



DECEMBER 2022 HALF YEAR ENDED

AKD SECURITIES LIMITED
Pakistan's Largest Brokerage House



AKD Securities Limited

COMPANY INTRODUCTION

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

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


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

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

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

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

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Kamal Uddin Tipu
Ayesha Aqeel Dhedhi
Afsheen Aqeel

HR & R COMMITTEE

Sikander Kasim
Muhammad Farid Alam – FCA
Ayesha Aqeel Dhedhi

CHIEF EXECUTIVE OFFICER

Muhammad Farid Alam – FCA

COMPANY SECRETARY

Mudassir Ijaz

CHIEF FINANCIAL OFFICER

Tanveer Hussain Khan

HEAD OF INTERNAL AUDIT

Intezar Ahmed

LEGAL ADVISORS

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

TAX ADVISOR

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

STATUTORY AUDITOR

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

REGISTERED OFFICE

Address: Suite # 602, 6th Floor Continental
Trade Center, Block-8, Clifton, Karachi
75600, Pakistan.
UAN: 92-21 111-253-111- 606-649
info@akdsl.com

SHARE REGISTRAR

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

CREDIT RATING

JCR-VIS Credit Rating
Company Limited

BANKERS

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

BRANCH NETWORK

serving YOU, where YOU are...

Stock Office Karachi:

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

Karachi (North Nazimabad):

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

Karachi (Bahria Town):

Office No. 601-602, 6th Floor, Building No. 141, Midway
Commercial Area (A), Bahria Town, Karachi
UAN: 92 317 1712253

Karachi (Gulshan-e-Iqbal):

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

Lahore:

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

Gujranwala:

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

Lahore:

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

Islamabad:

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

Faisalabad:

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

Islamabad:

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Blue Area, Islamabad, Pakistan
UAN: 92-51-111-222-000, Fax: (+92-51) 2272841

Peshawar:

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

Islamabad:

Office No. 609 6th Floor, ISE Towers, Jinnah
Avenue, Blue Area, Islamabad.
Tel: 92 51-2894201-5

Sialkot:

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

Rahim Yar Khan:

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

Multan:

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

DIRECTORS

REVIEW TO THE MEMBERS

On behalf of the Board of Directors of AKD Securities Limited, we are pleased to present the unaudited financial statements of the Company for the half year ended 31 December 2022.

Economic Review

Pakistan has been battling a FX liquidity crisis for the better part of the ongoing year, despite the measures taken by the Government to keep the Current Account Deficit (CAD) at a manageable level. The country ran a CAD of ~USD3.7bn, lower by 60%YoY. The lower CAD is attributable to the administrative measures taken by the government to reduce the imports, whereby the import of goods has been curtailed by 18%YoY, whereas the import of services has dropped by 30%YoY in 1HFY23.

On the fiscal front, revenue collection stood at Pkr4.7tr higher by 18.8%YoY. Of this, tax revenue collection was Pkr3.7tr, compared to Pkr3.2tr in the same period last year. The fiscal deficit for the first half stands at Pkr1.7tr, or 2% of GDP. The Primary Surplus for the half year stood at Pkr889.6bn, or 1.1% of GDP.

Headline GDP growth is expected to remain rather muted in the ongoing year, as a result of the slow-down in the economy due to the heightened interest rates and the economic losses in the aftermath of the devastating floods experienced in Aug'22. Headline inflation in 1HFY23 averaged ~25.0%, compared to 9.8% in 1HFY22. LSM during the period showed a contraction of ~3.68% during the first half of the year.

Equity Market Review

Negative momentum that was seen in 1QFY23 continued in 2QFY23, with participation remaining lackluster—evident by the drop in KSE-All Share Index's average daily traded volume to 302mn shares, as opposed to 309 mn shares in the earlier quarter. Amongst low participation, the KSE-100 index posted a return of -1.7% during the quarter, compared to a return of -1.2% recorded in 1QFY23.

The selling by Foreign Investors (FI) continued unabated during the second quarter as the net FIPI outflow clocked in at approx. USD 18mn during the period. The FI selling was absorbed by local Banks/DFIs who remained the biggest buyers in the market with a net buy of approx. USD 41mn.

Debt and Currency Market Review

The country's FX reserves continued to slide down, ending the period with ~US\$2.5bn lost to end at SBP held reserves of US\$5.6bn and total reserves of US\$10.8bn. Consequently the currency shed 0.84% from its Sep'22 closing and ended the FY at 226.5/USD. Going forward, the crisis regarding the country's depleting reserves is expected to continue given the delays in flow of funds from friendly countries and multilateral donors. The successful completion of the IMF program is compulsory for the avoidance of default against external payments due.

Owing to the rampant inflation in the country, the central bank raised its policy rate by another 100bps in November's MPC meeting. Furthermore, the bank preferred to concentrate most of the debt raised locally to the 3M T-bills. As the IMF program has hit a few bumps, along with real interest rates deep in the negative territory, hence we cannot rule out the possibility of a hike in interest rates of as much as 200bps by the end of 3QFY23.

Commodity Market Review

The outgoing quarter saw a downturn in the commodity Supercycle which started in the latter half of 2021, as average prices of commodities saw a decline on quarterly basis. Arab Light and Brent crude oil witnessed a decline of 15%QoQ and 10%QoQ respectively on the back of anticipations of a demand slow-down from China and recession fears in major economies, including the US. CRC and HRC steel prices declined by 6% and 7% when compared to average prices in 1QFY23, while Richard's bay coal prices declined by 30%QoQ to clock in at an average price of US\$227/ton vs. US\$325/ton. Fertilizer nutrients also saw a dip in global prices, with global DAP prices stumbling down 17%QoQ to clock in at US\$715/ton, although due to the severe Rupee devaluation, Pakistan could not reap the benefits of this reduction.

Operating and Financial Performance

During the half yearly ended 31 December 2022 the Company reported the following results:

	2022	2021
	----- (Rupees in '000) -----	
Profit before taxation	969,087	482,112
Taxation	(200,209)	(150,729)
Profit after taxation	768,878	331,383
Accumulated (loss) as at July 01	(576,451)	(202,222)
Accumulated profit as at December 31	192,426	129,161
	----- (Rupees) -----	
Earnings per share	1.60	3.31

During the period under review, the Company has performed well and achieved an after-tax-profit of PKR 768 million which translates into basic & diluted earnings per share of PKR 1.60.

During the six months ended 31 December 2022, the brokerage division managed to perform well and posted a total brokerage revenue of PKR 343 million (1H FY21: PKR 679 million), this is due to the significant decline in the traded values. The brokerage is mainly driven by our digital trading, retail and branch expansions.

Our Equities Portfolio managed to perform well and posted a total realized and unrealized gains of PKR 770 million. During the period, operating expenses decreased by 12% as compared to the same period last year and posted a total of PKR 498 million (1H FY21: PKR 569 million), as the Company has invested in its human resources and expanded its business and support teams, especially in the retail sector which resulted in increase in salaries and related expenses. During the said period, the financing costs remained the same although there were sharp increase in the discount rate in the comparative period, this is achieved due to considerable efforts made management in effectively & efficiently managing the Company's liquidity.

The equity of the Company as at the balance sheet date is PKR 8.01 billion (June 2022: PKR 7.30 billion), which translates into book value per share of PKR 14.50.

Future Outlook

GDP growth during the rest of the year, i.e. FY23, is expected to remain muted as a result of the economic losses of the flood and the slowdown in business activity. External pressures continue to hover, with a successful completion of the IMF's 9th review expected to unlock much-needed multilateral and bilateral flows. Weakness in the PKR is forecasted to persist due to the continuation of the external funding requirements and lead to heightened inflation readings in the near future. As a result we expect the stock market outlook to be neutral to range bound. Recent regional political developments are expected to influence investor sentiments in the short term.

