



QUARTER ENDED **MARCH 2022**
Condensed Interim Financial Information (Un - Audited)



BIPL SECURITIES LIMITED

Pioneers in Providing Premium Financial Services For Over 5 Decades



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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
 Ayesha Aqeel Dhedhi
 Afsheen Aqeel
 Khurshid Anwer
 Muhammad Noorul Hasan
 Muhammad Shehzad Dhedhi

AUDIT COMMITTEE

Mr. Sikander Kasim - Chairman
 Ms. Ayesha Aqeel Dhedhi
 Ms. Afsheen Aqeel

HR & R COMMITTEE

Mr. Kamal Uddin Tipu - Chairman
 Mr. Khurshid Anwer
 Ms. Afsheen Aqeel

CHIEF EXECUTIVE OFFICER

Abdul Aziz Anis, CFA

ACTING COMPANY SECRETARY

Zafar Ahmed Khan

CHIEF FINANCIAL OFFICER

Zafar Ahmed Khan

STATUTORY / NCB AUDITOR

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

CREDIT RATING AGENCY

JCR-VIS Credit Rating Company Limited

BANKERS

Allied Bank Limited
 Askari Bank Limited
 Bank Al-Habib Limited
 Bank Al-Falah Limited
 Bank Islami Pakistan Limited
 Faysal Bank Limited
 Habib Metropolitan Bank Limited
 JS Bank Limited
 MCB Bank Limited
 Meezan Bank Limited

LEGAL ADVISORS

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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 March 31, 2022.

Economic Review

Pakistan's economy has undergone a difficult nine months amid a rise in the commodity cycle and recent political turmoil. Projected GDP growth for FY22 is 4%, less than the growth of 5.6% recorded in FY21. Large-Scale Manufacturing (LSM) has grown by 7.6% during July 21 to Jan 22 due to supportive policies deployed by the government while tax collection has shown robust growth with PKR 4.38tn collected in 9MFY22, up 29.1% YoY. The majority of tax collection (52%) has come from imports while other major avenues were income tax and sales tax.

The Current Account deficit for 8MFY22 has been recorded at USD 12.1bn, while the government's target for FY22 was USD 12.9bn. Projected deficit for the year is now between USD 17.5bn to USD 20bn. The reason for this surge is the Trade Deficit which has amounted to USD 32bn in 8MFY22, already crossing the government's target for the whole year which was set at USD 28bn. Successful continuation of the IMF program is vital to receive funding in order to meet the external financing needs of the country.

Inflation has shot up in recent months, currently recorded at 12.7% YoY in March '22, while average inflation for 9MFY22 was 10.7%. Inflationary pressure is due to high energy and fuel costs as the global prices for these commodities have surged to historic highs. Furthermore, another reason for inflationary pressure is rising food costs having an inflation rate higher than the CPI rate, with 14.5% YoY for March'22 in urban areas and 15.5% for rural areas.

Equity Market Review

The KSE-100 index has lost 5% in 9MFY22, closing at 44,928 points on March 31 as compared to 47,356 points at the start of the fiscal year. In 1QCY22, the index has remained sideways with a minor gain of only 0.75% recorded for the quarter. Average Daily Traded Value stood at PKR 10.98bn for 1QCY22, down nearly 70% compared to 1QCY21. In terms of shares, volume stood at 331.2mn shares, down 55% YoY. This clearly shows a lack of investor confidence and interest in the market during this quarter which can be put down to the uncertainty surrounding the market due to the Russia-Ukraine war, the global commodity prices skyrocketing and local political unrest.

Foreigners continued to be net sellers in the market with a net FIPI outflow of USD 20.79mn during 1QCY22. Biggest buyers in the market were Banks and DFIs with a net inflow of USD 44.2mn further invested into the market. Mutual funds were the biggest sellers in the market with an outflow of USD51.3mn as money moved to safer fixed income and money market investments.

Debt and Currency Market Review

Secondary market yields have remained on upward trajectory throughout the first quarter of CY22 in anticipation of further rate hikes despite SBP's best efforts to downplay the concern. The reason for this has been concerns on rising current account deficit and its resultant effect of weakening the PKR. This led to widening of spread between yield on govt. securities and policy rate which was more visible in short term papers. However, the SBP maintained its policy rate in the two meetings in 1QCY22 which ran against market expectations.

