



QUARTERLY REPORT

S E P T E M B E R 2 0 2 3

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 Adam 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

Zafar Ahmed Khan

HEAD OF INTERNAL AUDIT

Intezar Ahmed

CREDIT RATING

JCR-VIS Credit Rating
Company Limited

TAX ADVISOR

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

STATUTORY AUDITOR

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

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

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

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

REGISTERED OFFICE

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

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):

Ground Floor, Plot No. 233B, Shop No. 01, Midway B
Commercial Area, Bahria Town, Karachi. Landmark:
Masjid-e-Server near Agha Juice.
Tel.: 92 336 2271205 & 66

Karachi (Gulshan-e-Iqbal):

Ground Floor, Bungalow No. FL-3/12, Block – 5,
KDA Scheme # 24, Gulshan-e-Iqbal,
Karachi, Pakistan
Tel.: +92 21 34980763- 34811806

Lahore:

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

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

Islamabad:

90-91, Raiza Sharif Plaza, Jinnah Avenue,
Blue Area, Islamabad, Pakistan
UAN: 92-51-111-222-000, Fax:(+92-51) 2272841

Faisalabad:

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

Multan:

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

Gujranwala:

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

Rahim Yar Khan:

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

Peshawar:

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

Sialkot:

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

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 quarter ended 30 September 2023.

Economic Review

The outgoing quarter was marked by a period of notable positive developments in terms of country's fiscal and external position, as the authorities successfully secured an SBA worth US\$3.0bn with the IMF during end June'23 alongside significant measures i.e. base tariff revisions, crackdown on smuggling and illicit cross border trade, emergence of the SIFC initiative. However, short-term indicators continued to show a demanding scenario, with CPI averaging at 29%YoY during the period. Regarding external balances, CAD and SBP FX reserves during 1QFY24 stood at US\$947mn and US\$7.6bn during quarter end (vs. US\$2.26bn and US\$7.6bn SPLY). The yearly improvement in the aforementioned balances were largely due to administrative controls on imports alongside lower commercial/industrial activity, which kept FX outflows to a minimum.

Equity Market Review

KSE100 index showed significant recovery during the outgoing quarter, gaining 4,780pts (12%QoQ) during the period, with highs and lows ranging between 48,844pts and 41,327pts, respectively. The rise was largely on the back of a much more secure external position post the IMF SBA (and subsequent topping up of SBP's FX reserves), compared to earlier concerns of country's financial default during the past several periods. ADTV (Average daily trading volume) also exhibited recovery, averaging at 388mn shares (up 25%QoQ), while the market capitalization also improved by 7%QoQ, to end at US\$23.9bn by quarter end. In general, equities gained traction primarily due to SBP's decision to keep the policy rate stable (compared to rate hike expectations by the participants during Sep'23 MPC decision). The sentiment was further bolstered by measures taken by the current caretaker administration to curb speculative activities in the FX open market, alongside plans to enact reforms in the energy sector (electricity base tariff and gas price revisions). In terms of sector performances, the Transport, Refineries, and Automobile Assemblers emerged as top returning during the quarter, gaining 34.6%/30.2%/26.7% QoQ during the period. Commercial banks and Power Generation sector also demonstrated growths, with both registering increases of 19.6%/17.1% QoQ during 1QFY24. Conversely, in terms of negative performances, Modarabas, Woolen, Fertilizers remained the most downtrodden, down by 15.4%/9.3%/7.6 QoQ, respectively

On the flows front, foreigners remained the net buyers of US\$21.9mn during the outgoing year, with major inflows observed in sectors Commercial banks (+US\$16.1mn), Technology (+US\$8.2mn) and Oil & Gas exploration (+US\$6.5mn). On the flip side, Cement (-US\$1.9mn) and OMCs (-US\$1.06mn) bore the brunt of the outflows. Cumulatively, Banks/DFIs (-US\$43.3mn) and Mutual funds (-US\$37.9mn) saw their portfolios witnessing the largest net outflows while Insurance and companies absorbed most of the selling throughout the year, with a net buy of US\$44.8mn and US\$24.8mn, respectively.

Debt and Currency Market Review

Country's FX reserves ended the quarter at US\$7.61bn, significantly up by US\$3.1bn during FY23 end. This is largely attributable to securing first tranche of the IMF's SBA alongside further inflows from bi-lateral partners majorly including KSA and UAE. Domestic currency remained relatively stable during the outgoing period, amidst episodes of strengthening driven by open market curbs during the period end. The stabilization efforts came in after the domestic currency touched record lows at PKR307/US\$ in early September. On the money market front, SBP continued to advocate for a stable policy rate during the period, with average secondary market yields standing at 23.08% during the period (vs. 21.8% during 4QFY23), higher due to expectations of rising near-term inflationary pressures (food and energy prices). Overall, with real rates in positive territory on a forward-looking basis as per the SBP, the tightening cycle is expected to have reached its conclusion.

Commodity Market Review

Major commodity indexes saw volatility during the outgoing quarter (Jul-Sep) on the back of lower than expected growth within the Chinese economy, persisting geo-political conflicts across major regions, continued OPEC+ production cuts, US strategic reserves falling below the 5year rolling average, constant monetary tightening, amongst other factors. WTI, Brent and Arab light started the quarter at ~US\$71/75/78 per bbl respectively, quickly moving upwards breaching US\$90/bl due to announcement of extension of cuts by Russia and Saudi Arabia, record low US reserves and war tensions globally. Further, grain supplies may have remained under risk owing to Russia and Ukraine supply bottlenecks, however wheat, soybean and corn prices remained relatively below their previous highs. On the other hand, coal prices rose over increased demand from China's coal power plants, with prices closing around US\$120/ton after hitting a low of US\$97/ton. Furthermore, industrial metals prices such as copper and nickel remain under pressure over supply issues amidst increased demand from electric vehicles manufacturing, with Chinese slowdown remaining a threat.