Acknowledgement

The Directors wish to record their gratitude to the Company's valued clients, shareholders, business partners and other stakeholders for their continued trust that they have reposed in the Company. The Board would also like to record its appreciation to the employees of the Company for their commitment and dedication.

On behalf of the Board of Directors



Chief Executive Officer



Director

Karachi: February 27, 2023

STANDALONE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)



FOR THE HALF YEAR ENDED
DECEMBER 2022

- Condensed Interim Statement Of Financial Position
- Condensed Interim Statement Of Profit And Loss Account And Other Comprehensive Income
- Condensed Interim Cash Flow Statement
- Condensed Interim Statement Of Changes In Equity
- Notes To The Condensed Interim Financial Information



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

We have reviewed the accompanying condensed interim statement of financial position of AKD Securities Limited (Formerly BIPL Securities Limited) ("the Company") as at December 31, 2022 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarters ended December 31, 2022 and December 31, 2021 in the condensed interim profit and loss account and other comprehensive income have not been reviewed and we do not express a conclusion on them.

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

A handwritten signature in blue ink, appearing to read "Syed Naveed Abbas", followed by a horizontal line.

Chartered Accountants

Karachi

Dated: 27 FEB 2023

UDIN: RR202210239KJ8HVR6sS

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

		(Un-Audited)	(Audited)
		December 31, 2022	June 30, 2022
Note		----- Rupees -----	
ASSETS			
Non-current assets			
Property and equipment	5	1,200,910,030	327,704,829
Intangible assets	6	3,153,797,801	3,155,170,139
Long-term investments	7	216,920,787	201,869,062
Long-term loans and advances		-	341,000
Long-term deposits and prepayments	8	59,575,051	59,771,851
Deferred tax asset - net		108,917,977	98,054,672
		4,740,121,646	3,842,911,553
Current assets			
Short-term investments	9	3,408,974,867	3,533,925,197
Trade debts	10	490,403,409	327,149,658
Deposits, prepayments and other receivables	11	1,763,290,610	1,487,355,781
Loans and advances	12	944,010,047	831,462,645
Cash and bank balances	13	453,548,325	1,140,384,549
		7,060,227,258	7,320,277,830
TOTAL ASSETS		11,800,348,904	11,163,189,383
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Capital			
700,000,000 Ordinary shares of Rs. 10 each		7,000,000,000	2,000,000,000
(June 2022: 200,000,000 Ordinary shares of Rs. 10 each)			
Issued, subscribed and paid-up capital	14	5,578,341,710	1,000,000,000
Shares to be issued in accordance with scheme of merger		-	4,578,341,705
Share premium		2,302,905,878	2,302,905,878
Fair value reserve		(524,684)	(16,504,115)
General reserve		18,752,260	18,752,260
Accumulated profit / (loss)		192,426,706	(576,451,391)
		8,091,901,870	7,307,044,337
Non-current liabilities			
Long-term financing-secured	15	150,000,000	150,000,000
Lease liability	16	30,180,291	35,754,847
		180,180,291	185,754,847
Current liabilities			
Trade and other payables	17	2,648,658,919	2,633,688,361
Short term financing-secured	18	525,000,000	865,000,000
Current portion of lease liability		16,381,529	17,210,565
Unclaimed dividend		1,930,966	1,935,706
Taxation - net		314,257,738	127,733,545
Accrued mark-up		22,037,591	24,822,022
		3,528,266,743	3,670,390,199
TOTAL EQUITY AND LIABILITIES		11,800,348,904	11,163,189,383
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 25 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director




Chief Financial Officer

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

Note	Half year ended December 31,		Quarter ended December 31,		
	2022	2021	2022	2021	
	----- Rupees -----		----- Rupees -----		
Operating revenue	20	355,908,980	987,523,723	175,940,924	324,557,089
Net gain / (loss) on investments					
Gain / (loss) on sale of short term investments 'at fair value 'through profit and loss' - net		610,207,183	(586,998,915)	467,300,949	(748,795,648)
Unrealised Gain / (loss) on re-measurement of short term 'investments at fair value through profit or loss' -net		160,341,662	710,474,454	(599,823,952)	271,976,998
		770,548,845	123,475,539	(132,523,003)	(476,818,650)
Dividend income		187,001,595	40,662,498	183,258,835	28,475,304
Mark-up / profit on bank deposits and other receivables		217,750,331	106,982,998	118,112,846	40,056,376
		1,531,209,751	1,258,644,758	344,789,602	(83,729,881)
Operating and administrative expenses		(498,733,553)	(569,142,806)	(210,991,771)	(283,697,645)
Impairment on long-term investment - subsidiary		(94,372)	(92,271)	(44,417)	(46,771)
Reversal / (allowance) against expected credit loss		1,740	(147,442,801)	-	(147,643,801)
		(498,826,185)	(716,677,878)	(211,036,188)	(431,388,217)
Operating profit / (loss)		1,032,383,566	541,966,880	133,753,414	(515,118,098)
Finance cost		(69,993,578)	(64,012,873)	(26,654,209)	(39,179,399)
		962,389,988	477,954,007	107,099,205	(554,297,497)
Other income		6,697,784	4,158,340	5,694,608	(3,046,717)
Profit / (loss) before taxation for the period		969,087,772	482,112,347	112,793,813	(557,344,214)
Taxation		(200,209,670)	(150,728,867)	(36,623,317)	46,411,244
Profit / (loss) for the period		768,878,102	331,383,480	76,170,496	(510,932,970)
Other comprehensive income / (loss) for the period:					
Items that will not be reclassified subsequently to profit or loss:					
Unrealized gain / (loss) arising on re-measurement of long term investment at fair value through other comprehensive income-net		15,979,431	(71,230,582)	(4,656,217)	184,640,143
		784,857,533	260,152,898	71,514,279	(326,292,827)
		----- Rupees -----		----- Rupees -----	
Earnings / (loss) per share - basic and diluted		1.60	3.31	0.14	(5.11)

The annexed notes 1 to 25 form an integral part of these Condensed Interim Financial Information.


 Chief Executive Officer


 Director


 Chief Financial Officer

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOW (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

Note	Half year ended December 31,	
	2022	2021
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	969,087,772	482,112,347
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	34,378,446	25,637,313
Amortization	709,892	548,972
Gain on sale of short term investments 'at fair value through profit and loss' - net	(610,207,183)	586,998,915
Gain on sale of property and equipment	(6,610,193)	(30,281)
Unrealised gain on re-measurement of short term investments at fair value through profit or loss' - net	(160,341,662)	(710,474,454)
Impairment on long-term investment - subsidiary	94,372	92,271
impairment of BIPL Securities TREC	1,350,000	-
(Reversal) / provision of doubtful debts-net	(1,740)	147,442,801
Finance cost	69,993,578	64,012,873
Dividend income	(187,001,595)	(40,662,498)
	(857,636,085)	73,565,912
	111,451,687	555,678,259
Working capital adjustments:		
(Increase) / decrease in current assets		
Trade debts	(163,252,011)	(271,465,944)
Deposits, prepayments and other receivables	(275,934,829)	1,638,829,102
Loan and advances	(112,547,404)	(184,808,999)
	(551,734,244)	1,182,554,159
Increase / (decrease) in current liabilities		
Trade and other payables	14,970,545	(1,124,186,339)
	(425,312,011)	614,046,079
Finance cost paid	(69,239,190)	(44,721,079)
Income tax paid	(24,548,789)	(137,794,775)
Net cash flows (used) / generated from operating activities	(519,099,990)	431,530,225
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	896,332,527	(1,124,820,386)
Purchase of property and equipment	(909,333,372)	(13,272,045)
Purchase of intangible assets	(687,554)	(997,845)
Proceeds from disposal of property and equipment	8,359,918	30,934
Dividend received	187,001,595	40,662,498
Net cash flows generated / (used) in investing activities	181,673,114	(1,098,396,844)
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	341,000	135,983
Lease payments	(9,942,411)	(26,320,839)
Long-term deposits and prepayments	196,800	(8,724,397)
Dividend paid	(4,737)	-
Net cash flows used in financing activities	(9,409,348)	(34,909,253)
Net decrease in cash and cash equivalents	(346,836,224)	(701,775,872)
Cash and cash equivalents at the beginning of the period	275,384,549	1,572,504,750
Cash and cash equivalents at the end of the period	(71,451,675)	870,728,878
Cash and cash equivalents comprises of:		
Cash and bank balances	453,548,325	1,020,728,878
Short term financing-secured	(525,000,000)	(150,000,000)
	(71,451,675)	870,728,878