Operating and Financial Performance

During the period ended March 31, 2022 the Company reported the following results:

	2022	2021
	----- (Rupees in '000) -----	
Profit before taxation	15,214	86,389
Taxation	(5,042)	(25,942)
Profit after taxation	10,172	60,447
Accumulated (loss) as at January 01	(135,033)	(314,763)
Accumulated (loss) as at March 31	(124,861)	(254,316)
	----- (Rupees in '000) -----	
Earnings per share	0.10	0.60

The company revenues for the period have dropped due to drastic slowdown in equity market volume and value traded as mentioned in the Equity Market Review above. However, it should be noted that even with such low share traded volumes the company has managed to stay in the black due to strict cost control measures initiated and implemented in the previous periods.

Future Outlook

We expect the market to remain range bound in the near term. While clarity and stability on the political front may improve overall investor sentiments, what is actually needed for long term sustainability is improvement in economic numbers, both on the fiscal side as well on the external account. The upcoming FY23 budget and the continuation of the IMF program will set market direction in the medium term.

Acknowledgement

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

On behalf of the Board of Directors

Karachi
April 21, 2022



Director



Chief Executive Officer





STANDALONE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE QUARTER ENDED
MARCH 31, 2022

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

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

	Note	(Un-audited)	(Audited)
		March 31, 2022	December 31, 2021
		----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property and equipment	5	27,045	31,864
Intangible assets		4,932	5,068
Long-term investments	6	237,075	264,235
Long-term loans and advances		457	424
Long-term deposits and prepayments		26,781	26,281
Deferred tax asset - net		23,644	25,008
		319,934	352,880
Current assets			
Short-term investments	7	282,604	205,592
Trade debts	8	287,520	229,526
Advances, deposits, prepayments and other receivables	9	289,200	361,106
Taxation - net		94,657	93,518
Cash and bank balances	10	784,933	865,752
		1,738,914	1,755,494
TOTAL ASSETS		2,058,848	2,108,374
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		19,485	46,600
Revenue reserve:			
General reserve		18,752	18,752
Accumulated loss		(124,861)	(135,033)
		913,376	930,319
Non-current liabilities			
Long-term financing-secured	11	150,000	150,000
Lease liability	12	1,306	1,758
		151,306	151,758
Current liabilities			
Trade and other payables	13	990,831	870,095
Short term financing-secured		-	150,000
Current portion of lease liability	12	1,889	4,566
Unclaimed dividend		1,402	1,402
Accrued mark-up		44	234
		994,166	1,026,297
TOTAL EQUITY AND LIABILITIES		2,058,848	2,108,374
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The annexed notes 1 to 20 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 QUARTER ENDED MARCH 31, 2022**

	Note	Quarter ended March 31,	
		2022	2021
		----- (Rupees in '000) -----	
Operating revenue	15	64,981	159,322
Net gain on investment			
Gain on sale of short term investments 'at fair value through profit and loss' - net		4,932	4,215
Unrealised gain/ (loss) on re-measurement of short term investments 'at fair value through profit or loss' - net		25,535	(515)
Unrealised (loss) / gain on re-measurement of derivatives through profit & loss - net		(25,749)	648
		4,718	4,347
Mark-up / profit on bank deposits and other receivables	16	26,917	31,256
		96,616	194,925
Operating and administrative expenses		(75,581)	(101,764)
Impairment on long-term investment - Subsidiary	6.1	(46)	(40)
Provision against doubtful debts-net	8.1	(336)	(103)
		(75,963)	(101,907)
Operating profit		20,653	93,018
Finance cost		(5,467)	(6,661)
		15,186	86,357
Other income		28	32
Profit before taxation		15,214	86,389
Taxation			
Current - for the period		(3,678)	(15,167)
Deferred		(1,364)	(10,775)
		(5,042)	(25,942)
Profit after taxation		10,172	60,447
Other comprehensive (loss) / income for the period:			
Unrealized (loss) / gain arising on re-measurement of long term investment at fair value through other comprehensive income-net		(27,115)	1,243
Total comprehensive (loss) / income for the period		(16,943)	61,690
		----- (Rupees) -----	
Earnings per share - basic and diluted		0.10	0.60

The annexed notes 1 to 20 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 QUARTER ENDED MARCH 31 , 2022**

