



AKD Securities Limited

NINE MONTHS ENDED MARCH 2023

AKD SECURITIES LIMITED
Pakistan's Largest Brokerage House

COMPANY INTRODUCTION

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

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

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

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

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

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

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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 Category-A

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:

90-91, Raiza Sharif Plaza, Jinnah Avenue,
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 nine months and third quarter ended on 31 March 2023.

Economic Review

Pakistan has been caught in a FX liquidity crisis lately, which led to the country's FX reserves with the Central Bank dropping to as low as US\$2.9bn. The GoP has responded to the crisis by keeping the Current Account pressures at a manageable level, with 8MFY23 CAD clocking in at US\$3.9bn vs. US\$12.1bn in the corresponding period last year. However, the administrative measures employed to attain this, have had negative impacts on the country's industrial activity, with a number of manufacturing plants halting operations. To note, Imports of goods and services have contracted by 23%YoY to US\$42.5bn in 8MFY23.

On the fiscal front, provisional data from the FBR shows that revenue collection stood at PkR5.2tr during 9MFY23, higher by 17.6%YoY. The fiscal deficit for 7MFY23 stands at PkR1.9tr, or 2.3% of GDP. The Primary Surplus for the same period stood at PkR945bn, 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 heightened interest rates and economic losses in the aftermath of the devastating floods experienced in Aug'22. Headline inflation in 9MFY23 has averaged ~27.2%, compared to 10.7% in the SPLY, with Mar'23 CPI clocking in at an unprecedented 35.4%YoY. LSM showed a contraction of ~4.4% between Jul'22 and Jan'23.

Equity Market Review

With the uncertainties regarding the political and economic outlook of the country, the participation in the market has reduced. KSE-All share index average daily traded volume dropped by 16%QoQ from 302.3mn shares in 2QFY23 to 253.7mn shares in the quarter under review. Amongst low participation, the benchmark KSE-100 index posted a return of 1.0%, compared to a negative return of 1.7% in the earlier quarter.

Following substantial selling of US\$17.6mn in the earlier quarter, foreign investors turned buyers during the outgoing quarter. This was largely concentrated in the Oil & Gas Exploration sector, wherein foreign investors bought a total of US\$11.6mn of equity securities. Mutual funds and insurance continued to sell during the quarter, with net selling of US\$47.45mn and US\$42.04mn, respectively.

Debt and Currency Market Review

FX reserves held with the SBP continued to drop during the quarter, ending the period with US\$4.2bn, as compared to US\$5.6bn at the end of Dec'22 and US\$9.8bn at the end of Jun'22. Furthermore, on the directive of the IMF, the currency was left to be market determined during the quarter, with the PKR losing 20% against the US\$ during the period. At the end of the quarter, the exchange rate stood at PkR283.7/US\$. 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 a cumulative 400bps during the quarter, over the course of two Monetary Policy meetings (Jan 24, 2023: 100bps hike and Mar 03, 2023: 30bps hike). Furthermore, the bank preferred to concentrate most of the debt raised locally to the 3M T-bills. As per the Central Bank, following the recent hikes, the real interest rates have slipped into positive territory, which may well mean that this was the last of the hikes. However, with the continuation of the external pressures on the country, we do not rule out northwards surprises in inflation readings going forward, largely driven by further weakness in the local currency.

Commodity Market Review

Commodities pared their gains during the quarter, with economic shocks around the world keeping demand outlook for commodities muted. As a result, Arab Light and Brent crude futures lost 5.8% and 7.1%, respectively, during the quarter. However, since the end of the quarter, crude oil futures have rebounded following the production cut announced by the OPEC+, which brought Arab Light above \$89/bbl. Coal futures witnessed a steep decline during the quarter, having lost 35.3% on account of warmer than expected winters this time around. On the other hand, HRC and CRC prices have traded higher, by 6.3% and 6.2%, respectively, driven by greater demand for flat-rolled steel products. Fertilizer nutrient prices saw a dip during the quarter, with international urea prices dropping by 37% over the course of the quarter, while DAP prices dropped by 21.5% during the same period.

Operating and Financial Performance

During the period of nine months ended on 31 March 2023 the Company reported the following results:

	2023	2022
	----- (Rupees in '000) -----	
Profit before taxation	911,211	251,698
Taxation	(254,790)	(27,338)
Profit after taxation	656,421	224,360
Accumulated profit as at March 31	79,970	22,137
	----- (Rupees) -----	
Earnings per share	1.29	2.24

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.