The annexed notes 1 to 25 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Share capital	Shares to be issued in accordance with scheme of merger	Share premium	Revenue reserves		Fair value reserve	Total
				General reserve	Accumulated (loss) / profit		
Note	(Rupees)						
	1,000,000,000	-	-	18,752,260	(202,222,482)	117,830,557	934,360,335
	-	-	-	-	331,383,480	-	331,383,480
	-	-	-	-	-	(71,230,582)	(71,230,582)
	1,000,000,000	-	-	18,752,260	129,160,998	46,599,975	1,194,513,233
	-	-	-	-	(50,000,000)	-	(50,000,000)
	-	-	-	-	(655,612,389)	-	(655,612,389)
	-	-	-	-	-	(63,104,090)	(63,104,090)
	-	4,578,341,705	2,302,905,878	-	-	-	6,881,247,583
	1,000,000,000	4,578,341,705	2,302,905,878	18,752,260	(576,451,391)	(16,504,115)	7,307,044,337
	-	-	-	-	768,878,102	-	768,878,102
	-	-	-	-	-	15,979,431	15,979,431
	1,000,000,000	4,578,341,705	2,302,905,878	18,752,260	192,426,711	(524,684)	8,091,901,870
14	4,578,341,710	(4,578,341,705)	-	-	(5)	-	-
	5,578,341,710	-	2,302,905,878	18,752,260	192,426,706	(524,684)	8,091,901,870

The annexed notes 1 to 25 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

1 STATUS AND NATURE OF BUSINESS

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

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

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

The branch offices are situated at;

S.NO	City	Address
1	Faisalabad	Office 3, 1st Floor, Meezan Executive Tower, Cargo Side Liaquat Road.
2	Gujranwala	81, Ground Floor, GDA Trust Plaza.
3	Islamabad	90-91, Razia Sharif Plaza, Jinnah Avenue, Blue Area.
4	Islamabad	Office # 609, 6th floor, ISE Tower, Jinnah Avenue, Blue Area.
5	Islamabad	Office 302-303, 3rd Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Blue Area.
6	Karachi	Office 529, 5th Floor Stock Exchange Building.
7	Karachi	Shop A, 2nd Floor, Measuring 2,375 Square Feet Project Known As 1.F. Plaza, Plot No.D-1, Block-D, North Nazimabad.
8	Karachi	Friends Paradise, 1st Floor, SB-36, Block No. 13D, KDA Scheme 24, Main University Road
9	Karachi	Office No. 601-602, 6th Floor, Building No. 141, Midway Commercial Area (A), Bahria Town.
10	Lahore	Office 512-513, 5th Floor, Lahore Stock Exchange Building, 19, Khayaban-e-Aiwan-e-Iqbal Road.
11	Lahore	2nd Floor Fountain Avenue Building, 64-A, Main Boulevard, Main Gulberg.
12	Multan	Ground Floor, State Life Building, Abdali Road.
13	Peshawar	1st Floor, State Life Building, 34-The Mall, Peshawar Cantt.
14	Rahim Yar Khan	Plot # 24, City Park Chowk, Model Town.
15	Sialkot	Ground Floor, City Tower, Shahab Pura Road.

- 1.2** The Company is a subsidiary of AKD Group Holdings (Pvt) Limited (the Parent), who holds 95.87%. (June 30, 2022: AKD Securities Limited 77.12%) shares of the Company.
- 1.3** A scheme of arrangement of merger ("the Merger Scheme") of AKDSL with and into the Company with effect from 01 July 2021, was approved by Board of Directors of both the companies through resolutions dated 28 September 2021. The Merger Scheme was also approved of the Company in their Extraordinary General Meeting held on 29 November 2021. Subsequently, the Merger Scheme was sanctioned by the Honourable High Court of Sindh on 03 June 2022 and it was effective on 01 July 2021 ("Effective Date"), as approved by the Company. That upon sanction of the Merger Scheme, the name of the Company has been changed to AKD Securities Limited on 22 July 2022.

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

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

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

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

- 1.4** 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 These unconsolidated condensed interim financial information of the Company for the period ended December 31, 2022 have been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of the Companies Act, 2017 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements differ, the provisions of the Companies Act, 2017 and the said directives have been followed.
- 2.2 These unconsolidated condensed interim financial information do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Company's Annual Financial Statements for the year ended June 30, 2022.
- 2.3 These unconsolidated condensed interim financial information are un-audited.

3 ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial information are consistent with those of the previous financial year except for the accounting policy for initial recognition of regular way sale and purchase of financial assets and brokerage revenue recognition as disclosed in Note 3.2. and Note 3.3.

3.2 INITIAL RECOGNITION AND MEASUREMENT OF REGULAR WAY TRANSACTIONS

The Company has changed its accounting policy for sale and purchase of financial assets from trade date to settlement date accounting.

3.3 RECOGNITION OF BROKERAGE REVENUE

The Company has changed its accounting policy for brokerage revenue recognition from trade date to settlement date accounting.

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

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

	Before change in policy	After change in policy	Impact
	-----June 30, 2022-----		
Impact on condensed Interim Statement of Financial Position			
Increase in Receivable against purchase of marketable securities	631,516,215	635,831,723	4,315,507
Increase in Trade and other payables	2,337,871,786	2,359,183,789	(21,312,003)
Decrease in Payable to National Clearing Company of Pakistan Limited	15,737,968	-	15,737,968
Net impact on condensed Interim Statement of Financial Position			(1,258,528)

Impact on condensed Interim Statement of Profit or Loss and Other Comprehensive Income

Decrease in Operating revenue	1,205,287,796	1,204,029,268	1,258,528
Increase in Loss per share - basic and diluted (Rupees)	(3.24)	(3.25)	(0.01)

Impact on condensed Interim Statement of Change in Equity

Increase in Accumulated (loss) / profit	(576,451,391)	(577,709,919)	1,258,528
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Impact on condensed Interim Statement of Profit or Loss and Other Comprehensive Income

	Before change in policy	After change in policy	Impact
	-----December 31, 2021-----		
Decrease in Operating revenue	987,523,723	985,239,661	2,284,062
Decrease in Earnings per share - basic and diluted (Rupees)	3.31	3.29	0.02

Impact on condensed Interim Statement of Change in Equity

Decrease in Accumulated (loss) / profit	129,160,998	126,876,936	2,284,062
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Impact on condensed Interim Statement of Cashflow

	June 30, 2022	December 31, 2021	
Net effect on Cash and cash equivalents at the end of the period	-	-	

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

3.5 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated condensed interim financial information requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectation of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial information are the same as

those that were applied to the financial statements as at and for the year ended June 30, 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2022