	Quarter ended March 31,	
	2022	2021
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	15,214	86,389
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	3,767	4,188
Amortization	136	46
Gain on sale of short term investments 'at fair value through profit and loss' - net	(4,932)	(4,215)
Unrealised gain / (loss) on re-measurement of investments 'at fair value through profit or loss' - net	(25,535)	515
Unrealised (loss) / gain on re-measurement of derivatives through profit & loss - net	25,749	(648)
Provision against doubtful debts-net	336	103
Impairment on long-term investment - subsidiary	46	40
Finance cost	5,467	6,661
	<u>5,034</u>	<u>6,690</u>
	20,248	93,079
Working capital adjustments:		
Decrease in current assets		
Trade debts	(58,330)	250,866
Advances, deposits, prepayments and other receivables	71,906	294,297
	13,576	545,163
Increase / (decrease) in current liabilities		
Trade and other payables	95,128	(375,176)
	128,952	263,066
Finance cost paid	(5,798)	(6,676)
Income tax paid	(4,817)	(5,262)
Net cash flows generated from operating activities	<u>118,338</u>	<u>251,128</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	(46,546)	(124,978)
Purchase of property and equipment	(130)	(666)
Net cash flows used in investing activities	<u>(46,676)</u>	<u>(125,644)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	(33)	(61)
Long-term deposits and prepayments	(500)	(20)
Lease liability	(1,947)	(1,552)
Repayment of short term financing	(150,000)	(40,000)
Net cash flows used in financing activities	<u>(152,480)</u>	<u>(41,633)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(80,819)</u>	<u>83,851</u>
Cash and cash equivalents at the beginning of the period	865,752	909,207
Cash and cash equivalents at the end of the period	<u>784,933</u>	<u>993,058</u>

The annexed notes 1 to 20 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 QUARTER ENDED MARCH 31, 2022**

	Revenue reserves		Fair value reserve	Total	
	Share capital	General reserve			Accumulated loss
----- (Rupees in '000) -----					
Balance as at January 01, 2021	1,000,000	18,752	(314,763)	78,210	782,199
Profit for the period	-	-	60,447	-	60,447
Other comprehensive income for the period	-	-	-	1,243	1,243
Balance as at March 31, 2021	1,000,000	18,752	(254,316)	79,453	843,889
Profit for the period	-	-	119,283	-	119,283
Other comprehensive loss for the period	-	-	-	(32,853)	(32,853)
Balance as at December 31, 2021	1,000,000	18,752	(135,033)	46,600	930,319
Profit for the period	-	-	10,172	-	10,172
Other comprehensive loss for the period	-	-	-	(27,115)	(27,115)
Balance as at March 31, 2022	1,000,000	18,752	(124,861)	19,485	913,376

The annexed notes 1 to 20 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 QUARTER ENDED MARCH 31, 2022**

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, 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 Creditors, and sanction of the Honorable High Court of Sindh at Karachi.

According to the terms of the approved Scheme of Arrangement, M/s. AKD Securities Ltd (AKDSL) shall be merged with and into the BIPLS and against which 457,834,171/- (Four Hundred Fifty Seven Million Eight Hundred Thirty Four Thousand One Hundred Seventy One) ordinary shares of the Company [176,769,950*2.59], having a face value of PKR 10/- (Pak Rupees Ten) each, shall be allotted and issued in aggregate by the Company to the shareholders of AKDSL, as fully paid up, on the basis of a swap ratio of 2.59 shares of the Company for every 1 (one) share of AKDSL held by each of the shareholders of AKDSL, in accordance with the provisions of the Scheme. 457,834,171/- (Four Hundred Fifty Seven Million Eight Hundred Thirty Four Thousand One Hundred Seventy One) ordinary shares of the Company [176,769,950*2.59], having a face value of PKR 10/- (Pak Rupees Ten) each, shall be allotted and issued in aggregate by the Company to the shareholders of AKDSL, as fully paid up, on the basis of a swap ratio of 2.59 shares of the Company for every 1 (one) share of AKDSL held by each of the shareholders of AKDSL, in accordance with the provisions of the Scheme.

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

That upon sanction of the Scheme, the name of the surviving entity i.e. the Company shall be changed to "AKD Securities Ltd."

Pursuant to the Order dated October 12, 2021 of the High Court of Sindh at Karachi passed in Judicial Companies Miscellaneous No. 36 of 2021 a Extra Ordinary General Meeting ("EOGM") of the shareholders and Creditors of M/s. BIPL Securities Ltd. held on Monday, November 29, 2021. Accordingly, the Scheme was approved by the Shareholders and Creditors of M/S BIPL Securities Ltd.