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: April 17, 2023



**STANDALONE
CONDENSED
INTERIM FINANCIAL
INFORMATION (UN-AUDITED)**

FOR THE NINE MONTHS ENDED
MARCH 31, 2023

- 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



AKD SECURITIES LIMITED (FORMERLY BIPL SECURITIES LIMITED)
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

		(Un-Audited)	(Audited)
		March 31, 2023	June 30, 2022
Note	----- Rupees -----		
ASSETS			
Non-current assets			
Property and equipment	5	1,199,296,804	327,704,829
Intangible assets	6	3,153,484,569	3,155,170,139
Long-term investments	7	269,030,363	201,869,063
Long-term loans and advances		-	341,000
Long-term deposits and prepayments	8	39,279,051	59,771,851
Deferred tax asset - net		138,825,209	98,054,672
		<u>4,799,915,996</u>	<u>3,842,911,553</u>
Current assets			
Short-term investments	9	3,144,842,597	3,533,925,197
Trade debts	10	437,892,820	327,149,658
Deposits, prepayments and other receivables	11	1,303,160,083	1,487,355,781
Loans and advances	12	637,221,855	831,462,645
Cash and bank balances	13	1,162,431,437	1,140,384,549
		<u>6,685,548,792</u>	<u>7,320,277,830</u>
TOTAL ASSETS		<u>11,485,464,788</u>	<u>11,163,189,383</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Capital			
700,000,000 Ordinary shares of Rs. 10 each		<u>7,000,000,000</u>	<u>2,000,000,000</u>
(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		51,629,191	(16,504,115)
General reserve		18,752,260	18,752,260
Accumulated profit / (loss)		79,969,692	(576,451,391)
		<u>8,031,598,731</u>	<u>7,307,044,337</u>
Non-current liabilities			
Long-term financing-secured	15	-	150,000,000
Lease liability	16	28,075,085	35,754,847
		<u>28,075,085</u>	<u>185,754,847</u>
Current liabilities			
Trade and other payables	17	2,586,908,531	2,633,688,361
Short term financing-secured	18	500,000,000	865,000,000
Current portion of lease liability		15,556,547	17,210,565
Unclaimed dividend		1,928,250	1,935,706
Taxation - net		312,804,102	127,733,545
Accrued mark-up		8,593,542	24,822,022
		<u>3,425,790,972</u>	<u>3,670,390,199</u>
TOTAL EQUITY AND LIABILITIES		<u>11,485,464,788</u>	<u>11,163,189,383</u>
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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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

	Note	Nine Months ended March 31,		Quarter ended March 31,	
		2023	2022	2023	2022
		----- Rupees -----		----- Rupees -----	
Operating revenue	20	530,740,251	1,265,939,883	174,831,271	278,416,160
Net gain / (loss) on investments					
Gain / (loss) on sale of short term investments 'at fair value 'through profit and loss' - net		605,538,452	(593,617,712)	(4,668,731)	(6,618,797)
Unrealised Gain / (loss) on re-measurement of short term 'investments at fair value through profit or loss' -net		55,178,836	193,153,433	(105,162,826)	(517,321,021)
		660,717,288	(400,464,279)	(109,831,557)	(523,939,818)
Dividend income		190,069,595	42,532,498	3,068,000	1,870,000
Mark-up / profit on bank deposits and other receivables		303,279,650	161,762,873	85,529,318	54,779,875
		1,684,806,784	1,069,770,975	153,597,032	(188,873,783)
Operating and administrative expenses		(677,257,977)	(754,274,914)	(178,524,424)	(185,132,107)
Impairment on long-term investment - subsidiary		(138,671)	(138,356)	(44,299)	(46,085)
Reversal / (allowance) against expected credit loss		1,740	(279,875)	-	147,162,925
		(677,394,908)	(754,693,145)	(178,568,723)	(38,015,267)
Operating profit / (loss)		1,007,411,876	315,077,830	(24,971,691)	(226,889,050)
Finance cost		(103,442,419)	(68,115,384)	(33,448,841)	(4,102,511)
		903,969,457	246,962,446	(58,420,532)	(230,991,561)
Other income		7,241,436	4,735,154	543,651	576,814
Profit / (loss) before taxation for the period		911,210,893	251,697,600	(57,876,881)	(230,414,747)
Taxation		(254,789,804)	(27,338,052)	(54,580,134)	123,390,815
Profit / (loss) for the period		656,421,089	224,359,548	(112,457,015)	(107,023,932)
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		68,133,306	(98,345,109)	52,153,875	(27,114,527)
		724,554,395	126,014,439	(60,303,140)	(134,138,459)
		----- Rupees -----		----- Rupees -----	
Earnings / (loss) per share - basic and diluted		1.29	2.24	(0.20)	(1.07)

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 NINE MONTHS ENDED MARCH 31, 2023