4 FUNCTIONAL AND PRESENTATION CURRENCY

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

	Note	(Un-Audited) December 31, 2022	(Audited) June 30, 2022
		----- Rupees -----	
5 PROPERTY AND EQUIPMENT			
Property and equipment	5.1	184,499,502	199,943,230
Right to use asset under IFRS 16	5.2	46,138,127	56,035,043
Advance against capital expenditure	5.3	970,272,401	71,726,556
		<u>1,200,910,030</u>	<u>327,704,829</u>
5.1 Property and equipment			
Opening		199,943,230	27,833,199
Additions during the period / year		10,787,527	60,261,515
Acquisition under merger scheme		-	157,064,638
Deletions during the period / year		(1,749,725)	(1,080,039)
Depreciation charge for the period / year		<u>(24,481,530)</u>	<u>(44,136,083)</u>
Book value at end of the period / year		<u>184,499,502</u>	<u>199,943,230</u>
5.2 Right-of-use- assets			
Opening		56,035,043	8,222,019
Additions during the period / year		-	48,417,771
Acquisition under merger scheme		-	24,224,481
Deletions during the period / year		-	(1,183,213)
Depreciation charge for the period / year		<u>(9,896,916)</u>	<u>(23,646,015)</u>
		<u>46,138,127</u>	<u>56,035,043</u>
5.3 Advance against capital expenditure			
Opening	5.3.1	71,726,556	-
Additions during the period / year		898,545,845	14,290
Acquisition under merger scheme		-	71,712,266
Transfer to PPE		-	-
		<u>970,272,401</u>	<u>71,726,556</u>
5.3.1 This represent the advance paid to Mr. Aqeel Karim Dhedhi - sponsor of the Holding Company against purchase of office premises measuring 38,322 square feet at an agreed price of Rupees 970 million. The said property will be transferred to the Company after its clearance from financial institution with which it is mortgaged by the Sponsor. The Company has not paid any rent expense during the year against possession of such premises in lieu of the above agreement.			
6 INTANGIBLE ASSETS			
Computer software	6.1	3,320,784	3,343,122
Membership and booth of PMEX		8,500,000	8,500,000
Booths at PSX		950,200	950,200
License and trademark		700,050	700,050
TREC -PSX	6.2	2,500,000	3,850,000
Good will recognized under merger scheme	6.3	3,137,826,767	3,137,826,767
		<u>3,153,797,801</u>	<u>3,155,170,139</u>
6.1 Computer software			
Opening		3,343,122	550,789
Additions during the period / year		687,554	997,845
Acquisition under merger scheme		-	3,058,798
Deletions during the period / year		-	-
Depreciation charge for the period / year		<u>(709,892)</u>	<u>(1,264,310)</u>
Book value at end of the period / year		<u>3,320,784</u>	<u>3,343,122</u>
6.2 As per the merger scheme the TREC of BIPLS has been surrendered dated August 01, 2022 and only the AKDSL TREC remains.			
6.3 Goodwill is not amortized but is tested for impairment annually or whenever indications of impairment exist. Impairment exists when the carrying amount exceeds its estimated fair value, resulting in an impairment charge for this excess, with the maximum charge limited to the carrying value of goodwill allocated. The Company can elect to qualitatively assess goodwill for impairment if it is more likely than not that the fair value exceeds its carrying value.			

		(Un-Audited)	(Audited)
	Note	December 31, 2022	June 30, 2022
		----- Rupees -----	
7 LONG-TERM INVESTMENTS			
Structured Venture (Private) Limited (Subsidiary)			
Cost	7.1	488,581,200	488,581,200
Less: Provision for impairment		(488,400,083)	(488,305,711)
		181,117	275,489
At fair value through Other Comprehensive Income			
Pakistan Stock Exchange Limited (Quoted)	7.2	1,438,000	1,438,000
Cost		11,513,860	14,960,209
Unrealized gain period / year		12,951,860	16,398,209
Al Jomaih Power Limited (Unquoted)	7.3	184,196,957	184,196,957
Cost		19,590,853	165,073
Unrealized gain period / year		203,787,810	184,362,030
New Horizon Exploration and Production Limited - (Related Party)	7.4	31,628,571	31,628,571
Cost - Class 'A' ordinary shares		(31,628,571)	(31,628,571)
Less: impairment		-	-
	7.5	-	833,334
Investment in other entity at amortized cost		216,920,787	201,869,062

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

7.2 Fair value of investment in PSX at the period ended was Rs. 8.08 per share (2022: 10.23 per share) as per quoted market price.

7.3 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 latest available net assets value of the investee Company as at June 30, 2022. The above figures are based on unaudited financial statements. The company holds 1.55% of total issued certificates of AJPL. To date company has received a return of Rs 72mn in forms of dividends and the total cost of investment is Rs 184.19mn (2022: 184.19mn).

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

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

8 LONG-TERM DEPOSITS AND PREPAYMENTS

Deposits with:

- Pakistan Stock Exchange Limited (PSX)
- National Clearing Company of Pakistan Limited (NCCPL)
- Pakistan Mercantile Exchange Limited (PMEX)
- Central Depository Company of Pakistan Limited (CDC)
- Rent deposits against rented premises
- Others

Prepayments

Expected credit loss - Rent Deposits

43,211,500	43,211,500
200,000	400,000
4,000,000	4,000,000
200,000	200,000
6,312,795	6,312,795
5,810,707	5,807,507
59,735,002	59,931,802
18,000	18,000
(177,951)	(177,951)
59,575,051	59,771,851

		(Un-Audited) December 31, 2022	(Audited) June 30, 2022
	Note	----- Rupees -----	
9 SHORT-TERM INVESTMENTS			
At fair value through profit or loss' - Quoted Equity Securities			
Carrying Value		3,245,299,872	3,730,382,069
Unrealised gain / (loss) on re-measurement of short term investments 'at fair value through profit or loss' -net		160,341,662	(199,790,205)
		3,405,641,534	3,530,591,864
Term finance certificates - Pace Pakistan Ltd.	9.1	-	-
At amortised cost'- PPTFC		3,333,333	3,333,333
		3,408,974,867	3,533,925,197
9.1 Pace Pakistan Ltd. Term Finance Certificates (Face value Rs. 5,000/- each) Amounting to Rs.18.147 Million has been fully impaired.			
10 TRADE DEBTS			
Receivable against purchase of marketable securities		788,943,589	631,516,216
Inter-bank brokerage		12,356,770	6,605,849
Receivable against consultancy, advisory & underwriting		23,656,043	23,582,326
		824,956,402	661,704,391
Less: Provision for doubtful debts		(334,552,993)	(334,554,733)
		490,403,409	327,149,658
11 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits:			
Exposure deposit with -NCCPL		1,673,359,277	1,347,174,639
Exposure deposit with -PMEX		10,116,933	9,360,839
Others		2,100,000	2,100,000
		1,685,576,210	1,358,635,478
-Impact of expected credited loss		(2,100,000)	(2,100,000)
		1,683,476,210	1,356,535,478
Prepayments		16,925,863	9,614,247
Other receivables:			
Profit on bank deposits		2,657,535	6,579,766
Receivable against margin finance		40,025,235	96,940,198
Others		30,711,882	28,192,207
		73,394,652	131,712,171
-Impact of expected credited loss		(10,506,115)	(10,506,115)
		62,888,537	121,206,056
		1,763,290,610	1,487,355,781
12 LOANS AND ADVANCES			
Advances to employees and executives	12.1	40,856,103	40,914,416
Short term loan to:			
Holding company	12.2	718,514,678	727,521,537
Creek Developers (Private) Limited	12.3	32,949,842	17,871,360
		751,464,520	745,392,897
Markup on short term loan to:			
Holding company	12.2	148,356,781	44,105,309
Creek Developers (Private) Limited	12.3	3,332,643	1,050,023
		151,689,424	45,155,332
		944,010,047	831,462,645

