



**NINE MONTHS
ENDED**

**SEPTEMBER
2021**



**Condensed Interim
Financial Information
(Un - Audited)**



COMPANY INTRODUCTION

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



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

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



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COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Sikander Kasim - Chairman
 Ayesha Aqeel Dhedhi
 Afsheen Aqeel

HR & R COMMITTEE

Kamal Uddin Tipu - Chairman
 Khurshid Anwer
 Afsheen Aqeel

CHIEF EXECUTIVE OFFICER

Abdul Aziz Anis, CFA

COMPANY SECRETARY

Zafar Ahmed Khan - Acting Company Secretary

CHIEF FINANCIAL OFFICER

Zafar Ahmed Khan

STATUTORY / NCB AUDITOR

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

CREDIT RATING AGENCY

VIS Credit Rating Company Limited

BANKERS

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

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DIRECTORS' REVIEW TO THE MEMBERS

On behalf of the Board of Directors of BIPL Securities Limited, we are pleased to present the unaudited financial statements of the Company for the quarter ended September 30, 2021.

Economic Review

The external account concerns became more pronounced during the outgoing quarter as rising commodity prices and increasing imports wiped out gains made earlier. To this end, the current account deficit increased to a total of US\$2.3bn during July'21 and August'21 as opposed to a surplus of US\$838mn during SPLY. A 68%YoY growth during the same period in import bill has far outstripped a 35%YoY growth in exports and 10%YoY growth in remittances. This had a direct impact on PKR/USD exchange parity where PKR depreciated by 10.3% against the USD during the outgoing quarter.

Inflationary pressures, owing to escalating CAD and rising commodity prices, have kept inflation on the high side and the headline inflation throughout the quarter averaged around 8.6% mark. This forced the State Bank of Pakistan (SBP) to finally raise the benchmark interest rates (Discount Rate) in the country by 25bps to 7.25% while also giving indications of more hikes in the coming months.

On the positive side, tax collection numbers have remained robust so far, amid soaring import bill and resumption of economic activities in the country. Consequently, the cumulative tax collection during 1QFY22 was PKR1.4trn, against a target of PKR1.2trn, up 38%YoY. The revenue collection is mainly driven by 52% contribution from tax collection at import stage while only 48% is from domestic taxes.

Equity Market Review

The equity markets remained jittery throughout the quarter where the index returned -5.2% during 3QCY21. The average trading volume in the outgoing quarter clocked in at 564.2mn shares per day, down 32%QoQ. Concerns related to a change in regime in Afghanistan after US evacuation, delay in conclusion of current negotiations with IMF and soaring commodity prices dented overall sentiments in the market and kept investors at bay.

Debt and Currency Market Review

Owing to mounting inflationary pressure and in a bid to control CAD the SBP upward revised the interest rates in its last review as mentioned above. The central bank remains wary of further deterioration in CAD and may be forced to revise interest rates again in November's MPS. Yields on GoP papers have already gone up by 28bps-40bps since the last MPS signifying market's anticipation of another hike of 25bps to – 50bps in the next MPS.

The PKR has lost 6.8% against the USD since the start of CY21 due to increasing CAD led by rising high commodity prices and robust local demand.

Operating and Financial Performance

During the period ended September 30, 2021 the Company reported the following results:

	2021	2020
	----- (Rupees in '000) -----	
Profit before taxation	213,164	87,426
Taxation	(68,423)	(30,158)
Profit after taxation	144,741	57,268
Accumulated (loss) as at January 01	(314,763)	(408,763)
Accumulated (loss) as at September 30	(170,022)	(351,495)
Earnings per share	1.45	0.57

The company managed to substantially increase its bottom line on the back of 66% growth in revenue generated from the equity business, 15% growth in FX revenues and 10% jump in money market earnings. As opposed to this the total regular operating costs of the company grew by only 15% to PKR 280mn during the same period. Due to the high growth in company topline the profit before tax saw an increase of 144% to PKR 213mn for the period under review.

Future Outlook

We expect the equity market to remain weak to range bound in the near term due to regional political issues, ongoing talks with IMF, worsening CAD, concerns on rising inflation and thus increasing interest rates and a weakening PKR.

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 their appreciation to the employees of the Company for their commitment and dedication.

On behalf of the Board of Directors

Karachi
October 26, 2021



Director



Chief Executive Officer





STANDALONE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2021

- 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

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021**

	Note	(Un-Audited) September 30, 2021	(Audited) December 31, 2020
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property and equipment	5	33,048	43,346
Intangible assets		4,227	4,091
Long-term investments	6	316,392	296,017
Long-term loans and advances		1,194	645
Long-term deposits and prepayments		21,281	21,260
Deferred tax asset - net		20,212	51,253
		396,354	416,612
Current assets			
Short-term investments	7	137,376	-
Trade debts	8	161,060	362,828
Advances, deposits, prepayments and other receivables	9	395,235	874,037
Taxation - net		96,704	118,028
Cash and bank balances	10	860,568	909,207
		1,650,943	2,264,101
TOTAL ASSETS		2,047,297	2,680,713
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
		2,000,000	2,000,000
Issued, subscribed and paid-up capital			
		1,000,000	1,000,000
Fair value reserve		98,711	78,210
Revenue reserve			
General reserve		18,752	18,752
Accumulated loss		(170,022)	(314,763)
		947,441	782,199
Non-current liabilities			
Long-term financing-secured	11	150,000	150,000
Lease liability	12	526	4,233
		150,526	154,233
Current liabilities			
Trade and other payables	13	943,176	1,695,070
Short term financing-secured	14	-	40,000
Current portion of lease liability	12	4,709	7,768
Unclaimed dividend		1,402	1,402
Accrued mark-up		43	42
		949,330	1,744,281
TOTAL EQUITY AND LIABILITIES		2,047,297	2,680,713
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 21 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