	Nine Months ended March 31,	
	2023	2022
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	911,210,893	251,697,600
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	41,113,601	44,962,120
Amortization	1,023,124	940,163
Gain / (loss) on sale of short term investments 'at fair value through profit and loss' - net	(605,538,452)	593,617,860
Gain on sale of property and equipment	(6,924,908)	(30,281)
Unrealised gain on re-measurement of short term investments at fair value through profit or loss' - net	(55,178,836)	(193,153,433)
Impairment on long-term investment - subsidiary	138,671	138,356
impairment of BIPL Securities TREC	1,350,000	-
(Reversal) / provision of doubtful debts-net	(1,740)	279,875
Finance cost	103,442,419	68,115,221
Dividend income	(190,069,595)	(42,532,498)
	<u>710,645,716</u>	<u>472,337,382</u>
	200,565,177	724,034,982
Working capital adjustments:		
(Increase) / decrease in current assets		
Trade debts	(105,014,176)	(376,441,844)
Deposits, prepayments and other receivables	184,195,697	1,897,018,114
Loan and advances	194,240,788	(496,306,705)
	<u>273,422,309</u>	<u>1,024,269,565</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(52,507,092)	(1,160,118,533)
	<u>421,480,394</u>	<u>588,186,014</u>
Finance cost paid	(114,732,663)	(52,994,792)
Income tax paid	(110,489,791)	(49,493,975)
Net cash flows (used) / generated from operating activities	<u>196,257,940</u>	<u>485,697,247</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	1,050,633,242	(1,118,010,835)
Purchase of property and equipment	(915,701,106)	(18,299,995)
Purchase of intangible assets	(687,554)	(997,845)
Proceeds from disposal of property and equipment	9,920,439	30,934
Dividend received	190,069,595	42,532,498
Net cash flows generated / (used) in investing activities	<u>334,234,616</u>	<u>(1,094,745,243)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	341,000	102,583
Lease payments	(14,272,015)	(13,427,225)
Long-term deposits and prepayments	20,492,800	(9,524,527)
Dividend paid	(7,453)	-
Net cash flows used in financing activities	<u>6,554,332</u>	<u>(22,849,169)</u>
Net decrease in cash and cash equivalents	<u>537,046,888</u>	<u>(631,897,165)</u>
Cash and cash equivalents at the beginning of the period	125,384,549	1,572,504,750
Cash and cash equivalents at the end of the period	<u>662,431,437</u>	<u>940,607,585</u>
Cash and cash equivalents comprises of:		
Cash and bank balances	1,162,431,437	940,607,585
Short term financing-secured	(500,000,000)	-
	<u>662,431,437</u>	<u>940,607,585</u>

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 NINE MONTHS ENDED MARCH 31, 2023

	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)-----						
Balance as at July 01, 2021	1,000,000,000	-	-	18,752,260	(202,222,482)	117,830,557	934,360,335
Profit for the nine months ended March 31, 2022	-	-	-	-	224,359,548	-	224,359,548
Other comprehensive loss for the period	-	-	-	-	-	(98,345,109)	(98,345,109)
Balance as at March 31, 2022	1,000,000,000	-	-	18,752,260	22,137,066	19,485,448	1,060,374,774
Dividend paid during the period	-	-	-	-	(50,000,000)	-	(50,000,000)
Loss for the quarter ended June 30, 2022	-	-	-	-	(548,588,457)	-	(548,588,457)
Other comprehensive loss for the period	-	-	-	-	-	(35,989,563)	(35,989,563)
Shares to be issued in accordance of scheme of merger	-	4,578,341,705	2,302,905,878	-	-	-	6,881,247,583
Balance as at June 30, 2022	1,000,000,000	4,578,341,705	2,302,905,878	18,752,260	(576,451,391)	(16,504,115)	7,307,044,337
Profit for the nine months ended March 31, 2023	-	-	-	-	656,421,089	-	656,421,089
Other comprehensive income for the period	-	-	-	-	-	68,133,306	68,133,306
	1,000,000,000	4,578,341,705	2,302,905,878	18,752,260	79,969,697	51,629,191	8,031,598,731
Shares issued in accordance of scheme of merger	14	4,578,341,710	(4,578,341,705)	-	-	(5)	-
Balance as at March 31, 2023	5,578,341,710	-	2,302,905,878	18,752,260	79,969,692	51,629,191	8,031,598,731

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 NINE MONTHS ENDED MARCH 31, 2023**

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 March 31, 2023 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
Impact on condensed Interim Statement of Profit or Loss and Other Comprehensive Income			
	Before change in policy	After change in policy	Impact
	-----March 31, 2022-----		
Decrease in Operating revenue	1,265,939,883	1,264,611,133	1,328,750
Decrease in Earnings per share - basic and diluted (Rupees)	2.24	2.23	0.01
Impact on condensed Interim Statement of Change in Equity			
Decrease in Accumulated (loss) / profit	22,137,066	20,808,316	1,328,750
Impact on condensed Interim Statement of Cashflow			
	June 30, 2022	March 31, 2022	
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.

		(Un-Audited)	(Audited)
	Note	March 31, 2023	June 30, 2022
----- Rupees -----			
5 PROPERTY AND EQUIPMENT			
Property and equipment	5.1	186,808,735	199,943,230
Right to use asset under IFRS 16	5.2	42,215,668	56,035,043
Advance against capital expenditure	5.3	970,272,401	71,726,556
		<u>1,199,296,804</u>	<u>327,704,829</u>
5.1 Property and equipment			
Opening		199,943,230	27,833,199
Additions during the period / year		11,845,596	60,261,515
Acquisition under merger scheme		-	157,064,638
Deletions during the period / year		(2,995,530)	(1,080,039)
Depreciation charge for the period / year		(21,984,561)	(44,136,083)
Book value at end of the period / year		<u>186,808,735</u>	<u>199,943,230</u>
5.2 Right-of-use- assets			
Opening		56,035,043	8,222,019
Additions during the period / year		5,309,665	48,417,771
Acquisition under merger scheme		-	24,224,481
Deletions during the period / year		-	(1,183,213)
Depreciation charge for the period / year		(19,129,040)	(23,646,015)
		<u>42,215,668</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	3,007,552	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>3,153,484,569</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		(1,023,124)	(1,264,310)
Book value at end of the period / year		<u>3,007,552</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	March 31, 2023	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		(488,444,382)	(488,305,711)
		136,818	275,489
At fair value through Other Comprehensive Income			
Pakistan Stock Exchange Limited (Quoted)			
Cost	7.2	1,438,000	1,438,000
Unrealized gain period / year		12,042,835	14,960,209
		13,480,835	16,398,209
Al Jomaih Power Limited (Unquoted)			
Cost	7.3	184,196,957	184,196,957
Unrealized gain period / year		71,215,753	165,073
		255,412,710	184,362,030
New Horizon Exploration and Production Limited - (Related Party)			
Cost - Class 'A' ordinary shares	7.4	31,628,571	31,628,571
Less: impairment		(31,628,571)	(31,628,571)
		-	-
Investment in other entity at amortized cost	7.5	-	833,334
		269,030,363	201,869,063

