرنا چاہتے ہیں۔
- ☆ عائشہ عقیل ڈھیڈی کو 28 جون، 2021 کو سہیل سکندر کی جگہ پر ڈائریکٹر تعینات کیا گیا۔
- ☆ افشین عقیل کو 28 جون 2021 کو خرم جمیل کی جگہ ڈائریکٹر مقرر کیا گیا تھا۔
- ☆ خورشید انور کو 28 جون 2021 کو محمد عزیز سپرا کی جگہ ڈائریکٹر مقرر کیا گیا تھا۔
- ☆ جناب محمد نور الحسن کو 28 جون 2021 کو محترمہ مدثر اسلم کی جگہ ڈائریکٹر مقرر کیا گیا تھا۔
- ☆ محمد حفیظ الدین آصف نے 6 دسمبر، 2021 کو ڈائریکٹرز کی حیثیت سے استعفیٰ دیا۔ اس آسامی کو ڈائریکٹرز کی طرف سے مقررہ وقت پر پُر کیا جائے گا۔
- ☆ 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 ہوتا ہے، کمیٹی کے اجلاس میں ڈائریکٹرز کی شرکت درج ذیل ہے۔

2021 کے دوران اجلاس میں شرکت	2021 کے دوران منعقدہ اجلاسوں میں شرکت کی دعوت	ڈائریکٹرز کا نام
4	4	سکندر قاسم
2	2	سہیل سکندر
2	2	خرم جمیل
1	2	عائشہ عقیل ڈھیڈی
2	2	افشین عقیل
2021 کے دوران اجلاس میں شرکت	2021 کے دوران منعقدہ اجلاسوں میں شرکت کی دعوت	ڈائریکٹرز کا نام
2	2	سہیل سکندر
2	2	خرم جمیل

2021 کے دوران ریٹائرڈ / مستعفی بورڈ اراکین

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

انسانی وسائل اور معاوضہ کی کمیٹی

انسانی وسائل اور معاوضہ کی کمیٹی مکمل طور پر آڈٹ کمیٹی نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جس میں چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے۔ کمیٹی کے اجلاس میں ڈائریکٹرز کی شرکت درج ذیل ہے۔

2021 کے دوران اجلاس میں شرکت	2021 کے دوران منعقدہ اجلاسوں میں شرکت کی دعوت	کمیٹی اراکین کا نام
2	2	کمال الدین
2	2	محمد عزیز سپرا
2	2	مدثر اسلم
		افشین عقیل
		خورشید انور

2021 کے دوران اجلاس میں شرکت	2021 کے دوران منعقدہ اجلاسوں میں شرکت کی دعوت	کمیٹی اراکین کا نام
2	2	محمد عزیز سپرا
2	2	مدثر اسلم

2021 کے دوران ریٹائرڈ / مستعفی بورڈ اراکین

ڈائریکٹرز 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 لو جنگ اخراجات کی واپس ادائیگی کی جاتی ہے۔

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 مطابقت میں کام کرتی ہے۔ کمیٹی تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہوتی ہے جس میں چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے۔ کمیٹی کے سال میں چار اجلاس منعقد ہوتے ہیں۔ انسانی وسائل اور معاوضہ کمیٹی بورڈ کو انسانی

وسائل کے انتظام میں معاونت دیتی ہے جس میں مینجمنٹ کے کلیدی اہلکاروں کا انتخاب، جائزہ اور ان کے معاوضہ کا تعین شامل ہے۔ کمیٹی کوڈ آف کارپوریٹ گورننس میں بیان کردہ تقاضوں کے مطابق کام کرتی ہے۔ کمیٹی تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جس کا چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے۔ کمیٹی کا سال کے دوران ایک اجلاس منعقد ہوتا ہے۔

ایکسٹرنل آڈیٹرز کی تقرری

ایکسٹرنل آڈیٹرز میسرز آرابیس ایم او ایس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس مدت کے اختتام پر سبکدوش ہو گئے۔ آڈٹ کمیٹی کی سفارشات پر بورڈ نے میسرز آرابیس ایم او ایس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس کی بطور ایکسٹرنل آڈیٹرز مالی سال 2022 کے لیے دوبارہ تقرری کی توثیق کی۔

شیئر ہولڈنگ

31 دسمبر، 2021 تک شیئر ہولڈنگ کا پیٹرن رپورٹ کے ساتھ منسلک ہے۔

منافع منقسمہ

ڈائریکٹرز 31 دسمبر، 2021 کو ختم ہونے والے سال کیلئے عمومی حصص یافتگان کیلئے 0.5 روپے یعنی 5 فیصد کے حتمی نقد منافع منقسمہ کی تجویز کرنے پر مسرت محسوس کرتے ہیں۔

مستقبل کا کاروباری جائزہ

مالی سال 2022 کیلئے مستقل کے کاروباری حالات غیر جانبدار صورتحال پیش کرنے میں محتاط ہیں ملک آئی ایم پروگرام جاری رکھنے کیلئے مشکل معاشی اصلاحات نافذ کرنی ہوں گی جو اگرچہ طویل المدت معاشی استحکام کیلئے مثبت لیکن معاشی سرگرمیوں میں مختصر المدتی سست روی کا باعث بن سکتے ہیں۔ افزائز رقبہ مدت میں زیادہ رہنے کی توقع ہے جس سے شرح سود بھی بلند رہے گا۔ ان سب کا ایکویٹی مارکیٹ پر دباؤ پڑے گا۔