Future Outlook

With Pakistan having finally entered an IMF SBA facility worth US\$3.0bn, immediate external uncertainty has been averted. At the same time, a caretaker set-up has taken up the reigns and is striving to reform the economy and has already begun taking shape with energy (electricity / gas) tariffs being adjusted (or in the process of being adjusted) while steps to reign in currency have begun bearing fruit with both the interbank and the open market rates below 279 as things stand. At the same time, activity at the PSX has improved significantly post Pakistan's entry into the IMF program while heightened activity is expected to remain in the year ahead, particularly with expectations of policy rate gradually coming off towards the tail end of FY24. We look forward to a positively eventful year ahead.

Operating and Financial Performance

During the quarter ended 30 September 2023 the Company reported the following results:

	2023	2022
	----- (Rupees in '000) -----	
Profit before taxation	460,445	856,293
Taxation	(114,869)	(163,586)
Profit after taxation	345,576	692,707
	----- (Rupees) -----	
Earnings per share	0.62	1.71

During the quarter ended September 30, 2023, the brokerage segment performed well with revenues of PKR 209 million (1QFY 2022: PKR 172 million) and increased by 21% QoQ.

Acknowledgment

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, 2023



Director



Chief Executive Officer

STANDALONE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

- Condensed Interim Statement of Financial Position
- Condensed Interim Statement of Profit and Loss and Other Comprehensive Income
- Condensed Interim Cashflow Statement
- Condensed Interim Statement of Changes in Equity
- Notes to the Condensed Interim Financial Information



AKD SECURITIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

0.56

(0)

		(Un-Audited)	(Audited)
		September 30, 2023	June 30, 2023
	Note	----- Rupees -----	
ASSETS			
Non-current assets			
Property and equipment	5	2,064,067,736	1,829,667,116
Intangible assets	6	3,152,724,008	3,153,169,929
Long-term investments	7	645,671,779	641,077,326
Long-term deposits and prepayments	8	39,783,446	39,879,051
Deferred tax asset - net		78,637,425	183,496,225
		<u>5,980,884,394</u>	<u>5,847,289,647</u>
Current assets			
Short-term investments	9	2,583,616,503	2,318,892,393
Trade debts	10	194,662,416	230,157,314
Deposits, prepayments and other receivables	11	2,161,312,287	1,117,041,837
Loans and advances	12	602,124,614	544,565,734
Taxation - net		3,718,376	
Cash and bank balances	13	376,535,553	876,830,002
		<u>5,921,969,749</u>	<u>5,087,487,280</u>
TOTAL ASSETS		<u>11,902,854,143</u>	<u>10,934,776,927</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>7,000,000,000</u>
(June 2022: 200,000,000 Ordinary shares of Rs. 10 each)			
Issued, subscribed and paid-up capital	14	5,578,341,705	5,578,341,705
Share premium		2,302,905,878	2,302,905,878
Fair value reserve		428,407,426	423,776,599
General reserve		18,752,260	18,752,260
Accumulated profit / (loss)		175,880,595	(169,695,670)
		<u>8,504,287,864</u>	<u>8,154,080,772</u>
Non-current liabilities			
Long-term financing-secured	15	500,000,000	500,000,000
Lease liability	16	19,928,186	26,807,015
		<u>519,928,186</u>	<u>526,807,015</u>
Current liabilities			
Trade and other payables	17	2,711,265,634	2,048,700,109
Short term financing-secured	18	150,000,000	150,000,000
Current portion of lease liability		12,712,268	16,542,970
Unclaimed dividend		1,927,398	1,927,815
Taxation - net		-	35,460,383
Accrued mark-up		2,732,794	1,257,863
		<u>2,878,638,094</u>	<u>2,253,889,140</u>
TOTAL EQUITY AND LIABILITIES		<u>11,902,854,143</u>	<u>10,934,776,927</u>
CONTINGENCIES AND COMMITMENTS			
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The annexed notes 1 to 25 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2023**

	Note	Quarter ended September 30,	
		2023	2022
		----- Rupees -----	
Operating revenue	20	246,223,591	179,968,056
Net gain on investments			
Gain on sale of short term investments 'at fair value 'through profit and loss' - net		136,942,531	142,906,234
Unrealised Gain on re-measurement of short term 'investments at fair value through profit or loss' -net		196,724,206	760,165,614
		333,666,737	903,071,848
Dividend income		3,574,558	3,742,760
Mark-up / profit on bank deposits and other receivables		104,488,786	99,637,486
		687,953,672	1,186,420,150
Operating and administrative expenses		(188,259,017)	(287,741,781)
Impairment on long-term investment - subsidiary		(36,373)	(49,955)
Reversal against expected credit loss		1,160,452	1,740
		(187,134,938)	(287,789,996)
Operating profit		500,818,734	898,630,154
Finance cost		(42,585,980)	(43,339,369)
		458,232,754	855,290,785
Other income		2,212,921	1,003,177
Profit before taxation for the period		460,445,675	856,293,962
Taxation		(114,869,410)	(163,586,354)
Profit for the period		345,576,265	692,707,608
Other comprehensive income for the period:			
Items that will not be reclassified subsequently to profit or loss:			
Unrealized gain arising on re-measurement of long term investment at fair value through other comprehensive income-net		4,630,827	20,635,648
Total comprehensive income for the period		350,207,092	713,343,256
		----- Rupees -----	
Earnings per share - basic and diluted		0.62	1.71