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. 8.41 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)	21,611,500	43,211,500
- National Clearing Company of Pakistan Limited (NCCPL)	-	400,000
- Pakistan Mercantile Exchange Limited (PMEX)	4,000,000	4,000,000
- Central Depository Company of Pakistan Limited (CDC)	200,000	200,000
- Rent deposits against rented premises	6,312,795	6,312,795
- Others	7,314,707	5,807,507
	39,439,002	59,931,802
Prepayments	18,000	18,000
Expected credit loss - Rent Deposits	(177,951)	(177,951)
	39,279,051	59,771,851

	(Un-Audited)	(Audited)
Note	March 31, 2023	June 30, 2022
	----- Rupees -----	
9 SHORT-TERM INVESTMENTS		
At fair value through profit or loss' - Quoted Equity Securities		
Carrying Value	3,086,330,428	3,730,382,069
Unrealised gain / (loss) on re-measurement of short term investments 'at fair value through profit or loss' -net	55,178,836	(199,790,205)
	3,141,509,264	3,530,591,864
Term finance certificates - Pace Pakistan Ltd.		
At amortised cost'- PPTFC	3,333,333	3,333,333
	3,144,842,597	3,533,925,197
9.1	-	-
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	736,461,811	631,516,216
Inter-bank brokerage	12,079,497	6,605,849
Receivable against consultancy, advisory & underwriting	23,904,505	23,582,326
	772,445,813	661,704,391
Less: Provision for doubtful debts	(334,552,993)	(334,554,733)
	437,892,820	327,149,658
11 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Deposits:		
Exposure deposit with -NCCPL	1,232,892,515	1,347,174,639
Exposure deposit with -PMEX	11,139,886	9,360,839
Others	2,100,000	2,100,000
	1,246,132,401	1,358,635,478
-Impact of expected credited loss	(2,100,000)	(2,100,000)
	1,244,032,401	1,356,535,478
Prepayments	17,524,004	9,614,247
Other receivables:		
Profit on bank deposits	1,600,622	6,579,766
Receivable against margin finance	26,541,302	96,940,198
Others	23,967,869	28,192,207
	52,109,793	131,712,171
-Impact of expected credited loss	(10,506,115)	(10,506,115)
	41,603,678	121,206,056
	1,303,160,083	1,487,355,781
12 LOANS AND ADVANCES		
Advances to employees and executives	44,624,810	40,914,416
Short term loan to:		
Holding company	352,169,236	727,521,537
Creek Developers (Private) Limited	36,504,379	17,871,360
	388,673,615	745,392,897
Markup on short term loan to:		
Holding company	199,059,549	44,105,309
Creek Developers (Private) Limited	4,863,881	1,050,023
	203,923,430	45,155,332
	637,221,855	831,462,645

- 12.1 These represent interest free loans to executives and staff for the purchase of vehicles and for other purposes in accordance with the terms of employment repayable over a year through deduction from salaries. These loans are secured against commission payable and balance of respective employees in Staff Provident Fund of respective employees.
- 12.2 The Company has reclassified its balance receivable from holding company to short term loan receivable on demand under the authority of a special resolution passed in extra ordinary general meeting of the Company held on 28 November 2015 whereby it was resolved that the Company may lend its surplus funds to Aqeel Karim Dhedhi Securities (Private) Limited (Holding Company). Mark-up on outstanding balance of such loan is 6MK+2% per annum receivable six monthly in arrears.
- 12.3 This represents loan provided to Creek Developers Private Limited (a related party) on request and is receivable on demand. This carries Mark-up on outstanding balance of 6MK+2% per annum payable six monthly in arrears.

	(Un-Audited) March 31, 2023	(Audited) June 30, 2022
	----- Rupees -----	
13 CASH AND BANK BALANCES		
Company accounts		
Current accounts	12,253,959	12,057,891
Deposits accounts	7,803,787	4,473,841
	20,057,746	16,531,732
Client accounts		
Current accounts	1,101,520,997	91,480,897
Deposits accounts	40,279,764	1,032,269,842
	1,141,800,761	1,123,750,739
Cash in hand	568,266	96,661
Stamps in hand	4,664	5,417
	1,162,431,437	1,140,384,549

- 13.1 These carry profit at rates ranging from 3.4% to 15.5% (June 30, 2022: 2.14% to 13%) per annum.