اظہار تشکر

بی آئی پی ایس سیکورٹیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کمپنی کی بہتری اور ترقی کیلئے تمام سٹیک ہولڈرز اور کمپنی کے ملازم سے اظہار تشکر کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی طرف سے



چیف ایگزیکٹو ڈائریکٹر



ڈائریکٹر

کراچی: مورخہ 22 فروری، 2022

حتمی مالی نتائج پر ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 31 دسمبر، 2021 کو ختم ہونے والے سال کیلئے بی آئی پی ایل سیکورٹیز لمیٹڈ اور اس کی زیر ملکیت ذیلی کمپنی سٹرکچرڈ ونچر (پرائیویٹ) لمیٹڈ کے حتمی مالی نتائج پر رپورٹ پیش کرتے ہیں۔

31 دسمبر، 2021 کو ختم ہونے والے زیر جائزہ سال کیلئے گروپ کے حتمی مالی نتائج کا خلاصہ درج ذیل ہے۔

2020	2021	
----- روپے '000' میں -----		
137,996	251,139	قبل از ٹیکس منافع
(43,996)	(71,409)	ٹیکس
94,000	179,730	بعد از ٹیکس منافع
-	-	سال کے دوران ادا شدہ منقسمہ منافع
(365,392)	(271,392)	آگے لایا گیا جمع شدہ (نقصان)
(271,392)	(91,662)	آگے بڑھایا گیا جمع شدہ (نقصان)
----- روپے -----		
0.94	1.80	فی حصص آمدنی

ایکیویٹی میں تبدیلیوں کا خلاصہ

سال 2021 میں گروپ کا بعد از ٹیکس منافع سال 2020 کے 94 ملین روپے کے بعد از ٹیکس منافع یعنی 0.94 روپے فی حصص آمدنی کے مقابلے میں 179.730 ملین روپے یعنی 1.80 روپے فی حصص آمدنی رہا۔

سال کی مذکورہ بالا کارکردگی کی روشنی میں ڈائریکٹرز 31 دسمبر، 2021 کو ختم ہونے والے سال کیلئے عمومی حصص یافتگان کیلئے 0.5 روپے فی حصص یعنی 5 فیصد کے حتمی نقد منافع منقسمہ کی تجویز دینے میں مسرت محسوس کرتے ہیں۔

گروپ کے کاروباری مفادات کی نوعیت میں تبدیلیوں کا خلاصہ بی آئی پی ایل سیکورٹیز لمیٹڈ اور سٹرکچرڈ ونچر (پرائیویٹ) لمیٹڈ کاروبار کی بیان کردہ نوعیت کو جاری رکھے ہوئے ہے، کمپنی نے کاروباری مفادات کی نوعیت اور نہ ہی

کاروباری مفادات کی اس کلاس میں کوئی تبدیلی کی ہے جس میں کمپنی دلچسپی رکھتی ہے

شیئر ہولڈنگ کا پیٹرن

31 دسمبر، 2021 تک شیئر ہولڈنگ کا پیٹرن اور کارپوریٹ گورننس کے ضابطہ کے تحت درکار اس کا اظہار رپورٹ کے ساتھ منسلک ہے۔

بورڈ آف ڈائریکٹرز کی طرف سے



چیف ایگزیکٹو آفیسر



ڈائریکٹر

کراچی: 22 فروری، 2022

چیرمین جائزہ رپورٹ

مجھے بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے موثر کردار پر پی آئی پی ایل سیکورٹیز لمیٹڈ کے حصص یافتگان کو جائزہ رپورٹ پیش کرنے میں انتہائی مسرت ہو رہی ہے۔

کورونا وبا کے باعث دوسرے ممالک کی طرح پاکستان کو بھی سال 2021 میں غیر معمولی صورتحال کا سامنا کرنا پڑا۔ آپ کی کمپنی نے کارروبار کے تسلسل کو یقینی بناتے ہوئے ملازمین اور صارفین کے تحفظ کیلئے فوری اور فعال اقدامات اٹھائے۔

بورڈ آف ڈائریکٹرز میں فنانس، آڈٹ، بزنس اور مینجنگ 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 طور پر کردار ادا کرتا ہے اور مینجمنٹ کو تذبذب ویراتی سمت فراہم کرتا ہے۔ بورڈ گورننس کے اعلیٰ معیارات کو یقینی بنانے کیلئے اپنا کردار جاری رکھے گا۔

بورڈ آف ڈائریکٹرز کو معمول کے امور کی انجام دہی کیلئے بورڈ اور اس کی کمیٹی کے اجلاسوں سے قبل مناسب وقت میں معاون مواد کے ساتھ ایجنڈا موصول ہوا۔ اپنی ذمہ داریوں کو بخوبی سرانجام دینے کیلئے بورڈ کے متواتر کے ساتھ اجلاس منعقد ہوئے ہیں جس میں بورڈ کو کمیٹیوں کی طرف سے مکمل طور پر معاونت فراہم کی گئی۔ بورڈ کے ڈائریکٹرز نے کمپنی کے تمام اہم فیصلوں میں یکساں طور پر کردار ادا کیا۔