- 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 March 31, 2022 have been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of the Companies Act, 2017 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements differ, the provisions of the Companies Act, 2017 and the said directives have been followed.
- 2.2 These unconsolidated condensed interim financial information do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Company's Annual Financial Statements for the year ended December 31, 2021.
- 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, 2022, 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, 2022, 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, 2021.

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, 2021.

5. PROPERTY AND EQUIPMENT

	Note	(Un-audited) March 31, 2022	(Audited) March 31, 2021
----- (Rupees in '000) -----			
Operating fixed assets	5.1	23,306	25,176
Right-of-use- assets	5.2	3,739	6,688
		<u>27,045</u>	<u>31,864</u>

5.1 OPERATING FIXED ASSETS

Details of additions and disposals during the period / year

	Quarter ended (Un-audited)			Year ended (Audited)	
	March 31, 2022			December 31, 2021	
	Additions / Transfers Cost	Disposals	Cost	Additions Cost	Disposals Cost
	------(Rupees in '000)-----				
Office Premises-leasehold	-	-	-	-	-
Furniture and fixtures	-	-	-	34	-
Computers and office equipment	130	-	-	1,165	(227)
Motor Vehicles	-	-	-	1,462	-
	130	-	-	2,661	(227)

5.2 RIGHT-OF-USE- ASSETS

	(Un-audited)	(Audited)
	March 31, 2022	December 31, 2021
	------(Rupees in '000)-----	
Opening balance	6,688	12,265
Additions during the period / year	-	2,292
Deletions during the period / year	(1,182)	-
Depreciation for the period / year	(1,768)	(7,869)
Closing balance	3,739	6,688

6. LONG-TERM INVESTMENTS

LONG-TERM INVESTMENTS

Subsidiary company- Structured Venture (Private) Limited (SVPL)	6.1	325	371
Investments held at fair value through other comprehensive income	6.2	236,750	263,864
		237,075	264,235

6.1 Subsidiary Company

Cost	488,581	488,581
Less: Provision for impairment	(488,256)	(488,210)
	325	371

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) March 31, 2022	(Audited) December 31, 2021
----- (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	20,245	22,041
Unquoted shares			
Al Jomaih Power Limited	6.2.2	216,505	241,823
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)
		-	-
		236,750	263,864

6.2.1 This represents 1,602,953 shares having a market value of Rs 12.63 per share as at March 31, 2022 (December 31, 2021 :13.75 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 March 31, 2022.

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

	Note	(Un-audited)	(Audited)
		March 31, 2022	December 31, 2021
----- (Rupees in '000) -----			
At fair value through profit or loss'			
- Quoted equity securities	7.1	282,604	205,592
- Term Finance Certificates	7.2	-	-
		282,604	205,592

7.1 "This includes shares with carrying value of Rs. 282.604 million (December 31, 2021: Rs. 205.592 million) pledged with NCCPL against exposure margin.

7.2 Term Finance Certificates

March 31, 2022	December 31, 2021		
Number of certificates		Name of Investee Company	
		Pace Pakistan Ltd. (Face value Rs. 5,000/- each)	
4,000	4,000	Opening	18,147
-	-	Less: sold	-
4,000	4,000	Closing	18,147
		Less: impairment	7.2.1 (18,147)
			-

7.2.1 Impairment

Opening balance	18,147	18,147
Less: Adjustments during the period	-	-
	18,147	18,147

8. TRADE DEBTS

Receivable against purchase of marketable securities		152,344	106,698
Receivable from NCCPL		128,559	117,091
Inter-bank brokerage		6,617	5,737
		287,520	229,526
Considered doubtful		64,621	64,285
		352,141	293,811
Less: provision for doubtful debts	8.1	(64,621)	(64,285)
		287,520	229,526

8.1 Reconciliation of provisions against trade debts

Opening balance		64,285	64,701
Provision for the period		743	1,559
(Reversal) for the period		(407)	(1,975)
		336	(415)
		64,621	64,285

8.2 The aging analysis of trade debts are as follows:

Past due 1 - 30 days	195,517	138,128
Past due 31 days - 180 days	8,674	9,252
Past due 181 days - 1 year	2,726	1,739
More than one year-net of provision	80,603	80,407
	287,520	229,526