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.

	Note	(Un-Audited)	(Audited)
		March 31, 2023	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	350,000,000	700,000,000
Less: Current portion		<u>(500,000,000)</u>	<u>(700,000,000)</u>
		<u>-</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 5. The financing was payable as a bullet payment in December 2020. BIPL is entitled to rental payments for use of musharakah assets. Rental payments are calculated to provide return equal to 3 months KIBOR + 3% per annum payable on quarterly basis from March 2016 till the date of bullet payment. The said financing has been rescheduled according to which company will pay off the financing as a bullet payment in December 2023, keeping other terms and conditions same.

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	5,309,665	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>(14,643,445)</u>	<u>(25,437,294)</u>
	<u>43,631,632</u>	<u>52,965,412</u>
Transferred to current maturity	<u>(15,556,547)</u>	<u>(17,210,565)</u>
	<u>28,075,085</u>	<u>35,754,847</u>

17 TRADE AND OTHER PAYABLES

Trade creditors	2,255,997,150	2,337,708,178
Accrued liabilities	204,695,558	168,681,757
Withholding tax	37,877,625	67,183,715
Provision for Workers' Welfare Fund - Sindh	29,122,953	10,248,830
Payable to Staff Provident Fund	9,586,604	5,496,712
Unclaimed deposits by clients	22,118,106	21,376,575
Others	27,510,535	22,992,594
	<u>2,586,908,531</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	15.1 & 15.2	500,000,000	700,000,000
		<u>500,000,000</u>	<u>865,000,000</u>

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)	(Audited)
		March 31, 2023	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

	Nine Months ended March 31,		Quarter ended March 31,		
	2023	2022	2023	2022	
		----- Rupees -----		----- Rupees -----	
20 OPERATING REVENUE					
Brokerage	488,822,896	900,250,679	145,355,664	220,606,046	
Subscription research income	-	199,285	-	-	
Financial advisory fee	11,574,411	289,845,770	9,373,088	20,700,000	
Custody services	13,159,238	35,604,470	3,636,313	7,507,935	
Underwriting commission	17,183,706	40,039,679	16,466,206	29,602,179	
	530,740,251	1,265,939,883	174,831,271	278,416,160	

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 March 31, 2023 and June 30, 2022 and transaction with related parties during their period ended March 31, 2023 and March 31, 2022 are as follows:

Nature of related party	Balances at the reporting date	(Un-Audited)	(Audited)
		March 31, 2023	June 30, 2022
		----- Rupees -----	
Holding Company	Balance receivable period / year end	551,228,785	771,626,846
Other Related Parties	Net Balance receivable period / year end	33,274,490	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)	
		March 31, 2023	March 31, 2022
		----- Rupees -----	
Holding Company	Nature of transactions during the period		
	Mark up accrued on loan during the period	154,954,241	7,408,493
	Brokerage income earned	-	-
Other Related Parties	Mark up accrued on loan during the period	3,813,858	3,508,038
	Brokerage earned	-	-
Key Personnels	Brokerage Earned	9,022,434	18,421,749
	Managerial Remuneration & Commission	40,630,898	52,960,898
	Meeting Fee	660,000	840,000
	Company Contribution to Provident Fund	1,104,624	1,851,786

22 OPERATING SEGMENTS

	March 31, 2023 (Un-Audited)				
	Brokerage	Financial Advisory	Underwriting	Other Operation	Total
Segment revenues	488,822,896	11,574,411	17,183,706	13,159,238	530,740,251
Net gain on investments	-	-	-	660,717,288	660,717,288
Administrative and operating expenses (other than depreciation and amortization)	(595,645,813)	(10,827,798)	(12,900,368)	(15,747,273)	(635,121,252)
Impairment on long-term investment - subsidiary (Provision) / reversal against doubtful debts-net	-	-	-	(138,671)	(138,671)
Depreciation	1,740	-	-	-	1,740
Amortisation of intangible assets	(37,866,488)	(896,608)	(1,331,130)	(1,019,375)	(41,113,601)
Finance cost	(942,319)	(22,312)	(33,126)	(25,367)	(1,023,124)
	(95,272,635)	(2,255,878)	(3,349,142)	(2,564,764)	(103,442,419)
	(240,902,619)	(2,428,185)	(430,059)	654,381,076	410,620,213
Others					500,590,680
Taxation					(254,789,804)
Profit after tax					656,421,089
Segment assets	<u>11,051,144,998</u>	<u>119,926,359</u>	<u>178,046,148</u>	<u>136,347,283</u>	<u>11,485,464,788</u>
Segment liabilities	<u>3,361,006,389</u>	<u>25,640,835</u>	<u>38,067,126</u>	<u>29,151,707</u>	<u>3,453,866,057</u>
	March 31, 2022 (Un-Audited)				
	Brokerage	Financial Advisory	Underwriting	Other Operation	Total
Segment revenues	900,250,679	289,845,770	40,039,679	35,803,755	1,265,939,883
Net gain on investments	-	-	-	(400,464,279)	(400,464,279)
Administrative and operating expenses (other than depreciation and amortization)	(597,552,987)	(79,766,193)	(11,019,008)	(20,034,443)	(708,372,631)
Impairment on long-term investment - subsidiary (Provision) / reversal against doubtful debts-net	-	-	-	(138,356)	(138,356)
Depreciation	(279,875)	-	-	-	(279,875)
Amortisation of intangible assets	(31,974,013)	(10,294,391)	(1,422,081)	(1,271,635)	(44,962,120)
Finance cost	(668,580)	(215,257)	(29,736)	(26,590)	(940,163)
Sales Tax on Services	(48,439,046)	(15,595,493)	(2,154,382)	(1,926,463)	(68,115,384)
	221,336,177	183,974,436	25,414,472	(388,058,011)	42,667,075
Others					209,030,525
Taxation					(27,338,052)
Profit after tax					224,359,548
Segment assets	<u>8,598,110,855</u>	<u>2,768,257,909</u>	<u>382,410,818</u>	<u>341,954,371</u>	<u>12,090,733,953</u>
Segment liabilities	<u>2,991,559,206</u>	<u>963,165,929</u>	<u>133,053,019</u>	<u>118,976,920</u>	<u>4,206,755,074</u>

