

## BROKER MANAGEMENT RATING REPORT

## AKD Securities Limited

**REPORT DATE:**

July 29, 2025

**RATING ANALYSTS:**

Shaheryar Khan Mangan

[shaheryar@vis.com.pk](mailto:shaheryar@vis.com.pk)

Rating Category	Latest Rating
Broker Management Rating	<b>BMR1</b>
	<b>Stable</b>
Rating Rationale	The rating signifies strong supervision framework, external controls, risk and compliance levels, strong customer service, HR and IT infrastructure while financial management, internal control environment; compliance and risk management and regulatory frameworks are considered sound.
Rating Date	July 29, 2025

**APPLICABLE METHDOLOGY:****Broker Management Ratings:**<https://docs.vis.com.pk/Methodologies%202024/Broker-Management.pdf>**VIS Rating Scale**<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

## COMPANY INFORMATION

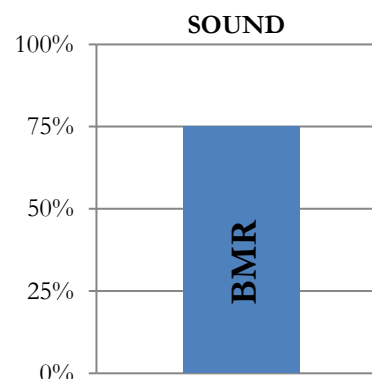
**Incorporated on May 2007****External auditors:** RSM Avas Hyder Liaquat Nauman Chartered Accountants**Public Limited Company-Listed****Chairperson of the Board:** Ms. Hina Dhedhi Junaid**Key Shareholders (with stake 5% or more):****Chief Executive Officer:** Mr. Muhammad Farid Alam

AKD Group Holdings (Pvt.) Limited ~ 95.87%

## Corporate Profile

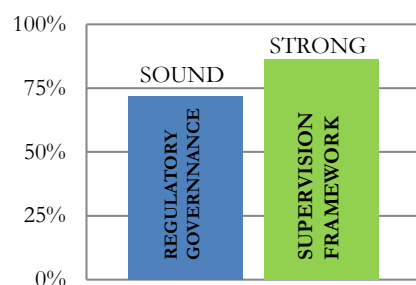
Listed on the Stock Exchange, AKD Securities Limited is licensed to operate as securities broker, consultant to the issue, and underwriter from the Securities Exchange Commission of Pakistan and holds a Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited and Membership card of Pakistan Mercantile Exchange Limited. The principal activities of the Company are brokerage of shares and/or commodities/ money market / forex trading, financial research, book building, underwriting, investments in securities/commodities, corporate advisory and consultancy services.

AKDSL is registered with Securities & Exchange Commission of Pakistan (SECP) and holds a Trading and Self-Clearing (TSC) license and Trading Rights Entitlement Certificate (TREC) granted by Pakistan Stock Exchange Limited (PSX). Moreover, the company also holds underwriting and corporate advisory licenses. External auditors of the company are RSM Avas Hyder Liaquat Nauman Chartered Accountants. External auditors from Category 'A' of State Bank of Pakistan's list of auditors



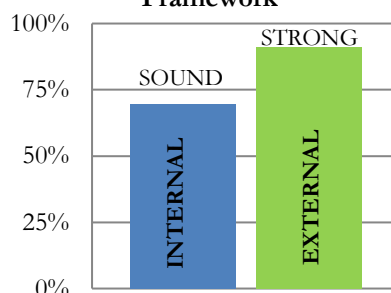
## Rating Factors Scores

### Regulatory Governance & Supervision Framework



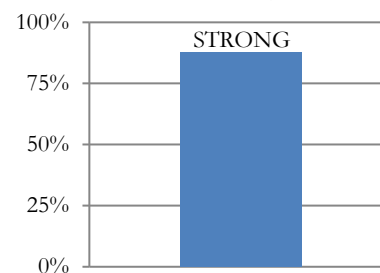
- The Company's board size commensurate with its size, with board of directors comprising seven members, with two independent and three women representations.
- Functioning of Board committees namely Audit, Investment and HR, with two of these committees headed by an independent director, provide support to the Company's governance structure.