	Note	Nine Months ended September 30,		Quarter ended September 30,	
		2021	2020	2021	2020
------(Rupees in '000)-----					
Operating revenue	16	431,939	274,535	117,003	133,688
Net gain / (loss) on investment					
Gain on sale of short term investments 'at fair value through profit and loss' - net		12,511	7,465	4,497	3,097
Unrealised (loss) on re-measurement of short term investments 'at fair value through profit or loss' -net		(8,381)	(8,312)	(6,860)	(11,016)
		4,130	(847)	(2,363)	(7,919)
Mark-up / profit on bank deposits and other receivables	17	89,097	75,145	28,853	22,818
		525,166	348,833	143,493	148,587
Operating and administrative expenses		(303,538)	(255,917)	(92,992)	(92,438)
Impairment on long-term investment - Subsidiary	6.1	(125)	(126)	(46)	(38)
Reversal against doubtful debts-net	8.1	562	3,265	201	1,923
		(303,101)	(252,778)	(92,835)	(90,553)
Operating profit		222,065	96,055	50,658	58,034
Finance cost		(17,688)	(19,276)	(6,166)	(6,085)
		204,377	76,779	44,492	51,949
Other income		8,787	10,647	7,020	11,782
Profit before taxation		213,164	87,426	51,512	63,731
Taxation					
Current - for the period		(37,382)	(18,792)	(9,057)	(12,575)
Deferred		(31,041)	(11,366)	(10,253)	(9,045)
		(68,423)	(30,158)	(19,310)	(21,620)
Profit after taxation		144,741	57,268	32,202	42,111
Other comprehensive income / (loss) for the period:					
Unrealised gain / (loss) arising during on re-measurement of long term investment at fair value through other comprehensive income - net		20,501	(32,643)	(19,120)	111,038
Total comprehensive income for the period		165,242	24,625	13,082	153,149
------(Rupees in '000)-----					
Earnings per share - basic and diluted		1.45	0.57	0.32	0.42

The annexed notes 1 to 21 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

Nine Months ended September 30,

2021

2020

------(Rupees in '000)-----

CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation	213,164	87,426
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	12,401	12,866
Amortization	180	273
(Gain) on sale of short term investments 'at fair value through profit and loss' - net	(12,511)	(7,465)
Unrealised loss on re-measurement of investments 'at fair value through profit or loss' - net	8,381	8,312
(Gain) on disposal of property and equipment	(57)	(1,200)
(Reversal) against doubtful debts-net	(562)	(3,265)
Impairment on long-term investment - subsidiary	125	126
Finance cost	17,688	19,276
	25,645	28,923
	238,809	116,349
Working capital adjustments:		
Decrease in current assets		
Trade debts	202,330	13,464
Advances, deposits, prepayments and other receivables	478,803	441,217
	681,133	454,681
(Decrease) / Increase in current liabilities		
Trade and other payables	(751,500)	214,622
	168,442	785,652
Finance cost paid	(18,080)	(19,506)
Income tax paid	(16,058)	(16,111)
	134,304	750,035
Net cash flows generated from operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	(133,246)	(104,168)
Purchase of property and equipment	(2,115)	(3,764)
Purchase of intangible assets	(315)	-
Sale proceeds from disposal of property and equipment	70	1,200
	(135,606)	(106,732)
Net cash flows (used in) investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	(550)	(252)
Long-term deposits and prepayments	(21)	187
Lease Liability	(6,766)	(5,610)
Repayment of short term financing	(40,000)	-
	(47,337)	(5,676)
Net cash flows (used in) financing activities		
Net (decrease) / increase in cash and cash equivalents	(48,639)	637,628
Cash and cash equivalents at the beginning of the period	909,207	238,825
Cash and cash equivalents at the end of the period	860,568	876,453
Cash and cash equivalents comprises of:		
Cash and bank balances	860,568	926,453
Short term financing-secured	-	(50,000)
	860,568	876,453

The annexed notes 1 to 21 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

Share Capital	Revenue Reserve		Fair value reserve	Total
	General Reserve	Accumulated Loss		

(Rupees in '000)

Balance as at January 01, 2020	1,000,000	18,752	(408,763)	143,406	753,395
Profit for the period	-	-	57,268	-	57,268
Other comprehensive (loss) for the period	-	-	-	(32,643)	(32,643)
Balance as at September 30, 2020	1,000,000	18,752	(351,495)	110,763	778,020
Profit for the period	-	-	36,732	-	36,732
Other comprehensive (loss) for the period	-	-	-	(32,553)	(32,553)
Balance as at December 31, 2020 (Audited)	1,000,000	18,752	(314,763)	78,210	782,199
Profit for the period	-	-	144,741	-	144,741
Other comprehensive income for the period	-	-	-	20,501	20,501
Balance as at September 30, 2021	1,000,000	18,752	(170,022)	98,711	947,441

The annexed notes 1 to 21 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30 , 2021**