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
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOW (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter Ended September	
	2023	2022
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	460,445,675	856,293,962
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	19,753,959	17,716,514
Amortization	445,921	321,424
Gain on sale of short term investments 'at fair value through profit and loss' - net	(136,942,531)	(142,906,234)
Gain on sale of property and equipment	(1,946,533)	-
Unrealised gain on re-measurement of short term investments at fair value through profit or loss' - net	(196,724,206)	(760,165,614)
Impairment on long-term investment - subsidiary	36,373	49,955
impairment of BIPL Securities TREC	-	-
(Reversal) of doubtful debts-net	(1,160,452)	(1,740)
Finance cost	42,585,980	43,339,369
Dividend income	(3,574,558)	(3,742,760)
	<u>(277,526,047)</u>	<u>(845,389,086)</u>
	182,919,628	10,904,876
Working capital adjustments:		
(Increase) / decrease in current assets		
Trade debts	36,655,350	(115,217,930)
Deposits, prepayments and other receivables	(1,044,270,450)	(93,545,617)
Loan and advances	(57,558,881)	(413,811,445)
	<u>(1,065,173,981)</u>	<u>(622,574,992)</u>
Increase in current liabilities		
Trade and other payables	662,565,521	36,834,756
	<u>(219,688,831)</u>	<u>(574,835,360)</u>
Finance cost paid	(39,744,957)	(67,096,576)
Income tax paid	(49,189,369)	(12,166,603)
Net cash flows (used) from operating activities	<u>(308,623,158)</u>	<u>(654,098,539)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	68,942,628	104,419,595
Purchase of property and equipment	(258,208,045)	(6,814,611)
Proceeds from disposal of property and equipment	6,000,000	-
Dividend received	3,574,558	3,742,760
Net cash flows (used) / generated in investing activities	<u>(179,690,859)</u>	<u>101,347,744</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	(150,000,000)	(335,000,000)
Lease payments	(12,075,621)	(1,892,353)
Long-term deposits and prepayments	95,605	200,000
Dividend paid	(417)	-
Net cash flows used in financing activities	<u>(161,980,433)</u>	<u>(336,692,353)</u>
Net decrease in cash and cash equivalents	<u>(650,294,449)</u>	<u>(889,443,148)</u>
Cash and cash equivalents at the beginning of the period	876,830,002	1,140,384,549
Cash and cash equivalents at the end of the period	<u>226,535,553</u>	<u>250,941,401</u>
Cash and cash equivalents comprises of:		
Cash and bank balances	376,535,553	250,941,401
Short term financing-secured	(150,000,000)	-
	<u>226,535,553</u>	<u>250,941,401</u>



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 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, 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 Quarter Ended September 30, 2022	-	-	-	-	692,707,608	-	692,707,608
Other comprehensive income for the period	-	-	-	-	-	20,635,648	20,635,648
Shares issued in accordance of scheme of merger	4,578,341,705	(4,578,341,705)	-	-	-	-	-
Balance as at September 30, 2022	5,578,341,705	-	2,302,905,878	18,752,260	116,256,217	4,131,533	8,020,387,593
Loss for the Nine Months ended June 30, 2023	-	-	-	-	(285,951,887)	-	(285,951,887)
Other comprehensive income for the period	-	-	-	-	-	419,645,065	419,645,065
Balance as at June 30, 2023	5,578,341,705	-	2,302,905,878	18,752,260	(169,695,670)	423,776,599	8,154,080,772
Profit for The Quarter Ended September 30, 2023	-	-	-	-	345,576,265	-	345,576,265
Other comprehensive income for the period	-	-	-	-	-	4,630,827	4,630,827
Balance as at September 30, 2023	5,578,341,705	-	2,302,905,878	18,752,260	175,880,595	428,407,426	8,504,287,864



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED 30 September, 2023

1 STATUS AND NATURE OF BUSINESS

- 1.1** AKD 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 302-303, 3rd Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Blue Area,
5	Karachi	Plot # D-1, 2nd Floor, J.F. Plaza, North Nazimabad,
6	Karachi	Plot No. FL-3/12, Ground Floor, Block-05, Gulshan-e-Iqbal,
7	Karachi	Room No. 529, 5th Floor, Room Nos. 93-95, 2nd Floor, Stock Exchange Building, Stock Exchange Road,
8	Karachi	Ground Floor, Plot No. 233B, Shop No. 01, Midway B Commercial Area, Bahria Town,
9	Lahore	Office 512-513, 5th Floor, Lahore Stock Exchange Building, 19, Khayaban-e-Aiwan-e-Iqbal Road,
10	Lahore	64-A, 2nd Floor, Fountain Avenue Building, Main Boulevard Road, Gulberg,
11	Multan	Ground Floor, State Life Building, Abdali Road,
12	Peshawar	1st Floor, State Life Building, 34-The Mall, Peshawar Cantt,
13	Rahim Yar Khan	Plot # 24, City Park Chowk, Model Town,
14	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 2023: 95.87%) shares of the company.