### Internal & External Control Framework



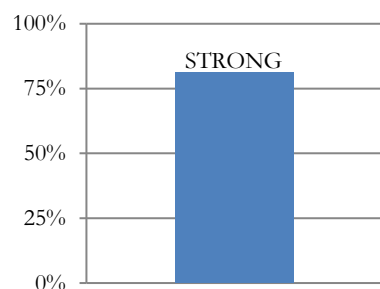
- Internal control framework of the Company is sound, supported by documented policies and procedures. However, further strengthening may be achieved by enhancing their scope and ensuring wider dissemination of these policies to all relevant stakeholders.
- External control framework of the Company is supported by strong disclosure levels.

### Client Relationship & Fairplay



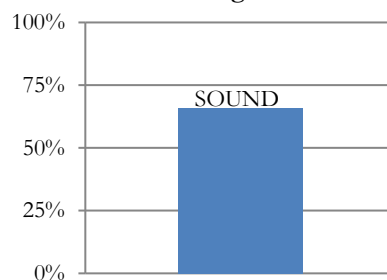
- Customer order recording and documenting systems may be further strengthened.
- Nevertheless, the Company's client servicing procedures remain strong, supported by multiple facilitation channels that ensure seamless trade execution, along with the availability of research material to assist clients in making informed investment decisions.
- The Company has its geographical presence in major cities, boding well for the Company's client services function.

### HR & Infrastructure



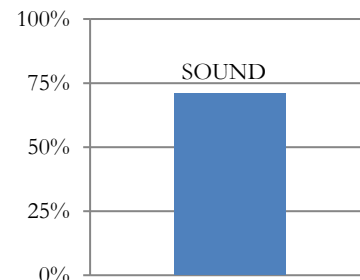
- Overall, the Company has a strong HR & IT infrastructure, with its organizational structure well aligned with the size of operations.
- While contingency measures are in place, maintaining off-site data back-ups with third party may further strengthen the same.

### Compliance & Risk Management



- The company has adequate compliance and risk management framework.
- Non-compliances highlighted by the Joint Inspection Team (JIT), along with the penalty imposed by PSX, have been noted. Going forward, ensuring compliance with all applicable regulations will remain important from a rating's perspective.

### Financial Management



- The Company's operating revenue increased during FY24 and 9MFY25, primarily driven by surge in brokerage revenue, in line with higher industry volumes, with brokerage revenue dominating the revenue mix followed by income from advisory and consultancy. The Company reported profit after tax of PKR 1,259m and PKR 2,777m in FY24 and MFY25, with profitability in 9MFY25 largely supported by unrealized gains.
- Consequently, the Company's operational efficiency depicted notable improvement, with cost-to-income ratio declining to ~36% in 9MFY25 (FY24: ~39%, FY23: ~73%).
- Market risk is considered at moderate level, with short-term investments to equity standing at ~58% as at Mar'25 (Jun'24: ~35%, Jun'23: ~46%).
- Liquidity profile of the Company is assessed as adequate.
- Capitalization profile of the Company is supported by its low debt profile, while leverage indicator stands at 1.02x as at Mar'25 (Jun'24: 0.77x, Jun'23: 1.53x).
- Going forward, maintenance of the Company's revenue growth, operational efficiency, liquidity, and capitalization profile will be important for the rating.

REGULATORY DISCLOSURES				Appendix I
Name of Rated Entity	AKD Securities Limited			
Sector	Brokerage			
Type of Relationship	Solicited			
Purpose of Rating	Broker Management Rating (BMR)			
Rating History	Rating Date	Rating	Rating Outlook	Rating Action
	RATING TYPE: BMR			
	29/07/2025	BMR1	Stable	Reaffirmed
	20/05/2024	BMR1	Stable	Reaffirmed
	02/09/2023	BMR1	Stable	Upgrade
	08/03/2022	BMR2+	Rating Watch Developing	Update
	5/12/2022	BMR2+	Rating Watch Developing	Maintained
	3/2/2021	BMR2+	Stable	Reaffirmed
	3/31/2020	BMR2+	Stable	Reaffirmed
	12/28/2018	BMR2+	Stable	Reaffirmed
	10/17/2017	BMR2+	Stable	Initial
Instrument Structure	N/A			
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on management quality only and is not a recommendation to buy or sell any securities.			
Probability of Default	N/A			
Disclaimer	Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Copyright 2025 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.			