1. STATUS AND NATURE OF BUSINESS

- 1.1 BIPL Securities Limited (the Company) was incorporated in Pakistan on October 24, 2000 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and commenced its operations effective January 1, 2003, on the transfer of assets and liabilities of the securities segment of the then Khadim Ali Shah Bukhari and Company Limited under a Scheme of Arrangement approved by the High Court of Sindh. The shares of the Company are listed on the Pakistan Stock Exchange Limited (PSX). The registered office of the Company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.
- 1.2 The Company is a subsidiary of AKD Securities Limited - the Parent Company, (2020 : BankIslami Pakistan Ltd.) which holds 77.12% shares of the Company.
- 1.3 The Company is a TREC holder of the Pakistan Stock Exchange Limited (PSX) and Corporate member of Pakistan Mercantile Exchange Limited (PMEX) and is principally engaged in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research and advisory services.
- 1.4 The former parent company ("BIPL") has released public information on April 24, 2019 pertaining to BIPL Securities Limited, in which board of parent had authorized the bank to explore and evaluate the strategic option including divestment of shares held in BIPL Securities Limited.

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

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

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

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

- 1.5 These are separate condensed Interim Financial Information of the Company in which investment in subsidiary is reported on the basis of direct equity interest and is not consolidated.

2. BASIS OF PREPARATION

- 2.1 These unconsolidated condensed interim financial information of the Company for the period ended September 30, 2021 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 December 31, 2020.
- 2.3 These unconsolidated condensed interim financial information are un-audited.

2.4 Changes in accounting standards, interpretations and pronouncements

- a) **Standards, interpretations and amendments to published approved accounting standards that are effective**

There are certain new standards, interpretations and amendments to the approved accounting standards and new interpretations which are mandatory for accounting periods beginning on or after January 1, 2021, but they do not have any significant effect on the Company's reporting and are therefore, not disclosed in these unconsolidated condensed interim financial statements.

b) **Standards, interpretations and amendments to published approved accounting standards that are not yet effective**

There are certain new standards, interpretations, amendments to the approved accounting standards and new interpretations that will not be mandatory for accounting periods beginning on or after January 1, 2021, therefore, not disclosed in these unconsolidated condensed interim financial statements.

3. **SIGNIFICANT 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.

4. **ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

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 December 31, 2020.

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 December 31, 2020.

5. **PROPERTY AND EQUIPMENT**

	Note	(Un-audited)	(Audited)
		September 30, 2021	December 31, 2020
----- (Rupees in '000) -----			
Operating fixed assets	5.1	26,714	31,081
Right-of-use- assets	5.2	6,334	12,265
		33,048	43,346

5.1 **OPERATING FIXED ASSETS**

The details of additions and disposals during the period / year are as follows:

	Nine months ended (Un-audited)		Year ended (Audited)	
	September 30, 2021		December 31, 2020	
	Additions Cost	Disposals Cost	Additions Cost	Disposals Cost
----- (Rupees in '000) -----				
Office Premises-leasehold	-	-	2,444	(607)
Furniture and fixtures	34	-	-	-
Computers and office equipment	1,058	(227)	2,930	-
Motor Vehicles	1,023	-	-	-
	2,115	(227)	5,374	(607)

Note	(Un-audited)	(Audited)
	September 30, 2021	December 31, 2020

----- (Rupees in '000) -----

5.2 RIGHT-OF-USE- ASSETS

Opening balance	12,265	18,162
Additions during the period/year	-	2,720
Depreciation for the period/year	(5,931)	(8,617)
Closing balance	6,334	12,265

6. LONG-TERM INVESTMENTS

Subsidiary company- Structured Venture (Private) Limited (SVPL)	6.1	417	543
Investments at fair value through Other comprehensive income	6.2	315,975	295,474
		316,392	296,017

6.1 Subsidiary Company

Cost	488,581	488,581
Less: Provision for impairment	(488,164)	(488,039)
	417	543

"The net assets of SVPL have reduced due to full impairment of investment of Rs. 81.567 million in an associated company New Horizon Exploration and Production Limited (NHEPL), and provision against advance for purchase of land of Rs. 375 million."

SVPL had given advance against purchase of property of Rs. 375 million which was being developed as a Housing Scheme (the 'Project') by M/s. Noor Developer (Private) Limited (the 'Developer'), the majority shareholder of which is Mr. Arif Ali Shah Bukhari. This amount includes development charges of Rs. 75 million paid to the Developer. The Developer had communicated in the previous years that the Project was pending final approval from the Cantonment Board Korangi Creek (CBKC) for last few years due to modification and revision required by the CBKC in the Project.

During the year 2015, the Developer cancelled provisional booking vide its letter dated June 15, 2015 and in response, SVPL has filed legal suit for specific performance, declaration, injunction, partition and damages in the Sindh High Court.

In addition to the above, as per CBKC letter to Military Lands & Cantonments dated July 04, 2011, the land on which provisional booking was made is not eligible for the type of allotment made to SVPL as per sale agreement dated November 10, 2010 between SVPL and the Developer. Further, the development work on the Project, as communicated by the Developer vide their letter dated December 28, 2013, has also not been undertaken.

Moreover, verification from the Registrar of Housing Society has revealed that no record exists for the said Project, namely Noor Town, situated at survey number 288, 289 and 290 at Deh Korangi Township Karachi. Prima facie a fraud was committed with the Company against which, criminal and civil proceedings have already been initiated.