- | | (Un-Audited) | (Audited) |
|----------------------------------|--------------------|---------------|
| | December 31, | June 30, |
| | 2022 | 2022 |
| | ----- Rupees ----- | |
| 13 CASH AND BANK BALANCES | | |
| Company accounts | | |
| Current accounts | 19,457,492 | 12,057,891 |
| Deposits accounts | 3,658,061 | 4,473,841 |
| | 23,115,553 | 16,531,732 |
| Client accounts | | |
| Current accounts | 376,392,327 | 91,480,897 |
| Deposits accounts | 52,851,654 | 1,032,269,842 |
| | 429,243,981 | 1,123,750,739 |
| Cash in hand | 1,184,127 | 96,661 |
| Stamps in hand | 4,664 | 5,417 |
| | 453,548,325 | 1,140,384,549 |

14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

89,867,900	89,867,900	Ordinary shares of Rs. 10 each fully paid-up in cash	898,679,000	898,679,000
10,132,100	10,132,100	Ordinary shares of Rs. 10 each fully paid-up as part of the scheme of arrangement	101,321,000	101,321,000
457,834,171	-	Ordinary shares of Rs. 10 each fully paid-up as part of the scheme of merger	4,578,341,710	-
557,834,171	100,000,000		5,578,341,710	1,000,000,000

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

(Un-Audited)	(Audited)
December 31, 2022	June 30, 2022
----- Rupees -----	

15 LONG-TERM FINANCING - SECURED

BankIslami Pakistan Limited.	15.1	150,000,000	150,000,000
Al-Baraka Bank Limited- Diminishing musharakah facility	15.2	525,000,000	700,000,000
Less: Current portion		<u>(525,000,000)</u>	<u>(700,000,000)</u>
		<u>150,000,000</u>	<u>150,000,000</u>

15.1 This represents long-term financing obtained from BankIslami Pakistan Ltd on December 31, 2015. The financing is secured by way of Exclusive Charge over DM Assets along with equitable mortgage over all other commercial properties of the Company as disclosed in note 8. The financing was payable as a bullet payment in December 2020. BIPL is entitled to rental payments for use of musharakah assets. Rental payments are calculated to provide return equal to 6 months KIBOR + 3% per annum payable on quarterly basis from March 2016 till the date of bullet payment. The said financing has been rescheduled according to which company will pay off the financing as a bullet payment in December 2023, keeping other terms and conditions same.

15.2 This represents a diminishing musharakah facility obtained from Al-Baraka Bank (Pakistan) Limited (ABPL) amounting to Rupees 700 million under mark-up arrangement at the rate of 3 months KIBOR + 2% to be charged and paid on quarterly basis. The principal is repayable quarterly in 2 years including grace period of 1 year. This loan is secured against the equitable mortgage of properties of the sponsor and pledge of shares and personal guarantees of the sponsor and director.

16 LEASE LIABILITIES

Opening	52,965,412	6,943,667
Additions during the period / year	-	48,417,771
Acquisition under merger scheme	-	24,224,481
Deletions during the period / year	-	(1,183,213)
Payments made during the period / year	<u>(6,403,592)</u>	<u>(25,437,294)</u>
	46,561,820	52,965,412
Transferred to current maturity	<u>(16,381,529)</u>	<u>(17,210,565)</u>
	<u>30,180,291</u>	<u>35,754,847</u>

17 TRADE AND OTHER PAYABLES

Trade creditors	1,990,050,034	2,337,708,178
Accrued liabilities	522,225,156	168,681,757
Withholding tax	40,188,739	67,183,715
Provision for Workers' Welfare Fund - Sindh	30,111,785	10,248,830
Payable to Staff Provident Fund	8,335,536	5,496,712
Unclaimed deposits by clients	22,118,106	21,376,575
Others	35,629,562	22,992,594
	<u>2,648,658,919</u>	<u>2,633,688,361</u>

18 SHORT TERM FINANCING- SECURED

Loan from Financial Institution		-	165,000,000
Current Portion of Loan of Diminishing musharakah facility	15.2	525,000,000	700,000,000
		<u>525,000,000</u>	<u>865,000,000</u>

This represents running musharakah facility obtained from BankIslami Pakistan Ltd which is secured by way of hypothecation charge over shares / receivables equivalent to amount of financing obtained. This facility carries markup at

the rate of 1 week KIBOR plus 2% (2022: 1 week KIBOR plus 2%) per annum, payment frequency is maximum 30 days from the date of financing obtained.

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies:

19.2 There is no change in the status of contingencies as disclosed in the published annual financial statements for the year ended June 30, 2022.

19.3 Commitments:

	Note	(Un-Audited) December 31, 2022	(Audited) June 30, 2022
		----- Rupees -----	
Net-future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding		-	94,001,310
Advance against capital expenditure		-	69,986,445

	Half year ended December 31, 2022	2021	Quarter ended December 31, 2022	2021
	----- Rupees -----		----- Rupees -----	
Brokerage	343,467,232	679,644,633	171,314,663	286,157,616
Subscription research income	-	199,285	-	102,425
Financial advisory fee	2,201,323	269,145,770	-	32,182,916
Custody services	9,522,925	28,096,535	4,626,261	6,114,132
Underwriting commission	717,500	10,437,500	-	-
	355,908,980	987,523,723	175,940,924	324,557,089

20 OPERATING REVENUE

Brokerage	343,467,232	679,644,633	171,314,663	286,157,616
Subscription research income	-	199,285	-	102,425
Financial advisory fee	2,201,323	269,145,770	-	32,182,916
Custody services	9,522,925	28,096,535	4,626,261	6,114,132
Underwriting commission	717,500	10,437,500	-	-
	355,908,980	987,523,723	175,940,924	324,557,089

21 RELATED PARTY TRANSACTIONS

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

The balances with related parties as at December 31, 2022 and June 30, 2022 and transaction with related parties during the period ended December 31, 2022 and December 31, 2021 are as follows:

		(Un-Audited) December 31, 2022	(Audited) June 30, 2022
		----- Rupees -----	
Nature of related party	Balances at the reporting date		
Holding Company	Balance receivable period / year end	866,871,459	771,626,846
Other Related Parties	Net Balance receivable period / year end	28,323,454	15,098,511
Key Personnels	Balance receivable period / year end	103,278,749	2,546,474
	Balance payable period / year end	(693,912)	(85,057,226)
		(Un-Audited) December 31, 2022	December 31, 2021
		----- Rupees -----	
Nature of related party	Nature of transactions during the period		
Holding Company	Mark up accrued on loan during the period	104,251,473	7,408,493
	Brokerage income earned	-	-
Other Related Parties	Mark up accrued on loan during the period	2,282,620	3,508,038
	Brokerage earned	-	-
Key Personnels	Brokerage Earned	4,365,551	18,421,749
	Managerial Remuneration & Commission	27,087,265	35,307,265
	Meeting Fee	480,000	660,000
	Company Contribution to Provident Fund	736,416	1,234,524