9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	(Un-audited) March 31, 2022	(Audited) December 31, 2021
------(Rupees in '000)-----			
Advances to :			
-Current portion of long-term loans and advances		1,466	3,131
		<u>1,466</u>	<u>3,131</u>
Deposits:			
-Exposure deposit with -NCCPL	9.1	198,366	218,293
-Exposure deposit with -PMEX		6,454	6,040
-Others		2,100	2,100
		<u>206,920</u>	<u>226,433</u>
-Impact of expected credited loss		<u>(2,100)</u>	<u>(2,100)</u>
		<u>204,820</u>	<u>224,333</u>
Prepayments:			
-Rent		2,781	-
-Insurance		1,704	78
-Software development and maintenance		817	416
-Others		1,714	2,217
		<u>7,016</u>	<u>2,711</u>
Other receivables:			
-Profit on bank deposits		6,136	5,003
-Profit on exposure deposit with NCCPL		1,049	769
-Receivable against margin finance		63,732	118,873
-Others		6,296	7,601
		<u>77,213</u>	<u>132,246</u>
-Impact of expected credit loss		<u>(1,315)</u>	<u>(1,315)</u>
		<u>75,898</u>	<u>130,931</u>
		<u>289,200</u>	<u>361,106</u>

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
- Saving accounts

	2,301	1,785
	30,522	201,005
	<u>32,823</u>	<u>202,790</u>

Client accounts

- Current accounts
- Saving accounts

	3	77
	751,896	662,883
	<u>751,899</u>	<u>662,960</u>

Cash in hand

Stamps in hand

	208	-
	3	2
	<u>784,933</u>	<u>865,752</u>

10.1 These carry profit at the rates ranging from 2.5% to 9.5% (December 31, 2021: 2.24% to 8.20%) per annum.

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 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 7. 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.

Note	(Un-audited)	(Audited)
	March 31, 2022	December 31, 2021
-----Rupees in '000-----		
Opening balance	6,324	12,001
Additions during the period/year	-	2,292
Deletions during the period/year	(1,182)	-
Payments made during the period/year	(1,947)	(7,969)
	<u>3,195</u>	<u>6,324</u>
Transferred to current maturity	(1,889)	(4,566)
Closing balance	<u>1,306</u>	<u>1,758</u>

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

	As at March 31, 2022		As at December 31, 2021	
	Principal	Finance cost	Principal	Finance cost
Not later than one year	1,889	275	4,566	401
Later than one year but not later than five years	1,306	112	1,758	154
	<u>3,195</u>	<u>387</u>	<u>6,324</u>	<u>555</u>

13. TRADE AND OTHER PAYABLES

Trade creditors	957,874	838,866
Payable to National Clearing Company of Pakistan Ltd.	3,841	-
Accrued expenses	14,292	14,624
Withholding tax	1,936	3,889
Provision for Workers' Welfare Fund - Sindh	10,308	9,998
Unwinding part of Finance lease	-	141
Others	2,580	2,577
	<u>990,831</u>	<u>870,095</u>

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There is no change in the status of contingencies as disclosed in the published annual financial statements for the year ended December 31, 2021.

14.2 Commitments

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

	<u>258,867</u>	<u>-</u>
--	----------------	----------

15. OPERATING REVENUE

Brokerage	64,129	158,251
Subscription research income	-	96
Custody services	852	976
	<u>64,981</u>	<u>159,322</u>

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

Profit on bank deposits	24,743	22,783
Margin finance income	2,120	8,422
Others	54	51
	<u>26,917</u>	<u>31,256</u>

17. 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 March 31, 2022 and December 31, 2021 and transactions with related parties during the period ended March 31, 2022 and March 31, 2021 are as follows:

	March 31, 2022 (Un-audited)					
	Parent Company	Subsidiary / associates	Directors	Key management personnel	Others	Total
	----- (Rupees in '000) -----					
BALANCES						
Trade payables	54,000	-	280	404	-	54,684

	December 31, 2021 (Audited)					
	Parent Company	Subsidiary / associates	Directors	Key management personnel	Others	Total
	----- (Rupees in '000) -----					
BALANCES						
Trade payable	-	-	269	164	-	433