Considering the facts stated above, the history of this transaction and legal implications, SVPL as a matter of prudence, has fully provided this amount. Hence, the Company's investment in SVPL stands impaired.

On request of the Company for complaints against Criminal Acts of M/s. Noor Developers (Private) Limited, SECP vide its letter dated September 27, 2017, has informed that appropriate steps have been taken as to referring the matter to National Accountability Bureau (NAB) under Section 41-B of Securities and Exchange Commission of Pakistan (Amendment) Act, 2016. On the recommendation/ approval of SECP, NAB has initiated enquiry into the matter.

During the period, the Company has recognized further impairment as the net assets of SVPL has decreased due to operating losses.

Note	(Un-audited)	(Audited)
	March 31, 2021	December 31, 2020

------(Rupees in '000)-----

6.2 Investments at fair value through Other comprehensive income

Name of the Investee Company

Quoted shares

Pakistan Stock Exchange Limited	6.2.1	29,270	23,756
---------------------------------	-------	--------	--------

Unquoted shares

Al Jomaih Power Limited	6.2.2	286,705	271,718
-------------------------	-------	---------	---------

New Horizon Exploration and Production Limited - (Related Party) - Class 'A' ordinary shares		31,629	31,629
---	--	--------	--------

Less: impairment	6.2.3	(31,629)	(31,629)
------------------	-------	----------	----------

		315,975	295,474
--	--	---------	---------

6.2.1 This represents 1,602,953 shares having a market value of Rs 18.26 per share as at September 30, 2021 (December 31, 2020 :14.82 per share).

6.2.2 "The Company's investment in unquoted shares of Al Jomaih Power Limited are valued at its fair value based on the net assets value of the investee company as at September 30, 2021.

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

7. SHORT-TERM INVESTMENTS

At fair value through profit or loss'

-Listed shares	7.1	135,311	-
-Subscription of Shares (Book Building)		2,065	-
-Term Finance Certificates	7.2	-	-
		137,376	-

7.1 This includes shares with carrying value of Rs.135.311 million (December 31, 2020: Nil) pledged with NCCPL against exposure margin

7.2 Term Finance Certificates

September 30, 2021	December 31, 2020
--------------------	-------------------

Number of certificates

4,000	4,000
-	-
4,000	4,000

Name of Investee Company

Pace Pakistan Ltd. (Face value Rs. 5,000/- each)			
Opening		18,147	18,147
Less: sold		-	-
Closing		18,147	18,147
Less: impairment	7.2.1	(18,147)	(18,147)
		-	-

Note	(Un-audited) September 30, 2021	(Audited) December 31, 2020
------	------------------------------------	--------------------------------

----- (Rupees in '000) -----

7.2.1 Impairment

Opening balance	18,147	18,147
Less: Reversal of impairment due to sale	-	-
	18,147	18,147

8. TRADE DEBTS

Receivable against purchase of marketable securities	154,754	322,113
Receivable from NCCPL	-	36,315
Inter-bank brokerage	6,306	4,400
	161,060	362,828
Considered doubtful	64,139	64,701
	225,199	427,529
Less: provision for doubtful debts	8.1 (64,139)	(64,701)
	161,060	362,828

8.1 Reconciliation of provisions against trade debts

Opening balance	64,701	69,119
Provision for the period	815	244
(Reversal) for the period/year	(1,377)	(4,663)
	(562)	(4,419)
	64,139	64,701

8.2 The aging analysis of trade debts are as follows:

Past due 1 - 30 days	69,062	279,225
Past due 31 - 180 days	10,204	3,586
Past due 181 days - 1 year	1,227	1,790
More than one year-net of provision	80,567	78,227
	161,060	362,828

(Un-audited)
September 30, 2021(Audited)
December 31, 2020

(Rupees in '000)

9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**Advances to:**

-Supplier	506	-
-Current portion of long-term loans and advances	569	973
	<u>1,075</u>	<u>973</u>

Deposits:

-Exposure deposit with -NCCPL	9.1 181,785	626,380
-Exposure deposit with -PMEX	6,108	6,080
-Ijarah deposit	439	1,462
-Others	2,100	2,100
	<u>190,432</u>	<u>636,022</u>
-Impact of expected credit loss	(2,100)	(2,100)
	<u>188,332</u>	<u>633,922</u>

Prepayments:

-Rent	986	-
-Insurance	1,455	1,581
-Software development and maintenance	706	200
-Others	2,586	2,472
	<u>5,733</u>	<u>4,253</u>

Other receivables:

-Profit on bank deposits	4,299	5,009
-Profit on exposure deposit with -NCCPL	1,123	2,280
-Receivable against margin finance	188,233	222,330
-Others	7,755	6,585
	<u>201,410</u>	<u>236,204</u>
-Impact of expected credit loss	(1,315)	(1,315)
	<u>200,095</u>	<u>234,889</u>
	395,235	874,037

9.1 This represent deposits with NCCPL against the exposure margin in respect of trade in future and ready market. This includes an amount of Rs 30 million relating to company's own exposure.