22 OPERATING SEGMENTS

	December 31, 2022 (Un-Audited)				
	Brokerage	Financial Advisory	Underwriting	Other Operation	Total
Segment revenues	343,467,232	2,201,323	717,500	9,522,925	355,908,980
Net gain on investments	-	-	-	770,548,845	770,548,845
Administrative and operating expenses (other than depreciation and amortization)	(439,817,284)	(8,614,526)	(2,807,822)	(12,405,583)	(463,645,215)
Impairment on long-term investment - subsidiary	(94,372)	-	-	-	(94,372)
(Provision) / reversal against doubtful debts-net	1,740	-	-	-	1,740
Depreciation	(33,176,656)	(212,633)	(69,306)	(919,851)	(34,378,446)
Amortisation of intangible assets	(685,076)	(4,391)	(1,431)	(18,994)	(709,892)
Finance cost	(67,546,764)	(432,916)	(141,106)	(1,872,792)	(69,993,578)
	(197,851,180)	(7,063,143)	(2,302,164)	764,854,550	557,638,062
Others					411,449,710
Taxation					(200,209,670)
Profit after tax					768,878,102
Segment assets	11,599,095,687	35,607,806	11,606,021	154,039,390	11,800,348,904
Segment liabilities	3,649,149,081	10,491,609	3,419,639	45,386,705	3,708,447,034
	December 31, 2021 (Un-Audited)				
	Brokerage	Financial Advisory	Underwriting	Other Operation	Total
Segment revenues	679,644,633	269,145,770	10,437,500	28,295,820	987,523,723
Net gain on investments				123,475,539	123,475,539
Administrative and operating expenses (other than depreciation and amortization)	(457,991,410)	(66,816,463)	(2,591,148)	(15,557,500)	(542,956,521)
Impairment on long-term investment - subsidiary	(92,271)	-	-	-	(92,271)
(Provision) / reversal against doubtful debts-net	(147,442,801)	-	-	-	(147,442,801)
Depreciation	(17,644,398)	(6,987,351)	(270,970)	(734,594)	(25,637,313)
Amortisation of intangible assets	(377,820)	(149,620)	(5,802)	(15,730)	(548,972)
Finance cost	(44,055,656)	(17,446,461)	(676,576)	(1,834,180)	(64,012,873)
Sales Tax on Services					-
	12,040,277	177,745,875	6,893,004	133,629,356	330,308,511
Others					151,803,836
Taxation					(150,728,867)
Profit after tax					331,383,480
Segment assets	8,262,282,641	3,271,942,889	126,886,274	343,985,740	12,005,097,544
Segment liabilities	3,092,288,186	1,224,575,675	47,489,168	128,742,030	4,493,095,059

23 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:

23.1 Person holding more than 5% of shares

	December 31, 2022	June 30, 2022	December 31, 2022	June 30, 2022
	% of holding		Number of shares	
M/s. AKD Securities Limited	0.00%	77.12%	-	77,117,500
M/s AKD Group Holdings (Private) Limited	95.87%	0.00%	534,806,196	-
Mrs. Noor Jehan Bano	0.00%	6.55%	-	6,551,000
Mr. Mohammad Aslam Motiwala	0.00%	9.36%	-	9,360,000

23.2 During the period M/s. AKD Group Holding (Pvt) Limited 139,000/- shares sold.

23.3 As at December 31, 2022, the value of shares pledged with financial institutions amounted to Rs.1,435.33 million out of which the value of Company's shares pledged with banks amounted to Rs. 747.92 million (June 2022: 905.99 million) and the value of customer shares maintained with the company pledged with financial institution is Rs. 687.41 million (June 30, 2022:Rs. 2,927.71 million).

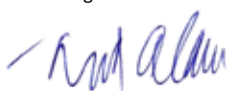
23.4 As at December 31, 2022, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.33,373 million (June 30, 2022: Rs. 38,202 million).

24 DATE OF AUTHORISATION

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Company on February 27, 2023.

25 GENERAL

25.1 Figures have been rounded off to the nearest rupees.



Chief Executive Officer



Director



Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)



FOR THE HALF YEAR ENDED
DECEMBER 2022

- Consolidated Condensed Interim Statement Of Financial Position
- Consolidated Condensed Interim Statement Of Profit And Loss Account And Other Comprehensive Income
- Consolidated Condensed Interim Cash Flow Statement
- Consolidated Condensed Interim Statement Of Changes In Equity
- Notes To The Consolidated Condensed Interim Financial Information



AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	(Un-Audited) December 31, 2022	(Audited) June 30, 2022
	----- Rupees -----	
ASSETS		
Non-current assets		
Property and equipment	1,200,910,030	327,704,829
Intangible assets	3,153,797,801	3,155,170,139
Long-term investments	216,739,670	201,593,573
Long-term loans and advances	-	341,000
Long-term deposits and prepayments	59,575,051	59,771,851
Deferred tax asset - net	108,917,977	98,054,672
	4,739,940,529	3,842,636,064
Current assets		
Short-term investments	3,408,974,867	3,533,925,197
Trade debts	490,403,409	327,149,658
Deposits, prepayments and other receivables	1,763,289,967	1,487,357,417
Loans and advances	944,010,047	831,462,645
Cash and bank balances	454,166,841	1,140,996,686
	7,060,845,131	7,320,891,603
TOTAL ASSETS	11,800,785,660	11,163,527,667
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised Capital		
700,000,000 Ordinary shares of Rs. 10 each	7,000,000,000	2,000,000,000
(June 2022: 200,000,000 Ordinary shares of Rs. 10 each)		
Issued, subscribed and paid-up capital	5,578,341,710	1,000,000,000
Shares to be issued in accordance with scheme of merger	-	4,578,341,705
Share premium	2,302,905,878	2,302,905,878
Fair value reserve	(43,895,565)	(59,874,996)
General reserve	18,752,260	18,752,260
Accumulated profit / (loss)	235,797,587	(533,080,510)
	8,091,901,870	7,307,044,337
Non-current liabilities		
Long-term financing-secured	150,000,000	150,000,000
Lease liability	30,180,291	35,754,847
	180,180,291	185,754,847
Current liabilities		
Trade and other payables	2,649,324,197	2,634,253,569
Short term financing-secured	525,000,000	865,000,000
Current portion of lease liability	16,381,529	17,210,565
Unclaimed dividend	1,930,966	1,935,706
Taxation - net	314,029,216	127,506,621
Accrued mark-up	22,037,591	24,822,022
	3,528,703,499	3,670,728,483
TOTAL EQUITY AND LIABILITIES	11,800,785,660	11,163,527,667

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 10 form an integral part of these Consolidated Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2022

	Half year ended December 31,		Quarter ended December 31,	
	2022	2021	2022	2021
	----- Rupees -----		----- Rupees -----	
Operating revenue	355,908,980	987,523,723	175,940,924	324,557,089
Net gain / (loss) on investments				
Gain / (loss) on sale of short term investments 'at fair value 'through profit and loss' - net	610,207,183	(586,998,915)	467,300,949	(748,795,648)
Unrealised Gain / (loss) on re-measurement of short term 'investments at fair value through profit or loss' -net	160,341,662	710,474,454	(599,823,952)	271,976,998
	770,548,845	123,475,539	(132,523,003)	(476,818,650)
Dividend income	187,001,595	40,662,498	183,258,835	28,475,304
Mark-up / profit on bank deposits and other receivables	217,761,309	106,990,702	118,118,464	40,060,158
	1,531,220,729	1,258,652,462	344,795,220	(83,726,099)
Operating and administrative expenses	(498,838,903)	(569,242,781)	(211,041,806)	(283,748,198)
Reversal / (allowance) against expected credit loss	1,740	(147,442,801)	-	(147,643,801)
	(498,837,163)	(716,685,582)	(211,041,806)	(431,391,999)
Operating profit / (loss)	1,032,383,566	541,966,880	133,753,414	(515,118,098)
Finance cost	(69,993,578)	(64,012,873)	(26,654,209)	(39,179,399)
	962,389,988	477,954,007	107,099,205	(554,297,497)
Other income	6,697,784	4,158,340	5,694,608	(3,046,717)
Profit / (loss) before taxation for the period	969,087,772	482,112,347	112,793,813	(557,344,214)
Taxation	(200,209,670)	(150,728,867)	(36,623,317)	46,411,244
Profit / (loss) for the period	768,878,102	331,383,480	76,170,496	(510,932,970)
Other comprehensive income / (loss) for the period:				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain / (loss) arising on re-measurement of long term investment at fair value through other comprehensive income-net	15,979,431	(71,230,582)	(4,656,217)	184,640,143
Total comprehensive income / (loss) for the period	784,857,533	260,152,898	71,514,279	(326,292,827)
	----- Rupees -----		----- Rupees -----	
Earnings / (loss) per share - basic and diluted	1.60	3.31	0.14	(5.11)

The annexed notes 1 to 10 form an integral part of these Consolidated Condensed Interim Financial Information.