- 1.3** 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 September 30, 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, 2023.
- 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 ended June 30, 2023.

3.2 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, 2023.

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, 2023.

4 FUNCTIONAL AND PRESENTATION CURRENCY

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

		(Un-Audited) September 30, 2023	(Audited) June 30, 2023
		----- Rupees -----	
5 PROPERTY AND EQUIPMENT			
	Property and equipment	145,894,485	157,996,336
	Right to use asset under IFRS 16	31,373,251	42,370,780
	Advance against capital expenditure	1,886,800,000	1,629,300,000
		2,064,067,736	1,829,667,116
5.1 Property and equipment			
	Opening	157,996,336	199,943,230
	Additions during the period / year	708,045	15,218,197
	Deletions during the period / year (net)	(4,053,467)	(9,323,916)
	Transferred from Leased Asset during the period / year (net)	6,237,189	573,756
	Depreciation charge for the period / year	(14,993,619)	(48,414,930)
	Book value at end of the period / year	145,894,485	157,996,336
5.2 Right-of-use- assets			
	Opening	42,370,780	56,035,043
	Additions during the period / year	-	17,262,712
	Transferred to owned assets	-	(573,756)
	Deletions or Transfers during the period / year	(6,237,189)	(6,509,280)
	Depreciation charge for the period / year	(4,760,340)	(23,843,938)
		31,373,251	42,370,780
5.3 Advance against capital expenditure			
	Opening	1,629,300,000	71,726,556
	Additions during the period / year	257,500,000	1,557,573,444
		1,886,800,000	1,629,300,000
5.3.1	This represents the advance paid to Mr. Aqeel Karim Dhedhi 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.		
5.3.2	This represents the partial advance of Rs. 916.8 mn paid to Mr. Aqeel Karim Dhedhi against purchase of office premises measuring 4,888 square feet for a total agreed price of Rs 920 million.		
6 INTANGIBLE ASSETS			
	Computer software	2,246,991	2,692,912
	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	2,500,000	2,500,000
	Good will recognized under merger scheme	3,137,826,767	3,137,826,767
		3,152,724,008	3,153,169,929
6.1 Computer software			
	Opening	2,692,912	3,343,122
	Additions during the period / year	-	687,554
	Deletions during the period / year	-	-
	Depreciation charge for the period / year	(445,921)	(1,337,764)
	Book value at end of the period / year	2,246,991	2,692,912
6.2	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.		

	Note	(Un-Audited)	(Audited)
		September 30, 2023	June 30, 2023
----- Rupees -----			
7 LONG-TERM INVESTMENTS			
Structured Venture (Private) Limited (Subsidiary)			
Cost	7.1	488,581,200	488,581,200
Less: Provision for impairment		(488,581,200)	(488,544,827)
		-	36,373
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		11,209,299	10,423,852
		12,647,299	11,861,852
Al Jomaih Power Limited (Unquoted)			
Cost	7.3	184,196,957	184,196,957
Unrealized gain period / year		448,827,523	444,982,143
		633,024,480	629,179,100
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)
		-	-
		645,671,779	641,077,326

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.

During the period company has recognised further impairment as the net assets of the SVPL has decreased due to operating loss.

7.2 Fair value of investment in PSX at the period ended was Rs. 7.89 per share (2023: 7.40 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, 2023. The above figures are based on unaudited financial statements. The company holds 1.55% of total issued certificates of AJPL. To date company has received a return of Rs 72mn in forms of dividends and the total cost of investment is Rs 184.19mn (2022: 184.19mn).

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

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

8 LONG-TERM DEPOSITS AND PREPAYMENTS

Deposits with:

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

	21,611,500	21,611,500
	-	-
	4,000,000	4,000,000
	200,000	200,000
	7,092,795	5,932,640
	7,039,102	8,294,862
	39,943,397	40,039,002
Prepayments	18,000	18,000
Expected credit loss - Rent Deposits	(177,951)	(177,951)
	39,783,446	39,879,051

Note	(Un-Audited)	(Audited)
	September 30, 2023	June 30, 2023
----- Rupees -----		
9 SHORT-TERM INVESTMENTS		
At fair value through profit or loss' - Quoted Equity Securities		
Carrying Value	2,386,058,963	2,593,148,987
Unrealised gain / (loss) on re-measurement of short term investments 'at fair value through profit or loss' -net	196,724,206	(275,089,927)
	2,582,783,169	2,318,059,059
Term finance certificates - Pace Pakistan Ltd.	9.1	-
At fair value through other comprehensive income ' - PPTFC	833,334	833,334
	2,583,616,503	2,318,892,393

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	446,814,586	486,004,903
Inter-bank brokerage	16,193,175	13,718,436
Receivable against consultancy, advisory & underwriting	24,987,429	24,927,200
	487,995,190	524,650,539
Less: Provision for doubtful debts	(293,332,774)	(294,493,225)
	194,662,416	230,157,314

11 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Deposits:		
Exposure deposit with -NCCPL	2,088,783,267	1,053,530,734
Exposure deposit with -PMEX	11,382,537	10,956,124
Others	2,100,000	2,100,000
	2,102,265,804	1,066,586,858
-Impact of expected credited loss	(2,100,000)	(2,100,000)
	2,100,165,804	1,064,486,858
Prepayments	21,875,486	22,373,157
Other receivables:		
Profit on bank deposits	2,040,449	2,576,731
Others	42,479,460	32,854,003
	44,519,909	35,430,734
-Impact of expected credited loss	(5,248,912)	(5,248,912)
	39,270,997	30,181,822
	2,161,312,287	1,117,041,837

12 LOANS AND ADVANCES

Advances to employees and executives	12.1	32,682,854	32,847,054
Short term loan to:			
Holding company	12.2	558,791,230	504,578,011
Creek Developers (Private) Limited	12.3	9,411,353	5,799,426
		568,202,583	510,377,437
Markup on short term loan to:			
Holding company	12.2	762,711	1,326,003
Creek Developers (Private) Limited	12.3	476,466	15,240
		1,239,177	1,341,243
		602,124,614	544,565,734

- 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 3MK+2% per annum receivable 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 3MK+2% per annum receivable in arrears.