10. CASH AND BANK BALANCES**Cash at bank in:****Company accounts**

- Current accounts	12,512	1,536
- Saving accounts	10.1 65,382	123,443
	<u>77,894</u>	<u>124,979</u>

Client accounts

- Current accounts	-	209
- Saving accounts	10.1 782,465	784,014
	<u>782,465</u>	<u>784,223</u>

Cash in hand	205	-
Stamps in hand	4	5
	860,568	909,207

10.1 These carry profit at the rates ranging from 2.14% to 6.8% (December 31, 2020: 2.75% to 12.5%) per annum.

Note

(Un-audited)
September 30, 2021(Audited)
December 31, 2020

(Rupees in '000)

11. LONG-TERM FINANCING - SECURED

Loan from Financial Institution	11.1	150,000	150,000
---------------------------------	------	---------	---------

11.1 This represents long-term financing obtained from BankIslami Pakistan Limited (Former Parent Company) on December 31, 2015. The financing is secured by way of Exclusive Charge over DM Assets along with equitable mortgage over all other commercial properties of the Company. 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.

12. LEASE LIABILITY

Opening balance	12,001	16,305
Additions during the period/year	-	2,447
Payments made during the period/year	(6,766)	(6,751)
	5,235	12,001
Transferred to current maturity	(4,709)	(7,768)
Closing balance	526	4,233

12.1 The future minimum lease payments to which the company is committed to is as follows:

	As at September 30, 2021		As at December 31, 2020	
	Principal	Finance Cost	Principal	Finance Cost
	(Rupees in '000)			
Not later than one year	4,709	977	7,768	1,170
Later than one year but not later than five years	526	-	4,233	195
	5,235	977	12,001	1,365

13. TRADE AND OTHER PAYABLES

Trade creditors	899,737	1,658,270
Payable to NCCPL	5,291	-
Accrued expenses	34,158	31,980
Withholding tax	1,336	1,897
Unwinding part of Finance Lease	119	513
Others	2,535	2,410
	943,176	1,695,070

14. SHORT TERM FINANCING-SECURED

This represents running musharkah facility obtained from BankIslami Pakistan Limited (Former Parent Company), which is secured by way of Hypothecation over shares / receivables equivalent to amount of financing obtained. This facility carries markup at the rate of 1 week KIBOR plus 2%. The payment frequency is maximum 30 days from the date of financing obtained.

(Un-audited)
September 30, 2021(Audited)
December 31, 2020**15. CONTINGENCIES AND COMMITMENTS**

(Rupees in '000)

15.1 Contingencies

There is no change in the status of contingencies as disclosed in the published annual financial statements for the year ended December 31, 2020.

However the status of the following cases are presented below:

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

15.1.2 In response to SVPL's Suit filed against Noor Developers (NDPL) & others, Arif Ali Shah Bukhari & Noor Developers filed Suit No.714/2018 against the Company & others. This Suit is basically a counterblast to the criminal and civil proceedings initiated by the Subsidiary Company against Mr. Bukhari and NDPL. The said Suit is inter-alia for cancellation of the Sale Agreement and for recovery of Rs.275 million along with special damages of Rs.4.355 billion and general damages of Rs.4 billion. In addition, Mr. Arif Ali Shah has filed another Suit (1829/2019) against the Company & others, stating amongst other things that his claim alleged in Suit No.714/2018 is a contingent liability. As per management's view, the claim of Mr. Bukhari is baseless, therefore, it does not required to be disclosed as contingent liability, however, as a matter of abundant caution, the subject case has been disclosed in the financial statements. As per the opinion of the Company's legal counsel, the assertions made by Mr Bukhari in the suits are not likely to be upheld by the Court and the management based on the opinion of its legal counsel is confident that these Suits are likely to be dismissed by the Honorable Court. However, the said suit has been unconditionally withdrawn by the petitioner.

15.2 Commitments

Net-future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding

134,027

-

The Company has entered into Ijarah arrangements for vehicles with Bankislami Pakistan Limited. The aggregate amount of commitments against these arrangements are as follows:

Not later than one year

559

2,114

Later than one year but not later than five years

-

-

559

2,114

(Un-audited)
Nine months ended September 30

2021

2020

(Un-audited)
Quarter ended September 30

2021

2020

(Rupees in '000)

(Rupees in '000)

16. OPERATING REVENUE

Brokerage	426,759	271,625	114,532	132,543
Subscription research income	287	356	97	-
Custody services	500	-	-	-
Custody services	4,393	2,554	2,374	1,145
	431,939	274,535	117,003	133,688

17. MARK-UP / PROFIT ON BANK DEPOSITS, AND OTHER RECEIVABLES

Profit on bank deposits	64,620	64,252	20,039	17,396
Margin finance income	24,321	10,749	8,760	5,372
Others	156	145	54	50
	89,097	75,145	28,853	22,818

18. RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of the Parent Company, associated undertakings (including companies under common directorship), directors, employee benefit plans and its key management personnel. The balances with related parties as at September 30, 2021 and December 31, 2020 and transactions with related parties during the period ended September 30, 2021 and September 30, 2020 are as follows:

As at September 30, 2021 (Un-audited)						
	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
BALANCES						
Trade payables	-	-	270	567	-	837

As at December 31, 2020 (Audited)						
	Former Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
BALANCES						
Accrued mark-up	42	-	-	-	-	42
Bank balances	627,692	-	-	-	-	627,692
Ijarah deposits	1,462	-	-	-	-	1,462
Ijarah rental payable	675	-	-	-	-	675
Long-term loan	150,000	-	-	-	-	150,000
Short-term loan	40,000	-	-	-	-	40,000
Profit receivable on bank deposit	3,719	-	-	-	-	3,719
Lease Liability	1,842	-	-	-	-	1,842
Prepaid rent	116	-	-	-	-	116
Trade debts	197	-	3	-	-	200
Trade payables	-	-	277	605	-	882