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

	March 31, 2023	June 30,2022	March 31, 2023	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 March 31, 2023, the value of shares pledged with financial institutions amounted to Rs.1,197.48 million out of which the value of Company's shares pledged with banks amounted to Rs. 733.01 million (June 2022: 905.99 million) and the value of customer shares maintained with the company pledged with financial institution is Rs. 464.47 million (June 30, 2022:Rs. 2,927.71 million).

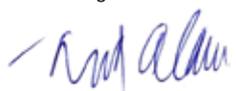
23.4 As at March 31, 2023, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.35,589 million (June 30, 2022: Rs. 38,202 million).

24 DATE OF AUTHORISATION

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Company on April 17, 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 NINE MONTHS ENDED
MARCH 31, 2023

- 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 MARCH 31, 2023

	(Un-Audited)	(Audited)
	March 31, 2023	June 30, 2022
	----- Rupees -----	
ASSETS		
Non-current assets		
Property and equipment	1,199,296,804	327,704,829
Intangible assets	3,153,484,569	3,155,170,139
Long-term investments	268,893,545	201,593,573
Long-term loans and advances	-	341,000
Long-term deposits and prepayments	39,279,051	59,771,851
Deferred tax asset - net	138,825,209	98,054,672
	<u>4,799,779,178</u>	<u>3,842,636,064</u>
Current assets		
Short-term investments	3,144,842,597	3,533,925,197
Trade debts	437,892,820	327,149,658
Deposits, prepayments and other receivables	1,303,159,342	1,487,357,417
Loans and advances	637,221,855	831,462,645
Cash and bank balances	1,163,054,913	1,140,996,686
	<u>6,686,171,527</u>	<u>7,320,891,603</u>
TOTAL ASSETS	<u>11,485,950,705</u>	<u>11,163,527,667</u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised Capital		
700,000,000 Ordinary shares of Rs. 10 each	<u>7,000,000,000</u>	<u>2,000,000,000</u>
(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	8,258,310	(59,874,996)
General reserve	18,752,260	18,752,260
Accumulated profit / (loss)	123,340,573	(533,080,510)
	<u>8,031,598,731</u>	<u>7,307,044,337</u>
Non-current liabilities		
Long-term financing-secured	-	150,000,000
Lease liability	28,075,085	35,754,847
	<u>28,075,085</u>	<u>185,754,847</u>
Current liabilities		
Trade and other payables	2,587,623,845	2,634,253,569
Short term financing-secured	500,000,000	865,000,000
Current portion of lease liability	15,556,547	17,210,565
Unclaimed dividend	1,928,250	1,935,706
Taxation - net	312,574,705	127,506,621
Accrued mark-up	8,593,542	24,822,022
	<u>3,426,276,889</u>	<u>3,670,728,483</u>
TOTAL EQUITY AND LIABILITIES	<u>11,485,950,705</u>	<u>11,163,527,667</u>

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 NINE MONTHS AND QUARTER ENDED MARCH 31, 2023