Chief Executive Officer



Director




Chief Financial Officer

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOW (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Half year ended December 31,	
	2022	2021
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	969,087,772	482,112,347
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	34,378,446	25,637,313
Amortization	709,892	548,972
Gain on sale of short term investments 'at fair value through profit and loss' - net	(610,207,183)	586,998,915
Gain on sale of property and equipment	(6,610,193)	(30,281)
Unrealised gain on re-measurement of short term investments at fair value through profit or loss' - net	(160,341,662)	(710,474,454)
Impairment on long-term investment - subsidiary		
Impairment of BIPL Securities TREC	1,350,000	-
(Reversal) / provision of doubtful debts-net	(1,740)	147,442,801
Finance cost	69,993,578	64,012,873
Dividend income	(187,001,595)	(40,662,498)
	(857,730,457)	73,473,641
	111,357,315	555,585,988
Working capital adjustments:		
(Increase) / decrease in current assets		
Trade debts	(163,252,011)	(271,465,944)
Deposits, prepayments and other receivables	(275,932,550)	1,638,798,522
Loan and advances	(112,547,404)	(184,808,999)
	(551,731,965)	1,182,523,579
Increase / (decrease) in current liabilities		
Trade and other payables	15,070,615	(1,124,157,839)
	(425,304,035)	613,951,728
Finance cost paid	(69,239,190)	(44,721,079)
Income tax paid	(24,550,386)	(137,795,951)
Net cash flows (used) / generated from operating activities	(519,093,611)	431,434,698
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	896,332,527	(1,124,820,386)
Purchase of property and equipment	(909,333,372)	(13,272,045)
Purchase of intangible assets	(687,554)	(997,845)
Proceeds from disposal of property and equipment	8,359,918	30,934
Dividend received	187,001,595	40,662,498
Net cash flows generated / (used) in investing activities	181,673,114	(1,098,396,844)
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	341,000	135,983
Lease payments	(9,942,411)	(26,320,839)
Long-term deposits and prepayments	196,800	(8,724,397)
Dividend paid	(4,737)	-
Net cash flows used in financing activities	(9,409,348)	(34,909,253)
Net decrease in cash and cash equivalents	(346,829,845)	(701,871,399)
Cash and cash equivalents at the beginning of the period	275,996,686	1,573,267,962
Cash and cash equivalents at the end of the period	(70,833,159)	871,396,563
Cash and cash equivalents comprises of:		
Cash and bank balances	454,166,841	1,021,396,563
Short term financing-secured	(525,000,000)	(150,000,000)
	(70,833,159)	871,396,563

The annexed notes 1 to 10 form an integral part of these Consolidated Condensed Interim Financial Information.


 Chief Executive Officer


 Director



 Chief Financial Officer

AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

Share capital	Shares to be issued in accordance with scheme of merger	Share premium	Revenue reserves		Fair value reserve	Total
			General reserve	Accumulated (loss) / profit		
----- (Rupees) -----						
1,000,000,000	-	-	18,752,260	(158,851,601)	74,459,676	934,360,335
-	-	-	-	331,383,480	-	331,383,480
-	-	-	-	-	(71,230,582)	(71,230,582)
1,000,000,000	-	-	18,752,260	172,531,879	3,229,094	1,194,513,233
-	-	-	-	(50,000,000)	-	(50,000,000)
-	-	-	-	(655,612,389)	-	(655,612,389)
-	-	-	-	-	(63,104,090)	(63,104,090)
-	4,578,341,705	2,302,905,878	-	-	-	6,881,247,583
1,000,000,000	4,578,341,705	2,302,905,878	18,752,260	(533,080,510)	(59,874,996)	7,307,044,337
-	-	-	-	768,878,102	-	768,878,102
-	-	-	-	-	15,979,431	15,979,431
1,000,000,000	4,578,341,705	2,302,905,878	18,752,260	235,797,592	(43,895,565)	8,091,901,870
4,578,341,710	(4,578,341,705)	-	-	(5)	-	-
5,578,341,710	-	2,302,905,878	18,752,260	235,797,587	(43,895,565)	8,091,901,870

The annexed notes 1 to 10 form an integral part of these Consolidated Condensed Interim Financial Information.


Chief Executive Officer


Director


Chief Financial Officer

1 STATUS AND NATURE OF BUSINESS

The Group comprises of:

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

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

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

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

The branch offices are situated at;

S.NO	City	Address
1	Faisalabad	Office 3, 1st Floor, Meezan Executive Tower, Cargo Side Liaquat Road.
2	Gujranwala	81, Ground Floor, GDA Trust Plaza.
3	Islamabad	90-91, Razia Sharif Plaza, Jinnah Avenue, Blue Area.
4	Islamabad	Office # 609, 6th floor, ISE Tower, Jinnah Avenue, Blue Area.
5	Islamabad	Office 302-303, 3rd Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Blue Area.
6	Karachi	Office 529, 5th Floor Stock Exchange Building.
7	Karachi	Shop A, 2nd Floor, Measuring 2,375 Square Feet Project Known As 1.F. Plaza, Plot No.D-1, Block-D, North Nazimabad.
8	Karachi	Friends Paradise, 1st Floor, SB-36, Block No. 13D, KDA Scheme 24, Main University Road
9	Karachi	Office No. 601-602, 6th Floor, Building No. 141, Midway Commercial Area (A), Bahria Town.
10	Lahore	Office 512-513, 5th Floor, Lahore Stock Exchange Building, 19, Khayaban-e-Aiwan-e-Iqbal Road.
11	Lahore	2nd Floor Fountain Avenue Building, 64-A, Main Boulevard, Main Gulberg.
12	Multan	Ground Floor, State Life Building, Abdali Road.
13	Peshawar	1st Floor, State Life Building, 34-The Mall, Peshawar Cantt.
14	Rahim Yar Khan	Plot # 24, City Park Chowk, Model Town.
15	Sialkot	Ground Floor, City Tower, Shahab Pura Road.

- 1.2** The Group is a subsidiary of AKD Group Holdings (Pvt) Limited (the Ultimate Parent), who holds 95.87% (June 30, 2022: AKD Securities Limited 77.12%) shares of the Holding Company.
- 1.3** A scheme of arrangement of merger ("the Merger Scheme") of AKDSL with and into the Holding Company with effect from 01 July 2021, was approved by Board of Directors of both the companies through resolutions dated 28 September 2021. The Merger Scheme was also approved of the Holding Company in their Extraordinary General Meeting held on 29 November 2021. Subsequently, the Merger Scheme sanctioned by the Honourable High Court of Sindh on 03 June 2022 and it was effective on 01 July 2021 ("Effective Date"), as approved by the Holding Company. That upon sanction of the Merger Scheme, the name of the Holding Company has been changed to AKD Securities Limited on 22 July 2022.

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

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

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

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

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

2 BASIS OF PREPARATION

- 2.1** These consolidated condensed interim financial statements of the Group for the period ended December 31, 2022 have been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of the Companies Act, 2017 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements differ, the provisions of the Companies Act, 2017 and the said directives have been followed.
- 2.2** These consolidated condensed interim financial information do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Group's Annual Financial Statements for the year ended June 30, 2022.
- 2.3** These consolidated condensed interim financial information are un-audited.