	Quarter ended March 31, 2022 (Un-audited)					
	Parent Company	Subsidiary / associates	Directors	Key management personnel	Others	Total
	----- (Rupees in '000) -----					
TRANSACTIONS						
Income						
Brokerage income earned	-	-	-	111	-	111
Gain on sale of quoted shares	712	-	-	-	-	712
Expenses						
Charge in respect of contributory plan	-	-	-	130	845	975
Meeting fee	-	-	180	-	-	180
Remuneration to key management	-	-	-	4,920	-	4,920
Other transaction						
Sale of quoted shares	443,858	-	-	-	-	443,858
Purchase of quoted shares	271,601	-	-	-	-	271,601

Quarter ended March 31, 2021 (Un-audited)					
Former Parent Company	Subsidiary / associates	Directors	Key management personnel	Others	Total
------(Rupees in '000)-----					
TRANSACTIONS					
Income					
Brokerage income earned	109	-	24	-	133
Custody services-net	1	-	-	-	1
Profit on bank deposits	11,448	-	-	-	11,448
Expenses					
Bank charges	5	-	-	-	5
Charge in respect of contributory plan	-	-	130	942	1,072
Mark-up expense	6,217	-	-	-	6,217
Meeting fee	-	300	-	-	300
Remuneration to key management personnel	-	-	4,861	-	4,861
Ijarah expense	647	-	-	-	647
Other transaction					
Short term loan obtained	579,000	-	-	-	579,000
Short term loan repaid	619,000	-	-	-	619,000
Rent paid	347	-	-	-	347
Maintenance paid	697	-	-	-	697

18. 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:

18.1 Person holding more than 5% of shares

	<u>% of holding</u>		<u>Number of shares</u>	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
M/s. AKD Securities Ltd.	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.55%	6.55%	6,551,000	6,551,000
Mr. Mohammad Aslam Motiwala	9.36%	9.36%	9,360,000	9,360,000

18.2 There were no changes in the shareholding of persons holding more than 5% shares of the company.

18.3 As at March 31, 2022, the value of customer shares maintained with the company pledged with financial institution is Rs.420.08 million (December 31, 2021: Rs. 423.44 million).

18.4 As at March 31, 2022, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.14,825 million (December 31, 2021: Rs. 15,303 million).

19. DATE OF AUTHORISATION

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Company on April 21, 2022.

20. GENERAL

20.1 The Board of Directors of the Company has proposed a cash dividend of Rs. 0.50 per share (2020: Nil) amounting to Rs. 50 million (2020: Nil) at its meeting held on February 22, 2022 for the approval of members at the Annual General Meeting to be held on April 21, 2022. These unconsolidated financial statements do not reflect the said appropriation.

20.2 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 QUARTER ENDED
MARCH 31, 2022

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

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

	(Un-audited)	(Audited)
	March 31, 2022	December 31, 2021
	----- (Rupees in '000) -----	
ASSETS		
Non-current assets		
Property and equipment	27,045	31,864
Intangible assets	4,932	5,068
Long-term investments	236,750	263,864
Long-term loans and advances	457	424
Long-term deposits and prepayments	26,781	26,281
Deferred tax asset - net	23,644	25,008
	319,609	352,509
Current assets		
Short-term investments	282,604	205,592
Trade debts	287,520	229,526
Advances, deposits, prepayments and other receivables	289,227	361,158
Taxation - net	94,883	93,744
Cash and bank balances	785,604	866,420
	1,739,838	1,756,440
TOTAL ASSETS	2,059,447	2,108,949
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	(23,886)	3,229
Revenue reserve:		
General reserve	18,752	18,752
Accumulated loss	(81,490)	(91,662)
	913,376	930,319
Non-current liabilities		
Long-term financing-secured	150,000	150,000
Lease liability	1,306	1,758
	151,306	151,758
Current liabilities		
Trade and other payables	991,430	870,670
Short term financing-secured	-	150,000
Current portion of lease liability	1,889	4,566
Unclaimed dividend	1,402	1,402
Accrued mark-up	44	234
	994,765	1,026,872
TOTAL EQUITY AND LIABILITIES	2,059,447	2,108,949

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 QUARTER ENDED MARCH 31, 2022**