	Nine Months ended March 31,		Quarter ended March 31,	
	2023	2022	2023	2022
	----- Rupees -----		----- Rupees -----	
Operating revenue	530,740,251	1,265,939,883	174,831,271	278,416,160
Net gain / (loss) on investments				
Gain / (loss) on sale of short term investments 'at fair value 'through profit and loss' - net	605,538,452	(593,617,712)	(4,668,731)	(6,618,797)
Unrealised gain / (loss) on re-measurement of short term 'investments at fair value through profit or loss' -net	55,178,836	193,153,433	(105,162,826)	(517,321,021)
	660,717,288	(400,464,279)	(109,831,557)	(523,939,818)
Dividend income	190,069,595	42,532,498	3,068,000	1,870,000
Mark-up / profit on bank deposits and other receivables	303,296,364	161,775,122	85,535,055	54,784,420
	1,684,823,498	1,069,783,224	153,602,769	(188,869,238)
Operating and administrative expenses	(677,413,362)	(754,425,519)	(178,574,460)	(185,182,737)
Reversal / (allowance) against expected credit loss	1,740	(279,875)	-	147,162,925
	(677,411,622)	(754,705,394)	(178,574,460)	(38,019,812)
Operating profit / (loss)	1,007,411,876	315,077,830	(24,971,691)	(226,889,050)
Finance cost	(103,442,419)	(68,115,384)	(33,448,841)	(4,102,511)
	903,969,457	246,962,446	(58,420,532)	(230,991,561)
Other income	7,241,436	4,735,154	543,651	576,814
Profit / (loss) before taxation for the period	911,210,893	251,697,600	(57,876,881)	(230,414,747)
Taxation	(254,789,804)	(27,338,052)	(54,580,134)	123,390,815
Profit / (loss) for the period	656,421,089	224,359,548	(112,457,015)	(107,023,932)
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	68,133,306	(98,345,109)	52,153,875	(27,114,527)
Total comprehensive income / (loss) for the period	724,554,395	126,014,439	(60,303,140)	(134,138,459)
	----- Rupees -----		----- Rupees -----	
Earnings / (loss) per share - basic and diluted	1.29	2.24	(0.20)	(1.07)

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 NINE MONTHS ENDED MARCH 31, 2023

	Nine Months ended March 31,	
	2023	2022
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	911,210,893	251,697,600
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	41,113,601	44,962,120
Amortization	1,023,124	940,163
Gain on sale of short term investments 'at fair value through profit and loss' - net	(605,538,452)	593,617,860
Gain on sale of property and equipment	(6,924,908)	(30,281)
Unrealised gain on re-measurement of short term investments at fair value through profit or loss' - net	(55,178,836)	(193,153,433)
Impairment on long-term investment - subsidiary		
Impairment of BIPL Securities TREC	1,350,000	-
(Reversal) / provision of doubtful debts-net	(1,740)	279,875
Finance cost	103,442,419	68,115,221
Dividend income	(190,069,595)	(42,532,498)
	<u>(710,784,387)</u>	<u>472,199,026</u>
	200,426,506	723,896,626
Working capital adjustments:		
(Increase) / decrease in current assets		
Trade debts	(105,014,176)	(376,441,844)
Deposits, prepayments and other receivables	184,198,074	1,897,013,793
Loan and advances	194,240,788	(496,306,705)
	<u>273,424,686</u>	<u>1,024,265,244</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(52,356,986)	(1,160,066,369)
	<u>421,494,206</u>	<u>588,095,501</u>
Finance cost paid	(114,732,663)	(52,994,792)
Income tax paid	(110,492,264)	(49,495,789)
Net cash flows (used) / generated from operating activities	<u>196,269,279</u>	<u>485,604,920</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	1,050,633,242	(1,118,010,835)
Purchase of property and equipment	(915,701,106)	(18,299,995)
Purchase of intangible assets	(687,554)	(997,845)
Proceeds from disposal of property and equipment	9,920,439	30,934
Dividend received	190,069,595	42,532,498
Net cash flows generated / (used) in investing activities	<u>334,234,616</u>	<u>(1,094,745,243)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	341,000	102,583
Lease payments	(14,272,015)	(13,427,225)
Long-term deposits and prepayments	20,492,800	(9,524,527)
Dividend paid	(7,453)	-
Net cash flows used in financing activities	<u>6,554,332</u>	<u>(22,849,169)</u>
Net decrease in cash and cash equivalents	<u>537,058,227</u>	<u>(631,989,492)</u>
Cash and cash equivalents at the beginning of the period	125,996,686	1,573,267,962
Cash and cash equivalents at the end of the period	<u>663,054,913</u>	<u>941,278,470</u>
Cash and cash equivalents comprises of:		
Cash and bank balances	1,163,054,913	941,278,470
Short term financing-secured	(500,000,000)	-
	<u>663,054,913</u>	<u>941,278,470</u>

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 NINE MONTHS ENDED MARCH 31, 2023

	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)-----							
Balance as at July 01, 2021	1,000,000,000	-	-	18,752,260	(158,851,601)	74,459,676	934,360,335
Profit for the nine months ended March 31, 2022	-	-	-	-	224,359,548	-	224,359,548
Other comprehensive loss for the period	-	-	-	-	-	(98,345,109)	(98,345,109)
Balance as at March 31, 2022	1,000,000,000	-	-	18,752,260	65,507,947	(23,885,433)	1,060,374,774
Dividend paid during the period	-	-	-	-	(50,000,000)	-	(50,000,000)
Loss for the quarter ended June 30, 2022	-	-	-	-	(548,588,457)	-	(548,588,457)
Other comprehensive loss for the period	-	-	-	-	-	(35,989,563)	(35,989,563)
Shares to be issued in accordance of scheme of merger	-	4,578,341,705	2,302,905,878	-	-	-	6,881,247,583
Balance as at June 30, 2022	1,000,000,000	4,578,341,705	2,302,905,878	18,752,260	(533,080,510)	(59,874,996)	7,307,044,337
Profit for the nine months ended March 31, 2023	-	-	-	-	656,421,089	-	656,421,089
Other comprehensive income for the period	-	-	-	-	-	68,133,306	68,133,306
	1,000,000,000	4,578,341,705	2,302,905,878	18,752,260	123,340,578	8,258,310	8,031,598,731
Shares issued in accordance of scheme of merger	4,578,341,710	(4,578,341,705)	-	-	(5)	-	-
Balance as at March 31, 2023	5,578,341,710	-	2,302,905,878	18,752,260	123,340,573	8,258,310	8,031,598,731