Nine months ended September 30, 2021 (Un-audited)

	Former Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
TRANSACTIONS						
Income						
Brokerage income earned	185	-	-	238	-	423
Custody services-net	3	-	-	1	-	4
Profit on bank deposits	22,559	-	-	-	-	22,559
Expenses						
Bank charges	16	-	-	-	-	16
Charge in respect of contributory plan	-	-	-	389	2,755	3,144
Mark-up expense	10,702	-	-	-	-	10,702
Meeting fee	-	-	1,380	-	-	1,380
Remuneration to key management personnel	-	-	-	16,334	-	16,334
Ijarah expense	1,176	-	-	-	-	1,176
Other transaction						
Short term loan obtained	679,000	-	-	-	-	679,000
Short term loan repaid	619,000	-	-	-	-	619,000
Rent paid	695	-	-	-	-	695
Maintenance paid	697	-	-	-	-	697

Nine months ended September 30, 2020 (Un-audited)

	Former Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
TRANSACTIONS						
Income						
Brokerage income earned	297	-	-	74	-	371
Custody services	4	-	-	-	-	4
Profit on bank deposits	18,517	-	-	-	-	18,517
Expenses						
Bank charges	432	-	-	-	-	432
Charge in respect of contributory plan	-	-	-	332	2,763	3,095
Mark-up expense	16,945	-	-	-	-	16,945
Meeting fee	-	-	1,140	-	-	1,140
Remuneration to key management personnel	-	-	-	13,000	-	13,000
Ijarah expense	1,940	-	-	-	-	1,940
Other transaction						
Rent paid	1,003	-	-	-	-	1,003
Short term loan obtained	360,000	-	-	-	-	360,000
Short term loan repaid	310,000	-	-	-	-	310,000
Maintenance paid	2,665	-	-	-	-	2,665

19. OTHER DISCLOSURES UNDER REGULATION 34(2) OF SECURITIES BROKERS (LICENSING AND OPERATIONS) REGULATIONS 2016:

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

19.1 Person holding more than 5% of shares

	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	% of Holding		No. of Shares	
M/s. AKD Securities Ltd. (2020 - BankIslami Pakistan Ltd.)	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.55%	6.54%	6,551,000	6,535,500
Mr. Mohammad Aslam Motiwala	9.36%	8.34%	9,360,000	8,342,000

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

19.3 As at September 30, 2021, the value of customer shares maintained with the company pledged with financial institution is Rs.509 million (December 31, 2020: Rs. 1,434 million).

19.4 As at September 30, 2021, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.16,118 million (December 31, 2020: Rs. 19,125 million).

20. DATE OF AUTHORISATION

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Company on October 26, 2021.

21. GENERAL

21.1 Figures have been rounded off to the nearest thousand of rupees.



Chief Executive Officer



Director



Chief Financial Officer



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CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2021

- 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

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2021**
ASSETS

(Un-Audited) September 30, 2021	(Audited) December 31, 2020
------(Rupees in '000)-----	

Non-current assets

Property and equipment	33,048	43,346
Intangible assets	4,227	4,091
Long-term investments	315,974	295,474
Long-term loans and advances	1,194	645
Long-term deposits and prepayments	21,281	21,260
Deferred tax asset - net	20,212	51,253
	395,936	416,070

Current assets

Short-term investments	137,376	-
Trade debts	161,060	362,828
Advances, deposits, prepayments and other receivables	395,313	874,078
Taxation - net	96,929	118,251
Cash and bank balances	861,234	909,966
	1,651,912	2,265,123
	2,047,848	2,681,193

TOTAL ASSETS
EQUITY AND LIABILITIES
Share capital and reserves
Authorized capital

Issued, subscribed and paid-up capital	2,000,000	2,000,000
Fair value reserve	1,000,000	1,000,000
Revenue reserve	55,340	34,839
General reserve	18,752	18,752
Accumulated loss	(126,651)	(271,392)
	947,441	782,199

Non-current liabilities

Long-term financing-secured	150,000	150,000
Lease liability	526	4,233
	150,526	154,233

Current liabilities

Trade and other payables	943,727	1,695,550
Short term financing-secured	-	40,000
Current portion of lease liability	4,709	7,768
Unclaimed dividend	1,402	1,402
Accrued mark-up	43	42
	949,881	1,744,761
	2,047,848	2,681,193

TOTAL EQUITY AND LIABILITIES
CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 9 form an integral part of these Consolidated Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