	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
----- Rupees -----		
13 CASH AND BANK BALANCES		
Company accounts		
Current accounts	28,479,454	20,846,789
Deposits accounts	9,015,552	3,015,663
	37,495,006	23,862,452
Client accounts		
Current accounts	322,832,907	829,234,355
Deposits accounts	15,747,293	23,419,465
	338,580,200	852,653,821
Cash in hand	457,050	310,432
Stamps in hand	3,297	3,297
	376,535,553	876,830,002

- 13.1 These carry profit at rates ranging from 4.70% to 20.50% (June 30, 2023: 3.40% to 19.50%) 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	457,834,171	Ordinary shares of Rs. 10 each fully paid-up as part of the scheme of merger	4,578,341,705	4,578,341,705
557,834,171	557,834,171		5,578,341,705	5,578,341,705

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

		(Un-Audited)	(Audited)
	Note	September 30, 2023	June 30, 2023
----- 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	500,000,000	500,000,000
Less: Current portion		<u>(150,000,000)</u>	<u>(150,000,000)</u>
		<u>500,000,000</u>	<u>500,000,000</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	The AKD Securities Ltd. obtained a diminishing musharakah facility from Al-Baraka Bank (Pakistan) Limited (ABPL) amounting to Rupees 500 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		43,349,984	52,965,412
Additions during the period / year		-	17,262,712
Deletions during the period / year		-	(6,509,280)
Payments made during the period / year		<u>(10,709,530)</u>	<u>(20,368,860)</u>
		32,640,454	43,349,984
Transferred to current maturity		<u>(12,712,268)</u>	<u>(16,542,970)</u>
		<u>19,928,186</u>	<u>26,807,015</u>
17 TRADE AND OTHER PAYABLES			
Trade creditors		2,347,203,612	1,755,799,710
Accrued liabilities		238,999,655	164,974,886
Withholding tax		29,415,734	35,680,901
Provision for Workers' Welfare Fund - Sindh		27,166,244	17,769,394
Payable to Staff Provident Fund		12,375,280	15,862,590
Unclaimed deposits by clients		25,457,858	29,132,842
Others		30,647,251	29,479,786
		<u>2,711,265,634</u>	<u>2,048,700,109</u>
18 SHORT TERM FINANCING- SECURED			
Loan from Financial Institution		150,000,000	-
Current Portion of Loan of Diminishing musharakah facility		-	150,000,000
	15.1	<u>150,000,000</u>	<u>150,000,000</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, 2023.

19.3 Commitments:

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

Advance against capital expenditure

Note	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
	----- Rupees -----	
	-	-
	3,200,000	260,700,000
	Quarter ended September 30, 2023	2022
	----- Rupees -----	

20 OPERATING REVENUE

Brokerage
Financial advisory fee
Custody services
Underwriting commission

Brokerage	209,107,681	172,152,570
Financial advisory fee	3,100,000	2,201,323
Custody services	34,015,909	4,896,663
Underwriting commission	-	717,500
	246,223,591	179,968,056

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

Nature of related party	Balances at the reporting date	(Un-Audited) September 30, 2023	(Audited) June 30, 2023
		----- Rupees -----	
Holding Company	Balance receivable period / year end	559,553,941	505,904,014
Other Related Parties	Net Balance receivable/(payable) at period / year end	10,545,307	(13,954,114)
Key Personnels	Balance receivable period / year end	-	153,798,628
	Balance payable period / year end	(840,844)	-
		(Un-Audited)	September
		September 30, 2023	30,2022
		----- Rupees -----	
Nature of related party	Nature of transactions during the period		
Holding Company	Mark up accrued on loan during the period	54,534,330	40,404,274
	Brokerage income earned	-	-
Other Related Parties	Mark up accrued on loan during the period	461,226	982,854
	Brokerage earned	-	-
Key Personnels	Brokerage Earned	1,028,183	3,348,590
	Managerial Remuneration & Commission	5,634,603	7,875,000
	Meeting Fee	60,000	-
	Company Contribution to Provident Fund	328,782	477,306