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)
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

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 March 31, 2023 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 brokerage 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
	-----March 31, 2022-----		
Decrease in Operating revenue	1,265,939,883	1,264,611,133	1,328,750
Decrease in Earnings per share - basic and diluted (Rupees)	2.24	2.23	0.01
Impact on condensed Interim Statement of Change in Equity			
Decrease in Accumulated (loss) / profit	65,507,947	64,179,197	1,328,750
Impact on condensed Interim Statement of Cashflow			
	June 30, 2022	March 31, 2022	
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 March 31, 2023 and June 30, 2022 and transaction with related parties during their period ended March 31, 2023 and March 31, 2022 are as follows:

		(Un-audited)	(Audited)
		March 31, 2023	June 30, 2022
		----- Rupees -----	
Relationship with the Company	Balances		
Holding Company	Balance receivable period / year end	551,228,785	771,626,846
Other Related Parties	Balance receivable period / year end	33,274,490	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)	
		March 31, 2023	March 31, 2022
		----- Rupees -----	
Relationship with the Company	Nature of transactions		
Holding Company	Mark up accrued on loan during the period	154,954,241	7,408,493
	Brokerage income earned	-	-
Other Related Parties	Mark up accrued on loan during the period	3,813,858	3,508,038
	Brokerage Earned	-	-
Key Personnels	Brokerage Earned	9,022,434	18,421,749
	Managerial Remuneration & Commission	40,630,898	52,960,898
	Meeting Fee	660,000	840,000
	Company Contribution to Provident Fund	1,104,624	1,851,786

7 OPERATING SEGMENTS

	March 31, 2023 (Un-audited)				
	Brokerage	Financial Advisory	Underwriting	Other Operation	Total
Segment revenues	488,822,896	11,574,411	17,183,706	13,159,238	530,740,251
Net gain on investments	-	-	-	660,717,288	660,717,288
Administrative and operating expenses (other than depreciation and amortization)	(595,645,813)	(10,827,798)	(12,900,368)	(15,902,658)	(635,276,637)
(Provision) / reversal against doubtful debts-net	1,740	-	-	-	1,740
Depreciation	(37,866,488)	(896,608)	(1,331,130)	(1,019,375)	(41,113,601)
Amortisation of intangible assets	(942,319)	(22,312)	(33,126)	(25,367)	(1,023,124)
Finance cost	(95,272,635)	(2,255,878)	(3,349,142)	(2,564,764)	(103,442,419)
	(240,902,619)	(2,428,185)	(430,059)	654,364,362	410,603,499
Others					500,607,394
Taxation					(254,789,804)
Profit after tax					656,421,089
Segment assets	11,051,144,998	119,926,359	178,046,148	136,833,200	11,485,950,705
Segment liabilities	3,361,006,389	25,640,835	38,067,126	29,637,624	3,454,351,974

	March 31, 2022 (Un-audited)				
	Brokerage	Financial Advisory	Underwriting	Other Operation	Total
Segment revenues	900,250,679	289,845,770	40,039,679	35,803,755	1,265,939,883
Net gain on investments	-	-	-	(400,464,279)	(400,464,279)
Administrative and operating expenses (other than depreciation and amortization) (Provision) / reversal against doubtful debts-net	(597,552,987)	(79,766,193)	(11,019,008)	(20,185,048)	(708,523,236)
Depreciation	(31,974,013)	(10,294,391)	(1,422,081)	(1,271,635)	(44,962,121)
Amortisation of intangible assets	(668,580)	(215,257)	(29,736)	(26,590)	(940,163)
Finance cost	(48,439,046)	(15,595,493)	(2,154,382)	(1,926,463)	(68,115,384)
	221,336,177	183,974,436	25,414,472	(388,070,260)	42,654,825
Others					209,042,775
Taxation					(27,338,052)
Profit after tax					224,359,548
Segment assets	8,598,110,855	2,768,257,909	382,410,818	342,281,021	12,091,060,603
Segment liabilities	2,991,559,206	963,165,929	133,053,019	119,350,141	4,207,128,295

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

	March 31,	June 30,	March 31,	June 30,
	2023	2022	2023	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 March 31, 2023, the value of shares pledged with financial institutions amounted to Rs.1,197.48 million out of which the value of Company's shares pledged with banks amounted to Rs. 733.01 million (June 2022: 905.99 million) and the value of customer shares maintained with the company pledged with financial institution is Rs. 464.47 million (June 30, 2022:Rs. 2,927.71 million).

8.4 As at March 31, 2023, the value of customer shares maintained with the Holding Company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.35,589 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 April 17, 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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