	Nine Months ended September 30,		Quarter ended September 30,	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Operating revenue	431,939	274,535	117,003	133,688
Net gain / (loss) on investment				
Gain on sale of short term investments 'at fair value through profit and loss' - net	12,511	7,465	4,497	3,097
Unrealised (loss) on re-measurement of short term investments 'at fair value through profit or loss' -net	(8,381)	(8,312)	(6,860)	(11,016)
	4,130	(847)	(2,363)	(7,919)
Mark-up / profit on bank deposits and other receivables	89,110	75,162	28,857	22,822
	525,179	348,850	143,497	148,592
Operating and administrative expenses	(303,676)	(256,060)	(93,041)	(92,481)
Reversal against doubtful debts-net	562	3,265	201	1,923
	(303,114)	(252,795)	(92,840)	(90,558)
Operating profit	222,065	96,055	50,658	58,034
Finance cost	(17,688)	(19,276)	(6,166)	(6,085)
	204,377	76,779	44,492	51,949
Other income	8,787	10,647	7,020	11,782
Profit before taxation	213,164	87,426	51,512	63,731
Taxation				
Current - for the period	(37,382)	(18,792)	(9,057)	(12,575)
Deferred	(31,041)	(11,366)	(10,253)	(9,045)
	(68,423)	(30,158)	(19,310)	(21,620)
Profit after taxation	144,741	57,268	32,202	42,111
Other comprehensive income / (loss) for the period:				
Unrealised gain / (loss) arising during on re-measurement of long term investment at fair value through other comprehensive income - net	20,501	(32,643)	(19,120)	111,038
Total comprehensive income for the period	165,242	24,625	13,082	153,149
	----- (Rupees in '000) -----			
Earnings per share - basic and diluted	1.45	0.57	0.32	0.42

The annexed notes 1 to 9 form an integral part of these Consolidated Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

Nine Months ended September 30,

	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	213,164	87,426
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	12,401	12,866
Amortization	180	273
(Gain) on sale of short term investments 'at fair value through profit and loss' - net	(12,511)	(7,465)
Unrealised loss on re-measurement of investments 'at fair value through profit or loss' - net	8,381	8,312
(Gain) on disposal of property and equipment	(57)	(1,200)
(Reversal) against doubtful debts-net	(561)	(3,265)
Finance cost	17,688	19,276
	25,521	28,797
Working capital adjustments:	238,685	116,223
Decrease in current assets		
Trade debts	202,330	13,464
Advances, deposits, prepayments and other receivables	478,765	441,211
	681,095	454,675
(Decrease) / Increase in current liabilities		
Trade and other payables	(751,432)	214,635
	168,348	785,533
Finance cost paid	(18,079)	(19,506)
Income tax paid	(16,058)	(16,113)
	134,211	749,914
Net cash flows generated from operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	(133,246)	(104,168)
Purchase of property and equipment	(2,115)	(3,764)
Purchase of intangible assets	(315)	-
Sale proceeds from disposal of property and equipment	70	1,200
	(135,606)	(106,732)
Net cash flows (used in) investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	(550)	(252)
Long-term deposits and prepayments	(21)	187
Lease liability	(6,766)	(5,610)
Repayment of short term financing	(40,000)	-
	(47,337)	(5,676)
Net cash flows (used in) financing activities		
Net (decrease) / increase in cash and cash equivalents	(48,732)	637,506
Cash and cash equivalents at the beginning of the period	909,966	239,702
Cash and cash equivalents at the end of the period	861,234	877,208
Cash and cash equivalents comprises of:		
Cash and bank balances	861,234	927,208
Short term financing-secured	-	(50,000)
	861,234	877,208

The annexed notes 1 to 9 form an integral part of these Consolidated Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

Share Capital	Revenue Reserves		Fair value reserve	Total
	General Reserve	Accumulated Loss		

(Rupees in '000)

Balance as at January 01, 2020	1,000,000	18,752	(365,392)	100,035	753,395
Profit for the period	-	-	57,268	-	57,268
Other comprehensive (loss) for the period	-	-	-	(32,643)	(32,643)
Balance as at September 30, 2020	1,000,000	18,752	(308,124)	67,392	778,020
Profit for the period	-	-	36,732	-	36,732
Other comprehensive (loss) for the period	-	-	-	(32,553)	(32,553)
Balance as at December 31, 2020 (Audited)	1,000,000	18,752	(271,392)	34,839	782,199
Profit for the period	-	-	144,741	-	144,741
Other comprehensive income for the period	-	-	-	20,501	20,501
Balance as at September 30, 2021	1,000,000	18,752	(126,651)	55,340	947,441

The annexed notes 1 to 9 form an integral part of these Consolidated Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

1. STATUS AND NATURE OF BUSINESS

The Group comprises of:

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

- 1.1 BIPLS was incorporated in Pakistan on October 24, 2000 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and commenced its operations effective January 1, 2003, on the transfer of assets and liabilities of the securities segment of the then Khadim Ali Shah Bukhari and Company Limited under a Scheme of Arrangement approved by the High Court of Sindh. The shares of the holding company are listed on the Pakistan Stock Exchange Limited (PSX). The registered office of the holding company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.
- 1.2 The Group is a subsidiary of AKD Securities Limited (2020 : BankIslami Pakistan Limited- the Ultimate Parent Holding Company) which holds 77.12% of the shares of the Group.
- 1.3 The holding company is a TREC holder of the Pakistan Stock Exchange Limited (PSX) and Corporate member of Pakistan Mercantile Exchange Limited (PMEX) and is principally engaged in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research and advisory services, consultancy and corporate finance.

The former parent company ("BIPL") has released public information on April 24, 2019 pertaining to BIPL Securities Limited, in which board of parent had authorized the bank to explore and evaluate the strategic option including divestment of shares held in BIPL Securities Limited.