22 OPERATING SEGMENTS

	September 30, 2023 (Un-Audited)				
	Brokerage	Financial Advisory	Underwriting	Other Operation	Total
Segment revenues	209,107,681	3,100,000	-	476,012,379	688,220,061
Administrative and operating expenses (other than depreciation and amortization)	(51,062,819)	(757,001)	-	(116,239,317)	(168,059,136)
Impairment on long-term investment - subsidiary (Provision) / reversal against doubtful debts-net	(11,052)	(164)	-	(25,158)	(36,373)
Depreciation	1,160,452	-	-	-	1,160,452
Amortisation of intangible assets	(6,002,011)	(88,979)	-	(13,662,969)	(19,753,959)
Finance cost	(135,488)	(2,009)	-	(308,425)	(445,921)
	(12,939,255)	(191,823)	-	(29,454,902)	(42,585,980)
	140,117,508	2,060,024	-	316,321,610	458,499,142
Gain on sale of operating assets					1,946,533
Taxation					(114,869,410)
Profit after tax					345,576,265
Segment assets	<u>7,241,266,327</u>	<u>30,161,864</u>	<u>-</u>	<u>4,631,425,953</u>	<u>11,902,854,143</u>
Segment liabilities	<u>2,684,370,745</u>	<u>4,621,058</u>	<u>-</u>	<u>709,574,476</u>	<u>3,398,566,279</u>
	September 30, 2022 (Un-Audited)				
	Brokerage	Financial Advisory	Underwriting	Other Operation	Total
Segment revenues	172,152,570	2,201,323	717,500	1,012,334,409	1,187,405,802
Net gain on investments	-	-	-	-	-
Administrative and operating expenses (other than depreciation and amortization)	(257,991,393)	(3,298,948)	(1,075,260)	(7,338,241)	(269,703,842)
Impairment on long-term investment - subsidiary (Provision) / reversal against doubtful debts-net	(49,955)	-	-	-	(49,955)
Depreciation	1,740	-	-	-	1,740
Amortisation of intangible assets	(16,947,137)	(216,704)	(70,633)	(482,040)	(17,716,513)
Finance cost	(307,466)	(3,931)	(1,281)	(8,745)	(321,424)
Sales Tax on Services	(41,457,267)	(530,116)	(172,786)	(1,179,200)	(43,339,369)
	(144,598,908)	(1,848,376)	(602,460)	1,003,326,183	856,276,439
Mark up staff loan					17,525
Taxation					(163,586,354)
Profit after tax					692,707,608
Segment assets	<u>3,496,092,326</u>	<u>40,033,031</u>	<u>13,048,380</u>	<u>7,781,909,174</u>	<u>11,331,082,911</u>
Segment liabilities	<u>2,581,464,839</u>	<u>13,828,061</u>	<u>4,507,123</u>	<u>710,895,295</u>	<u>3,310,695,318</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

	<u>September 30,</u> <u>2023</u>	<u>June 30,</u> <u>2023</u>	<u>September 30,</u> <u>2023</u>	<u>June 30,</u> <u>2023</u>
	% of holding		Number of shares	
M/s AKD Group Holdings (Private) Limited	95.87%	95.87%	534,806,196	534,806,196

23.2 As at September 30, 2023, the value of shares pledged with financial institutions amounted to Rs.938.54 million out of which the value of Company's shares pledged with banks amounted to Rs. 393.45 million (June 2023: 1,064.09 million) and the value of customer shares maintained with the company pledged with financial institution is Rs. 301.01 million (June 30, 2023:Rs. 484.83 million).

23.3 As at September 30, 2023, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.38.749 million (June 30, 2023: Rs. 42.467 million).

24 DATE OF AUTHORISATION

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Company on _____.

25 GENERAL

25.1 Figures have been rounded off to the nearest rupees.

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

- Consolidated Condensed Interim Statement of Financial Position
- Consolidated Condensed Interim Statement of Profit and Loss and Other Comprehensive Income
- Consolidated Condensed Interim Cashflow Statement
- Condensed Condensed Interim Statement of Changes in Equity
- Notes to the Condensed Condensed Interim Financial Information



AKD SECURITIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	(Un-audited)	(Audited)
	September 30, 2023	June 30, 2023
	----- Rupees -----	
ASSETS		
Non-current assets		
Property and equipment	2,064,067,736	1,829,667,116
Intangible assets	3,152,724,008	3,153,169,929
Long-term investments	645,671,779	641,040,953
Long-term deposits and prepayments	39,783,446	39,879,051
Deferred tax asset - net	78,637,425	183,496,225
	<u>5,980,884,394</u>	<u>5,847,253,274</u>
Current assets		
Short-term investments	2,583,616,503	2,318,892,393
Trade debts	194,662,416	230,157,314
Deposits, prepayments and other receivables	2,161,314,929	1,117,043,837
Loans and advances	602,124,614	544,565,734
Taxation - net	3,949,700	-
Cash and bank balances	377,033,496	877,396,098
	<u>5,922,701,658</u>	<u>5,088,055,377</u>
TOTAL ASSETS	<u>11,903,586,052</u>	<u>10,935,308,650</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>7,000,000,000</u>
Issued, subscribed and paid-up capital	5,578,341,705	5,578,341,705
Share premium	2,302,905,878	2,302,905,878
Fair value reserve	385,036,545	380,405,718
General reserve	18,752,260	18,752,260
Accumulated profit / (loss)	219,225,589	(126,324,789)
	<u>8,504,261,977</u>	<u>8,154,080,772</u>
Non-current liabilities		
Long-term financing-secured	500,000,000	500,000,000
Lease liability	19,928,186	26,807,015
	<u>519,928,186</u>	<u>526,807,015</u>
Current liabilities		
Trade and other payables	2,712,023,429	2,049,462,157
Short term financing-secured	150,000,000	150,000,000
Current portion of lease liability	12,712,268	16,542,970
Unclaimed dividend	1,927,398	1,927,815
Taxation - net	-	35,230,059
Accrued mark-up	2,732,794	1,257,863
	<u>2,879,395,889</u>	<u>2,254,420,864</u>
TOTAL EQUITY AND LIABILITIES	<u>11,903,586,052</u>	<u>10,935,308,650</u>

CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 11 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Quarter ended September 30,	
	2023	2022
	----- Rupees -----	
Operating revenue	246,223,591	179,968,056
Net gain on investments		
Gain on sale of short term investments 'at fair value through profit and loss' - net	136,942,531	142,906,234
Unrealised Gain on re-measurement of short term investments 'at fair value through profit or loss' -net	196,724,206	760,165,614
	333,666,737	903,071,848
Dividend income	3,574,558	3,742,760
Mark-up / profit on bank deposits and other receivables	104,496,079	99,642,846
	687,960,965	1,186,425,510
Operating and administrative expenses	(188,328,570)	(287,797,096)
Reversal against expected credit loss	1,160,452	1,740
	(187,168,118)	(287,795,356)
Operating profit	500,792,847	898,630,154
Finance cost	(42,585,981)	(43,339,369)
	458,206,866	855,290,785
Other income	2,212,922	1,003,177
Profit before taxation for the period	460,419,788	856,293,962
Taxation	(114,869,410)	(163,586,354)
Profit for the period	345,550,378	692,707,608
Other comprehensive income for the period:		
Items that will not be reclassified subsequently to profit or loss:		
Unrealized gain arising on re-measurement of long term investment at fair value through other comprehensive income-net	4,630,827	20,635,648
Total comprehensive income for the period	350,181,205	713,343,256
	----- Rupees -----	
Earnings per share - basic and diluted	0.62	1.71

The annexed notes 1 to 11 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter ended September 30,	
	2023	2022
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	460,419,788	856,293,962
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	19,753,959	17,716,514
Amortization	445,921	321,424
Gain on sale of short term investments 'at fair value through profit and loss' - net	(136,942,531)	(142,906,234)
Gain on sale of property and equipment	(1,946,533)	-
Unrealised gain on re-measurement of short term investments 'at fair value through profit or loss' - net	(196,724,206)	(760,165,614)
Reversal of doubtful debts-net	(1,160,452)	(1,740)
Finance cost	42,585,980	43,339,369
Dividend income	(3,574,558)	(3,742,760)
	<u>(277,562,420)</u>	<u>(845,439,041)</u>
	182,857,368	10,854,921
Working capital adjustments:		
(Increase) / decrease in current assets		
Trade debts	36,655,350	(115,217,930)
Deposits, prepayments and other receivables	(1,044,271,090)	(93,545,748)
Loan and advances	(57,558,881)	(413,811,445)
	<u>(1,065,174,621)</u>	<u>(622,575,122)</u>
Increase in current liabilities		
Trade and other payables	662,561,272	36,887,396
	<u>(219,755,981)</u>	<u>(574,832,806)</u>
Finance cost paid	(39,744,957)	(67,096,576)
Income tax paid	(49,189,371)	(12,167,387)
Net cash flows (used) from operating activities	<u>(308,690,309)</u>	<u>(654,096,769)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	68,942,628	104,419,595
Purchase of property and equipment	(258,208,044)	(6,814,611)
Purchase of intangible assets	(1)	-
Proceeds from disposal of property and equipment	6,000,000	-
Dividend received	3,574,558	3,742,760
Net cash flows (used)/generated in investing activities	<u>(179,690,859)</u>	<u>101,347,744</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of short term financing	(150,000,000)	(335,000,000)
Lease payments	(12,075,621)	(1,892,353)
Long-term deposits and prepayments	95,605	200,000
Dividend paid	(417)	-
	<u>(161,980,433)</u>	<u>(336,692,353)</u>
Net decrease in cash and cash equivalents	<u>(650,361,602)</u>	<u>(889,441,378)</u>
Cash and cash equivalents at the beginning of the period	877,396,098	1,140,996,686
Cash and cash equivalents at the end of the period	<u>227,034,496</u>	<u>251,555,309</u>
Cash and cash equivalents comprises of:		
Cash and bank balances	377,033,496	251,555,308
Short term financing-secured	(150,000,000)	-
	<u>227,033,496</u>	<u>251,555,308</u>



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 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, 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 three months ended Septmeber 30, 2022					692,707,608		692,707,608
Other comprehensive income for the period						20,635,648	20,635,648
Shares to be issued in accordance of scheme of merger	4,578,341,705	(4,578,341,705)					-
Balance as at September 30, 2022	5,578,341,705	-	2,302,905,878	18,752,260	159,627,098	(39,239,348)	8,020,387,594
Loss for the nine months ended June 30, 2023	-	-	-	-	(285,951,887)	-	(285,951,887)
Other comprehensive income for the period	-	-	-	-	-	419,645,065	419,645,065
Balance as at June 30, 2023	5,578,341,705	-	2,302,905,878	18,752,260	(126,324,789)	380,405,718	8,154,080,772
Profit for the three months ended Septmeber 30, 2023	-	-	-	-	345,550,378	-	345,550,378
Other comprehensive income for the period	-	-	-	-	-	4,630,827	4,630,827
Balance as at September 30, 2023	5,578,341,705	-	2,302,905,878	18,752,260	219,225,589	385,036,545	8,504,261,977



