

**AKD SECURITIES LIMITED**  
**STATEMENT OF NET CAPITAL BALANCE AS AT**  
**31 DECEMBER 2016**

## **INDEPENDENT AUDITORS' REPORT ON STATEMENT OF NET CAPITAL BALANCE OF AKD SECURITIES LIMITED**

We have audited the accompanying Statement of Net Capital Balance of AKD Securities Limited ("the Company") together with the notes to the statements as at 31 December 2016 ("the statement"). The statement has been prepared by management based on the requirements of the Third Schedule read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules, 1971, the Securities Brokers (Licensing and Operations) Regulations, 2016 (Regulations) and further in light with the guidelines issued by the Securities and Exchange Commission of Pakistan (SECP).

### **Management's Responsibility for the Statement**

Management is responsible for the preparation of the statement in accordance with SEC Rules, 1971 and Regulations, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial information in the statement of Net Capital Balance of AKD Securities Limited as at 31 December 2016 is prepared, in all material respects, in accordance with SEC Rules, 1971 and Regulations.

**Restriction on Distribution**

The statement is prepared to assist the Company to meet the requirements of SECP in accordance with the SEC Rules, 1971 and Regulations. As a result, the statement may not be suitable for another purpose. Our report is intended solely for the Company and SECP and should not be distributed to parties other than the Company or SECP.

  
**RIAZ AHMAD & COMPANY**  
Chartered Accountants

**Engagement partner:**  
Muhammad Hamid Jan

**Dated: 05 January 2017**

**KARACHI**

**AKD SECURITIES LIMITED**  
**STATEMENT OF NET CAPITAL BALANCE**  
**AS AT 31 DECEMBER 2016**

<b>A- DESCRIPTION OF CURRENT ASSETS</b>	<b>Rupees</b>	<b>Rupees</b>
<b>Cash and bank balances</b>		
Cash in hand	515,293	
Cash at bank:		
-clients accounts	114,515,017	
-proprietary accounts	46,937,099	
Cash equivalents (Note 3)	<u>1,199,019,433</u>	1,360,986,842
<b>Trade receivable</b>		
Book value	496,367,966	
Less : Overdue for more than fourteen days	<u>(470,275,581)</u>	26,092,385
<b>Investment in listed securities</b>		
Securities on the exposure list mark to market (Note 4)	141,391,658	
Less: 15% discount	<u>(21,208,749)</u>	120,182,909
<b>Securities purchased for clients</b>		63,338,719
<b>TOTAL CURRENT ASSETS</b>	<b>A</b>	<u>1,570,600,855</u>
<b>B- DESCRIPTION OF CURRENT LIABILITIES</b>		
<b>Trade payables</b>		
Book value	1,264,100,891	
Less: Overdue for more than thirty days	<u>(761,582,925)</u>	502,517,966
Other liabilities (Note 5)		862,242,912
<b>TOTAL CURRENT LIABILITIES</b>	<b>B</b>	1,364,760,878
<b>NET CAPITAL BALANCE</b>	<b>A-B</b>	<u>205,839,977</u>

The annexed notes from 1 to 7 form an integral part of this statement.



Chief Financial Officer



Chief Executive Officer



**AKD SECURITIES LIMITED**  
**NOTES TO THE STATEMENT OF NET CAPITAL BALANCE**  
**AS AT 31 DECEMBER 2016**

**1 THE COMPANY AND ITS OPERATIONS**

AKD Securities Limited ("the Company") was incorporated as a public limited company under the Companies Ordinance, 1984 on 16 May 2007. The Company is a trading right entitlement certificate holder of Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited). The registered office of the Company is located at 602, Continental Trade Centre, Block-8, Clifton Karachi. The Company is principally engaged in the business of brokerage, financial consultancy, underwriting, and securities research.

The Company is wholly-owned subsidiary of Aqeel Karim Dhedhi Securities (Private) Limited which holds 100% shares of the Company directly and indirectly through nominee directors the beneficial ownership of which rests with the Company.

**2 STATEMENT OF COMPLIANCE**

2.1 This statement of net capital balance (here in after referred as "the statement") has been prepared and presented in accordance with requirements of the Third Schedule read with Rule 2(d) of The Securities and Exchange Commission (SEC) Rules, 1971, the Securities Brokers (Licensing and Operations) Regulations, 2016 (Regulations) and further in light of the clarifications / guidelines in respect of third schedule of Securities and Exchange Rules, 1971 issued by Securities and Exchange Commission of Pakistan vide their File No. SMD-/SSED-C&IW-(633)/2016 dated 08 September 2016.

2.2 The statement is presented in Pak Rupees, which is the Company's functional and presentation currency.

**3 CASH EQUIVALENTS**

Cash equivalents represents the balances deposited with Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited) (PSX) and National Clearing Company of Pakistan Limited (NCCPL) as margins in respect of the followings:

	<b>Rupees</b>
Ready market exposure	907,900,000
Future market exposure and profit	256,740,530
Deposits with NCCPL against Marginal Trading System (MTS)	33,653,903
Stock Index Futures Contracts (SIFC) exposure	225,000
Cash-Settled Futures (CSF) exposure	500,000
	1,199,019,433
Cash equivalents comprises of:	
Client balances	1,149,585,874
Proprietary Funds	49,433,559
	1,199,019,433

#### 4 SECURITIES ON THE EXPOSURE LIST MARK TO MARKET

Number of Shares	Security	Market Value Rupees
57,290	AKD Capital Limited	10,470,320
2,766	Golden Arrow Selected Stocks Fund Limited	38,420
11,000	Pakistan Strategic Allocation Fund	95,920
41	Pakistan Stock Market Fund	4,598
223,500	BankIslami Pakistan Limited	2,985,960
1,494,000	TRG Pakistan Limited	66,124,440
400,000	Aisha Steel Mills Limited	6,292,000
3,000,000	Engro Polymer & Chemicals Limited	55,380,000
		<u>141,391,658</u>

#### 5 OTHER LIABILITIES

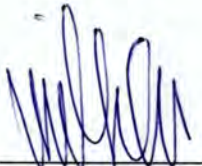
	Rupees
Current portion of long term financing	73,044,000
Current portion of liabilities against assets subject to finance lease	1,197,564
Payable to Staff Provident Fund	3,704,957
Accrued mark up on borrowings	4,660,282
Accrued expenses	2,654,206
Sindh sales tax payable	2,485,005
Withholding income tax payable	413,935
Other payables	12,500,038
Trade payables overdue more than 30 days	761,582,925
	<u>862,242,912</u>

#### 6 AUTHORIZATION OF THE STATEMENT

This statement has been duly signed by chief executive officer and chief financial officer on 05 January 2017.

#### 7 GENERAL

Figures have been rounded off to the nearest of Rupee.



Chief Financial Officer



Chief Executive Officer