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

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

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

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

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

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

At present, SVPL has no operational activities, except to pursue legal case against M/s Noor Developer (Private) Limited (the Developer) for the purchase of investment property of Rs 375 million and as a matter of prudence SVPL has fully impaired such investment in its financial statements. Further, it has also fully provided its investment in New horizon Exploration and Production Limited amounting to Rs 81 million. These amounts constituted 99% of total assets of SVPL. SVPL does not have sufficient cashflows, equity and other means to operate the company, therefore the board of directors of SVPL have decided to prepare SVPL's financial information on other than going concern basis (net realisable basis).

The Carrying value of assets and liabilities of the Company as at September 30, 2021 is equivalent to the realizable value.

2. BASIS OF PREPARATION

2.1 These consolidated condensed interim financial information of the Group for the period ended September 30, 2021 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 December 31, 2020.

2.3 These consolidated condensed interim financial information are un-audited.

2.4 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that are effective

There are certain new standards, interpretations and amendments to the approved accounting standards and new interpretations which are mandatory for accounting periods beginning on or after January 1, 2021, but they do not have any significant effect on the Group's reporting and are therefore, not disclosed in these consolidated condensed interim financial statements.

b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain new standards, interpretations, amendments to the approved accounting standards and new interpretations that will not be mandatory for accounting periods beginning on or after January 1, 2021, therefore, not disclosed in these consolidated condensed interim financial statements.

3. SIGNIFICANT 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.

4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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 December 31, 2020.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2020.

5. 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.

6. RELATED PARTY TRANSACTIONS

The related parties of the Group comprise of AKD Securities Limited (the Ultimate Parent Company), associated undertakings (including companies under common directorship), directors, employee benefit plans and its key management personnel. The balances with related parties as at September 30, 2021 and December 31, 2020 and transactions with related parties during the period ended September 30, 2021 and September 30, 2020 are as follows:

As at September 30, 2021 (Un-audited)						
	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total

BALANCES

	----- (Rupees in '000) -----					
Trade payables	-	-	270	567	-	837

As at December 31, 2020 (Audited)						
	Former Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total

BALANCES

	----- (Rupees in '000) -----					
Accrued mark-up	42	-	-	-	-	42
Bank balances	628,451	-	-	-	-	628,451
Ijarah deposits	1,462	-	-	-	-	1,462
Ijarah rental payable	675	-	-	-	-	675
Long-term loan	150,000	-	-	-	-	150,000
Short-term loan	40,000	-	-	-	-	40,000
Profit receivable on bank deposit	3,721	-	-	-	-	3,721
Lease Liability	1,842	-	-	-	-	1,842
Prepaid rent	116	-	-	-	-	116
Trade debts	197	-	3	-	-	200
Trade payables	-	-	277	605	-	882

Nine months ended September 30, 2021 (Un-audited)

	Former Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
TRANSACTIONS						
Income						
Brokerage income earned	185	-	-	238	-	423
Custody services-net	3	-	-	1	-	4
Profit on bank deposits	22,568	-	-	-	-	22,568
Expenses						
Bank charges	16	-	-	-	-	16
Charge in respect of contributory plan	-	-	-	389	2,755	3,144
Mark-up expense	10,702	-	-	-	-	10,702
Meeting fee	-	-	1,380	-	-	1,380
Remuneration to key management personnel	-	-	-	16,334	-	16,334
Ijarah expense	1,176	-	-	-	-	1,176
Other transaction						
Short term loan obtained	679,000	-	-	-	-	679,000
Short term loan repaid	619,000	-	-	-	-	619,000
Rent paid	695	-	-	-	-	695
Maintenance paid	697	-	-	-	-	697

Nine months ended September 30, 2020 (Un-audited)

	Former Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
TRANSACTIONS						
Income						
Brokerage income earned	297	-	-	74	-	371
Custody services	4	-	-	-	-	4
Profit on bank deposits	18,534	-	-	-	-	18,534
Expenses						
Bank charges	432	-	-	-	-	432
Charge in respect of contributory plan	-	-	-	332	2,763	3,095
Mark-up expense	16,945	-	-	-	-	16,945
Meeting fee	-	-	1,140	-	-	1,140
Remuneration to key management personnel	-	-	-	13,000	-	13,000
Ijarah expense	1,940	-	-	-	-	1,940
Other transaction						
Rent paid	1,003	-	-	-	-	1,003
Short term loan obtained	360,000	-	-	-	-	360,000
Short term loan repaid	310,000	-	-	-	-	310,000
Maintenance paid	2,665	-	-	-	-	2,665

7. OTHER DISCLOSURES UNDER REGULATION 34(2) OF SECURITIES BROKERS (LICENSING AND OPERATIONS) REGULATIONS 2016:

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

7.1 Person holding more than 5% of shares

	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	% of Holding		No. of Shares	
M/s. AKD Securities Ltd. (2020 - BankIslami Pakistan Ltd.)	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.55%	6.54%	6,551,000	6,535,500
Mr. Mohammad Aslam Motiwala	9.36%	8.34%	9,360,000	8,342,000

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

7.3 As at September 30, 2021, the value of customer shares maintained with the company pledged with financial institution is Rs.509 million (December 31, 2020: Rs. 1,434 million).


7.4 As at September 30, 2021, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.16,118 million (December 31, 2020: Rs. 19,125 million).

8. DATE OF AUTHORISATION

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Company on October 26, 2021.

9. GENERAL

9.1 Figures have been rounded off to the nearest thousand of rupees.



Chief Executive Officer



Director



Chief Financial Officer

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