Chief Executive Officer



Director



Chief Financial Officer

AKD SECURITIES LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 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 302-303, 3rd Floor, Islamabad Stock Exchange Tower, Jinnah Avenue, Blue Area,
5	Karachi	Plot # D-1, 2nd Floor, J.F. Plaza, North Nazimabad,
6	Karachi	Plot No. FL-3/12, Ground Floor, Block-05, Gulshan-e-Iqbal,
7	Karachi	Room No. 529, 5th Floor, Room Nos. 93-95, 2nd Floor, Stock Exchange Building, Stock Exchange Road,
8	Karachi	Ground Floor, Plot No. 233B, Shop No. 01, Midway B Commercial Area, Bahria Town,
9	Lahore	Office 512-513, 5th Floor, Lahore Stock Exchange Building, 19, Khayaban-e-Aiwan-e-Iqbal Road,
10	Lahore	64-A, 2nd Floor, Fountain Avenue Building, Main Boulevard Road, Gulberg,
11	Multan	Ground Floor, State Life Building, Abdali Road,
12	Peshawar	1st Floor, State Life Building, 34-The Mall, Peshawar Cantt,
13	Rahim Yar Khan	Plot # 24, City Park Chowk, Model Town,
14	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, 2023: 95.87%) shares of the Holding Company.

- 1.3** 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 financial statements of the Group for the period ended September 30, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act); and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 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, 2023.
- 2.3** These consolidated condensed interim financial information are un-audited.

3 NEW 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 ended June 30, 2023.

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 June 30, 2023.

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, 2023.

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 Functional and presentation currency.

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

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

		(Un-audited)	(Audited)
		September 30, 2023	June 30, 2023
		----- Rupees -----	
Relationship with the Company	Balances		
Holding Company	Balance receivable period / year end	559,553,941	505,904,015
Other Related Parties	Net Balance receivable/(payable) at period / year end	10,545,307	(13,954,114)
Key Personnels	Balance receivable period / year end	-	153,798,628
	Balance payable period / year end	(840,844)	
		(Un-audited)	
		September 30, 2023	September 30, 2022
		----- Rupees -----	
Relationship with the Company	Nature of transactions		
Holding Company	Mark up accrued on loan during the period	54,534,330	40,404,274
	Brokerage income earned	-	-
Other Related Parties	Mark up accrued on loan during the period	461,226	982,854
	Brokerage Earned	-	-
Key Personnels	Brokerage Earned	1,028,183	3,348,590
	Managerial & Commission	5,634,603	7,875,000
	Meeting Fee	60,000	-
	Company Contribution to Provident Fund	328,782	477,306

8 OPERATING SEGMENTS

	September 30, 2023 (Un-audited)				
	Brokerage	Financial Advisory	Underwriting	Other Operation	Total
Segment revenues	209,107,681	3,100,000	-	476,012,379	688,220,061
Administrative and operating expenses (other than depreciation and amortization)	(51,062,819)	(757,001)		(116,239,317)	(168,059,137)
(Provision) / reversal against doubtful debts-net	1,160,452	-	-	-	1,160,452
Depreciation	(6,002,011)	(88,979)		(13,662,969)	(19,753,959)
Amortisation of intangible assets	(135,488)	(2,009)		(308,425)	(445,921)
Finance cost	(12,939,255)	(191,823)		(29,454,902)	(42,585,980)
	140,128,560	2,060,188	-	316,346,767	458,535,515
Gain on sale of operating assets					1,946,533
Taxation					(114,869,410)
Profit after tax					345,550,378
Segment assets	7,241,266,327	30,161,864	-	4,632,157,861	11,903,586,051
Segment liabilities	2,684,370,745	4,621,058	-	710,332,272	3,399,324,075

	September 30, 2022 (Un-audited)				
	Brokerage	Financial Advisory	Underwriting	Other Operation	Total
Segment revenues	172,152,570	2,201,323	717,500	1,012,339,768	1,187,411,161
Administrative and operating expenses (other than depreciation and amortization)	(257,991,393)	(3,298,948)	(1,075,260)	(7,393,556)	(269,759,158)
Impairment on long-term investment - subsidiary	-	-	-	-	-
(Provision) / reversal against doubtful debts-net	1,740	-	-	-	1,740
Depreciation	(16,947,137)	(216,704)	(70,633)	(482,040)	(17,716,514)
Amortisation of intangible assets	(307,466)	(3,931)	(1,281)	(8,745)	(321,424)
Finance cost	(41,457,267)	(530,116)	(172,786)	(1,179,200)	(43,339,369)
	(144,548,953)	(1,848,376)	(602,460)	1,003,276,227	856,276,437
Mark up staff loan					17,525
Taxation					(163,586,354)
Profit after tax					692,707,608
Segment assets	<u>3,496,092,326</u>	<u>40,033,031</u>	<u>13,048,380</u>	<u>7,782,299,313</u>	<u>11,331,473,050</u>
Segment liabilities	<u>2,581,464,839</u>	<u>13,828,061</u>	<u>4,507,123</u>	<u>711,285,434</u>	<u>3,311,085,457</u>

9 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:

9.1 Person holding more than 5% of shares

	September 30, 2023	June 30, 2023	September 30, 2023	June 30, 2023
	% of holding		Number of shares	
M/s. AKD Securities Limited	95.87%	95.87%	534,806,196	534,806,196

10 DATE OF AUTHORISATION

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Holding Company on _____.

11 GENERAL

11.1 Figures have been rounded off to the nearest rupees.



Chief Executive Officer



Director



Chief Financial Officer



AKD Securities Limited



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