3 ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial information are consistent with those of the previous financial year except for the accounting policy for initial recognition of regular way sale and purchase of financial assets and revenue recognition as disclosed in Note 3.2 and Note 3.3.

3.2 INITIAL RECOGNITION AND MEASUREMENT OF REGULAR WAY TRANSACTIONS

The Holding Company has changed its accounting policy for sale and purchase of financial assets from trade date to settlement date accounting.

3.3 RECOGNITION OF BROKERAGE REVENUE

The Holding Company has changed its accounting policy for brokerage revenue recognition from trade date to settlement date accounting.

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

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

	Before change in policy	After change in policy	Impact
	-----June 30, 2022-----		
Impact on condensed Interim Statement of Financial Position			
Increase in Receivable against purchase of marketable securities	631,516,215	635,831,723	4,315,507
Increase in Trade and other payables	2,337,871,786	2,359,183,789	(21,312,003)
Decrease in Payable to National Clearing Company of Pakistan Limited	15,737,968	-	15,737,968
Net impact on condensed Interim Statement of Financial Position			(1,258,528)
Impact on condensed Interim Statement of Profit or Loss and Other Comprehensive Income			
Decrease in Operating revenue	1,205,287,796	1,204,029,268	1,258,528
Increase in Loss per share - basic and diluted (Rupees)	(3.24)	(3.25)	(0.01)
Impact on condensed Interim Statement of Change in Equity			
Increase in Accumulated (loss) / profit	(533,080,510)	(531,821,982)	(1,258,528)
Impact on condensed Interim Statement of Profit or Loss and Other Comprehensive Income			
	Before change in policy	After change in policy	Impact
	-----December 31, 2022-----		
Decrease in Operating revenue	987,523,723	985,239,661	2,284,062
Decrease in Earnings per share - basic and diluted (Rupees)	3.31	3.29	0.02
Impact on condensed Interim Statement of Change in Equity			
Decrease in Accumulated (loss) / profit	172,531,879	170,247,817	2,284,062
Impact on condensed Interim Statement of Cashflow			
	June 30, 2022	December 31, 2021	
Net effect on Cash and cash equivalents at the end of the period	-	-	

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

3.5 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated condensed interim financial information requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectation of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these consolidated condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2022.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year June 30, 2022.

4 BASIS OF CONSOLIDATION

The Financial information of the subsidiary are included in the consolidated financial information from the date of the control commences until the date control ceases. In preparing consolidated financial information, the financial information of the holding 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.

5 Functional and presentation currency.

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

6 RELATED PARTY TRANSACTIONS

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

The balances with related parties as at December 31, 2022 and June 30, 2022 and transaction with related parties during their period ended December 31, 2022 and December 31, 2021 are as follows:

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		----- Rupees -----	
Relationship with the Company	Balances		
Holding Company	Balance receivable period / year end	866,871,459	771,626,846
Other Related Parties	Balance receivable period / year end	28,323,454	15,098,511
Key Personnels	Balance receivable period / year end	103,278,749	2,546,474
	Balance payable period / year end	(693,912)	(85,057,226)
		(Un-audited) December 31, 2022	December 31, 2021
		----- Rupees -----	
Relationship with the Company	Nature of transactions		
Holding Company	Mark up accrued on loan during the period	104,251,473	7,408,493
	Brokerage income earned	-	-
Other Related Parties	Mark up accrued on loan during the period	2,282,620	3,508,038
	Brokerage Earned	-	-
Key Personnels	Brokerage Earned	4,365,551	18,421,749
	Managerial Remuneration & Commission	27,087,265	35,307,265
	Meeting Fee	480,000	660,000
	Company Contribution to Provident Fund	736,416	1,234,524

7 OPERATING SEGMENTS

December 31, 2022 (Un-audited)					
	Brokerage	Financial Advisory	Underwriting	Other Operation	Total
Segment revenues	343,467,232	2,201,323	717,500	9,522,925	355,908,980
Net gain on investments	-	-	-	770,548,845	770,548,845
Administrative and operating expenses (other than depreciation and amortization)	(439,922,634)	(8,614,526)	(2,807,822)	(12,405,583)	(463,750,565)
(Provision) / reversal against doubtful debts-net	1,740	-	-	-	1,740
Depreciation	(33,176,656)	(212,633)	(69,306)	(919,851)	(34,378,446)
Amortisation of intangible assets	(685,076)	(4,391)	(1,431)	(18,994)	(709,892)
Finance cost	(67,546,764)	(432,916)	(141,106)	(1,872,792)	(69,993,578)
	(197,862,158)	(7,063,143)	(2,302,164)	764,854,549	557,627,084
Others					411,460,688
Taxation					(200,209,670)
Profit after tax					768,878,102
Segment assets	11,599,532,443	35,607,806	11,606,021	154,039,390	11,800,785,660
Segment liabilities	3,649,585,837	10,491,609	3,419,639	45,386,705	3,708,883,790

December 31, 2021 (Un-audited)					
	Brokerage	Financial Advisory	Underwriting	Other Operation	Total
Segment revenues	679,644,633	269,145,770	10,437,500	28,295,820	987,523,723
Net gain on investments	-	-	-	123,475,539	123,475,539
Administrative and operating expenses (other than depreciation and amortization)	(458,091,385)	(66,816,463)	(2,591,148)	(15,557,500)	(543,056,496)
Impairment on long-term investment - subsidiary	-	-	-	-	-
(Provision) / reversal against doubtful debts-net	(147,442,801)	-	-	-	(147,442,801)
Depreciation	(17,644,398)	(6,987,351)	(270,970)	(734,594)	(25,637,313)
Amortisation of intangible assets	(377,820)	(149,620)	(5,802)	(15,730)	(548,972)
Finance cost	(44,055,656)	(17,446,461)	(676,576)	(1,834,180)	(64,012,873)
	12,032,572	177,745,875	6,893,004	133,629,356	330,300,807
Others					151,811,540
Taxation					(150,728,867)
Profit after tax					331,383,480
Segment assets	8,262,631,454	3,271,942,889	126,886,274	343,985,740	12,005,446,357
Segment liabilities	3,092,637,555	1,224,575,675	47,489,168	128,742,030	4,493,444,428

8 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:

8.1 Person holding more than 5% of shares

	December 31, 2022	June 30, 2022	December 31, 2022	June 30, 2022
	% of holding		Number of shares	
M/s. AKD Securities Limited	0.00%	77.12%	-	77,117,500
M/s AKD Group Holdings (Private) Limited	95.87%	0.00%	534,806,196	-
Mrs. Noor Jehan Bano	0.00%	6.55%	-	6,551,000
Mr. Mohammad Aslam Motiwala	0.00%	9.36%	-	9,360,000

8.2 During the period M/s. AKD Group Holding (Pvt) Limited 139,000/- shares sold.

8.3 As at December 31, 2022, the value of shares pledged with financial institutions amounted to Rs.1,435.33 million out of which the value of Company's shares pledged with banks amounted to Rs. 747.92 million (June 2022: 905.99 million) and the value of customer shares maintained with the company pledged with financial institution is Rs. 687.41 million (June 30, 2022:Rs. 2,927.71 million).

8.4 As at December 31, 2022, the value of customer shares maintained with the Holding Company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.33,373 million (June 30, 2022: Rs. 38,202 million).

9 DATE OF AUTHORISATION

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Holding Company on February 27, 2023.

10 GENERAL

10.1 Figures have been rounded off to the nearest rupees.



Chief Executive Officer



Director



Chief Financial Officer



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