میں بورڈ آف ڈائریکٹرز اور پی آئی پی ایل سیکورٹیز لمیٹڈ کے تمام ملازمین کا مشکور ہوں جنہوں نے کمپنی کے مقاصد کے حصول کیلئے سخت محنت، عزم اور لگن کا مظاہرہ کیا۔

Kamaluddin Fiq

کمال الدین فیکو

چیرمین

کراچی: 22 فروری، 2022

FORM OF PROXY
TWENTY-SECOND ANNUAL GENERAL MEETING



The Company Secretary
BIPL Securities Limited
5th Floor, Trade Centre,
I.I. Chundrigar Road, Karachi,
Pakistan.

I / We _____ S/o, D/o, W/o _____ Holding CNIC #

Resident of _____

being member(s) of 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 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-Second Annual General Meeting of the Company to be held on Thursday April 21, 2022 at 10:00 AM through "Zoom" arrangement via Audio/Video Link 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

- The Member is requested:
 - to affix Revenue Stamp of Rs.10 at the place indicated above;
 - to sign across the Revenue Stamp in the same Style of Signature as is registered with the Company's Registrar; and
 - to write down his folio number.
- This proxy form, duly complete and signed, must be received at the office of our Registrar not later than 48 hours before time of the meeting
- No person shall act as a proxy unless he/she himself/herself is a member of the Company, except that a Corporate body may appoint a person who is not a member.
- CDC shareholders or their proxies should bring their original Computerised National Identity Card or Passport along with the Participant's ID Number and their Account number to facilitate their identification.

پراکسی فارم

22 واں سالانہ اجلاس عام

کمپنی سیکرٹری

بی آئی پی ایل سیکورٹیز لمیٹڈ

5th فلور، ٹریڈ سینٹر آئی آئی، چندریگر روڈ، کراچی، پاکستان

میں / ہم _____ ولد / بیٹی / بیوی _____ شناختی کارڈ نمبر _____ ساکن _____ بی آئی پی ایل سیکورٹیز لمیٹڈ کے رکن / اراکین ہیں، اور _____ عمومی حصص رکھتے ہیں، بذریعہ ہذا _____ ولد _____ شناختی کارڈ نمبر _____ یا ان کی عدم موجودگی کی صورت میں _____ ولد _____ جو خود بھی بی آئی پی ایل سیکورٹیز لمیٹڈ کا رکن ہے / کو بطور مختار پراکسی مقرر کرتا / کرتی ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے بائیسواں سالانہ اجلاس عام جو 21 اپریل، 2022 بروز جمعرات صبح 10:00 بجے بذریعہ ویڈیو آڈیو لنک ”زوم“ منعقد کیا جائے گا اس میں اور اس کے کسی ملٹوی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

دستخط مورخہ _____ برائے ماہ _____ 2022 ثبت ہیں

حصص یافتہ کا فوٹیو نمبر

سی ڈی سی پارٹیسپینٹ آئی ڈی نمبر

سب اکاؤنٹ نمبر

گواہان

_____ 1

_____ 2

دستخط بعوض 10 روپے ریونیو اسٹیٹمنٹ پر دستخط

دستخط کمپنی میں رجسٹر نمونے کے دستخط کے مطابق ہونے چاہیں

اہم نکات:

1. رکن سے درخواست کی جاتی ہے:

(a) اوپر نشان کردہ جگہ پر 10 روپے کار ریونیو اسٹیٹمنٹ چسپاں کیا جائے

(b) ریونیو اسٹیٹمنٹ پر کمپنی رجسٹر میں رجسٹر دستخط کے نمونے کے مطابق دستخط کئے جائیں اور

(c) اپنا فوٹیو نمبر لکھے

2. یہ پراکسی فارم اجلاس سے 48 گھنٹے قبل تک کمپنی کے شیئر رجسٹر آفس میں مکمل طور پر پورا دستخط کے ساتھ موصول ہو جانا چاہیے۔

3. کوئی بھی شخص اس وقت پراکسی کے طور پر کام کرے گا جب وہ خود کمپنی کا ایک رکن ہو، ماسوائے کارپوریشن کے جو کسی ایسے شخص کا تقرر کر سکتی ہے جو کمپنی کا رکن نہ ہو۔

4. سی ڈی سی حصص یافتگان یا ان کی پراکسیوں کو اپنی شناخت ظاہر کرنے کیلئے اپنے ساتھ اصل کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ معہ پارٹیسپینٹ آئی ڈی نمبر اور اپنے اکاؤنٹ نمبر

5th floor, Trade Centre, I.I. Chundrigar Road, Karachi,
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Fax: +92 21 3263 0202
E Mail: info@biplsec.com
URL: www.biplsec.com

   [BIPLSecurities](#)

Your Trust,
Our Strength