	Quarter ended March 31,	
	2022	2021
	----- (Rupees in '000) -----	
Operating revenue	64,981	159,322
Net gain on investment		
Gain on sale of short term investments 'at fair value through profit and loss' - net	4,932	4,215
Unrealised gain/ (loss) on re-measurement of short term investments 'at fair value through profit or loss' -net	25,535	(515)
Unrealised (loss) / gain on re-measurement of derivatives through profit & loss - net	(25,749)	648
	4,718	4,347
Mark-up / profit on bank deposits and other receivables	26,922	31,260
	96,621	194,929
Operating and administrative expenses	(75,632)	(101,808)
Provision against doubtful debts-net	(336)	(103)
	(75,968)	(101,911)
Operating profit	20,653	93,018
Finance cost	(5,467)	(6,661)
	15,186	86,357
Other income	28	32
Profit before taxation	15,214	86,389
Taxation		
Current - for the period	(3,678)	(15,167)
Deferred	(1,364)	(10,775)
	(5,042)	(25,942)
Profit after taxation	10,172	60,447
Other comprehensive (loss) / income for the period:		
Unrealised (loss) / gain arising on re-measurement of long term investments at fair value through other comprehensive income - net	(27,115)	1,243
Total comprehensive (loss) / income for the period	(16,943)	61,690
	----- (Rupees) -----	
Earnings per share - basic and diluted	0.10	0.60

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 QUARTER ENDED MARCH 31 , 2022**

	Quarter ended March 31,	
	2022	2021
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	15,214	86,389
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation	3,767	4,188
Amortization	136	46
Gain on sale of short term investments 'at fair value through profit and loss' - net	(4,932)	(4,215)
Unrealised loss on re-measurement of investments 'at fair value through profit or loss' - net	(25,535)	515
Unrealised (loss) / gain on re-measurement of derivatives through profit & loss - net	25,749	(648)
Provision against doubtful debts-net	336	103
Finance cost	5,467	6,661
	<u>4,988</u>	<u>6,650</u>
	20,202	93,039
Working capital adjustments:		
Decrease in current assets	-	-
Trade debts	(58,330)	250,866
Advances, deposits, prepayments and other receivables	71,931	294,316
	<u>13,601</u>	<u>545,181</u>
Increase / (decrease) in current liabilities		
Trade and other payables	95,153	(375,151)
	<u>128,956</u>	<u>263,069</u>
Finance cost paid	(5,798)	(6,676)
Income tax paid	(4,818)	(5,263)
	<u>(10,616)</u>	<u>(11,939)</u>
Net cash flows generated from operating activities	<u>118,340</u>	<u>251,130</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	(46,546)	(124,978)
Purchase of property and equipment	(130)	(666)
Net cash flows used in investing activities	<u>(46,676)</u>	<u>(125,644)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	(33)	(61)
Long-term deposits and prepayments	(500)	(20)
Lease liability	(1,947)	(1,552)
Repayment of short term financing	(150,000)	(40,000)
Net cash flows used in financing activities	<u>(152,480)</u>	<u>(41,633)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(80,816)</u>	<u>83,853</u>
Cash and cash equivalents at the beginning of the period	<u>866,420</u>	<u>909,966</u>
Cash and cash equivalents at the end of the period	<u><u>785,604</u></u>	<u><u>993,819</u></u>

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 QUARTER ENDED MARCH 31, 2022**

Share capital	Revenue reserves		Fair value reserve	Total	
	General reserve	Accumulated loss			
----- (Rupees in '000) -----					
Balance as at January 01, 2021	1,000,000	18,752	(271,392)	34,839	782,199
Profit for the period	-	-	60,447	-	60,447
Other comprehensive income for the period	-	-	-	1,243	1,243
Balance as at March 31, 2021	1,000,000	18,752	(210,945)	36,082	843,889
Profit for the period	-	-	119,283	-	119,283
Other comprehensive loss for the period	-	-	-	(32,853)	(32,853)
Balance as at December 31, 2021	1,000,000	18,752	(91,662)	3,229	930,319
Profit for the period	-	-	10,172	-	10,172
Other comprehensive loss for the period	-	-	-	(27,115)	(27,115)
Balance as at March 31, 2022	1,000,000	18,752	(81,490)	(23,886)	913,376

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 QUARTER ENDED MARCH 31, 2022**

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 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 Creditors, and sanction of the Honorable High Court of Sindh at Karachi.

According to the terms of the approved Scheme of Arrangement, M/s. AKD Securities Ltd (AKDSL) shall be merged with and into the BIPLS and against which 457,834,171/- (Four Hundred Fifty Seven Million Eight Hundred Thirty Four Thousand One Hundred Seventy One) ordinary shares of the Company [176,769,950*2.59], having a face value of PKR 10/- (Pak Rupees Ten) each, shall be allotted and issued in aggregate by the Company to the shareholders of AKDSL, as fully paid up, on the basis of a swap ratio of 2.59 shares of the Company for every 1 (one) share of AKDSL held by each of the shareholders of AKDSL, in accordance with the provisions of the Scheme. 457,834,171/- (Four Hundred Fifty Seven Million Eight Hundred Thirty Four Thousand One Hundred Seventy One) ordinary shares of the Company [176,769,950*2.59], having a face value of PKR 10/- (Pak Rupees Ten) each, shall be allotted and issued in aggregate by the Company to the shareholders of AKDSL, as fully paid up, on the basis of a swap ratio of 2.59 shares of the Company for every 1 (one) share of AKDSL held by each of the shareholders of AKDSL, in accordance with the provisions of the Scheme.

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

That upon sanction of the Scheme, the name of the surviving entity i.e. the Company shall be changed to "AKD Securities Ltd."

Pursuant to the Order dated October 12, 2021 of the High Court of Sindh at Karachi passed in Judicial Companies Miscellaneous No. 36 of 2021 a Extra Ordinary General Meeting (EOGM) of the shareholders and Creditors of M/s. BIPL Securities Ltd. held on Monday, November 29, 2021. Accordingly, the Scheme was approved by the Shareholders and Creditors of M/S BIPL Securities Ltd.

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 March 31, 2022 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 March 31, 2022 have been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of the Companies Act, 2017 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements differ, the provisions of the Companies Act, 2017 and the said directives have been followed.
- 2.2 These consolidated condensed interim financial information do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Group's Annual Financial Statements for the year ended December 31, 2021.
- 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, 2022, 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, 2022, therefore, not disclosed in these consolidated condensed interim financial statements.

Quarter ended March 31, 2022 (Un-audited)					
Parent Company	Subsidiary / associates	Directors	Key management personnel	Others	Total

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

TRANSACTIONS

Income

Brokerage income earned	-	-	-	111	-	111
Custody services-net	-	-	-	-	-	-
Gain on sale of quoted shares	712	-	-	-	-	712

Expenses

Charge in respect of contributory plan	-	-	-	130	845	975
Meeting fee	-	-	180	-	-	180
Remuneration to key management personnel	-	-	-	4,920	-	4,920

Other transaction

Sale of quoted shares	443,858	-	-	-	-	443,858
Purchase of quoted shares	271,601	-	-	-	-	271,601

Quarter ended March 31, 2021 (Un-audited)					
Former Parent Company	Subsidiary / associates	Directors	Key management personnel	Others	Total

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

TRANSACTIONS

Income

Brokerage income earned	109	-	-	24	-	133
Profit on bank deposits	11,452	-	-	-	-	11,452

Expenses

Bank charges	5	-	-	-	-	5
Charge in respect of contributory plan	-	-	-	130	942	1,072
Mark-up expense	6,217	-	-	-	-	6,217
Meeting fee	-	-	300	-	-	300
Remuneration to key management personnel	-	-	-	4,861	-	4,861
Ijarah expense	647	-	-	-	-	647

Other transaction

Short term loan obtained	579,000	-	-	-	-	579,000
Short term loan repaid	619,000	-	-	-	-	619,000
Rent paid	347	-	-	-	-	347
Maintenance paid	697	-	-	-	-	697

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

	% of holding		Number of shares	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
M/s. AKD Securities Ltd.	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.55%	6.55%	6,551,000	6,535,500
Mr. Mohammad Aslam Motiwala	9.36%	9.36%	9,360,000	8,342,000

7.2 There were no changes in the shareholding of persons holding more than 5% shares of the company.

7.3 As at March 31, 2022, the value of customer shares maintained with the company pledged with financial institution is Rs.420.08 million (December 31, 2021: Rs. 423.44 million).

7.4 As at March 31, 2022, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.14,825 million (December 31, 2021: Rs. 15,303 million).

8. DATE OF AUTHORISATION

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Holding Company on April 21, 2022.

9. GENERAL

9.1 The Board of Directors of the Group has proposed a cash dividend of Rs. 0.50 per share (2020: Nil) amounting to Rs. 50 million (2020: Nil) at its meeting held on February 22, 2022 for the approval of members at the Annual General Meeting to be held on April 21, 2022. These consolidated financial statements do not reflect the said appropriation.

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



Chief Executive Officer



Director



Chief Financial Officer

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   [BIPLSecurities](#)

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