

REVIEW REPORT ON STATEMENT OF LIQUID CAPITAL**To the Chief Executive Officer of BIPL Securities Limited (the Securities Broker)****Introduction**

We have reviewed the accompanying Statement of Liquid Capital of BIPL Securities Limited (the Securities Broker) as at June 30, 2021 (here-in-after referred to as 'the statement'). Management is responsible for the preparation of the statement in accordance with the requirements of the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) issued by the Securities Exchange Commission of Pakistan (SECP). Our responsibility is to express a conclusion on the statement based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement is not prepared, in all material respects, in accordance with the requirements of Third Schedule of the Regulations.

Other matter – Restriction on distribution and use

Our audit report is intended solely for BIPL Securities Limited (the Securities Broker), SECP, Pakistan Stock Exchange and National Clearing Company of Pakistan Limited and should not be distributed to any other parties. Our conclusion is not modified in respect of this matter.

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


Chartered Accountants
Karachi

Dated: **13 SEP 2021**



S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	36,057,000	100.00%	-
1.2	Intangible Assets	4,301,000	100.00%	-
1.3	Investment in Govt. Securities (150,000*99)	-	-	-
Investment in Debt. Securities				
If listed than:				
1.4	i. 5% of the balance sheet value in the case of tenure upto 1 year.	-	5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.	-	10.00%	-
If unlisted than:				
	i. 10% of the balance sheet value in the case of tenure upto 1 year.	-	10.00%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.	-	12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.	-	15.00%	-
Investment in Equity Securities				
1.5	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	205,162,881	32,309,661	172,853,221
	ii. If unlisted, 100% of carrying value.	299,333,030	100.00%	-
	iii. Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	0.00%	-
	iv. 100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)	-	12.50%	-
1.6	Investment in subsidiaries	463,355	100.00%	-
Investment in associated companies/undertaking				
1.7	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.	-	-	-
	ii. If unlisted, 100% of net value.	-	-	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	19,212,000	100.00%	-
1.9	Margin deposits with exchange and clearing house.	442,620,744	-	442,620,744
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	8,141,794	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc. (Nil)	7,575,208	-	7,575,208
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	100.00%	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (<i>Securities purchased under repo arrangement shall not be included in the investments.</i>)	-	-	-
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 12 months	1,262,982	-	1,262,982
	Receivables other than trade receivables	138,257,400	100.00%	-
1.16	Receivables from clearing house or securities exchange(s) 100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains. claims on account of entitlements against trading of securities in all markets including MtM gains.	-	-	-
Receivables from customers				
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.	262,544,422	280,864,980	262,544,422
	ii. Lower of net balance sheet value or value determined through adjustments. In case receivables are against margin trading, 5% of the net balance sheet value.	-	5.00%	-
	iii. Net amount after deducting haircut In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract.	-	-	-
	iv. Net amount after deducting haircut In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	-	-	-
	v. Balance sheet value In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts.	28,813,729	-	28,813,729
	v. Lower of net balance sheet value or value determined through adjustments	89,118,769	48,834,961	48,834,961

BIPL Securities Limited

Head Office: 5th Floor, Trade Centre, H-8 Chundrigar Road, Karachi - 74200, Pakistan.

UAN: +92 21 111 222 000 Fax: +92 21 3263 0202 Email: info@bipsec.com Website: www.bipsec.com

Gulshan-e-Iqbal - Karachi	PSX - Karachi	Lahore	Islamabad	Islamabad II	Rahim Yar Khan	Multan	Gujranwala	Peshawar	Sialkot	Faisalabad
Friends Paradise 1st Floor, SB-36 Block No 13-D, KDA Scheme-24, Main University Road, Karachi.	Room No. 93-95 2nd Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi.	64-A, 2nd Floor, Fountain Avenue Building, Main Boulevard, Main Gulberg, Lahore.	90-91, Razia Sharif Plaza, Jinnah Avenue, Blue Area, Islamabad.	Office No. 313, ISE Tower, Jinnah Avenue, Blue Area, Islamabad.	Plot # 24, City Park Chowk, Model Town, Rahim Yar Khan.	Ground Floor, State Life Building, Abdali Road, Multan.	Shop # 81, Ground Floor, GDA Trust Plaza, Gujranwala.	1st Floor, State Life Building, 34 The Mall, Peshawar Cantt, Peshawar.	Ground Floor, City Tower, Shaheed Jinnah Road, Sialkot.	Shop # 5925, 5th Floor, State Life Building, Liaquat Road, Faisalabad.
T: +92 21-3496763-4 & 66 F: (+92 21) 34969761	T: +92 21 3241 2910 - 14 F: (+92 21) 32412911	UAN: +92 42 111 222 000 F: (+92 42) 35767545	UAN: +92 51-111 222 000 F: (+92 51) 2272841	T: +92 51-2894201-5	T: +92 68-6873251-2-4	T: +92 61-4780300-1 F: (+92 61) 4500272	T: +92 55-3822501-04 F: (+92 56) 3822505	T: +92 91-5276025-27 F: (+92 92) 5273983	T: +92 52-3250354-37 F: (+92 52) 3256036	T: +92 41-6514408-10 F: (+92 42) 3256036



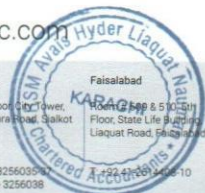
S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
	vi. 100% haircut in the case of amount receivable form related parties.		100.00%	-
	Cash and Bank balances			
1.18	i. Bank Balance-proprietary accounts	116,380,000	-	116,380,000
	ii. Bank balance-customer accounts	937,753,000	-	937,753,000
	iii. Cash in hand	168,000	-	168,000
1.19	Total Assets	2,597,165,314	578,359,047	2,018,806,267
2. Liabilities				
	Trade Payables			
2.1	i. Payable to exchanges and clearing house	46,204,528	-	46,204,528
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	1,310,815,930	-	1,310,815,930
	Current Liabilities			
	i. Statutory and regulatory dues	2,369,972	-	2,369,972
	ii. Accruals and other payables	41,822,049	-	41,822,049
	iii. Short-term borrowings	100,000,000	-	100,000,000
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	5,505,400	-	5,505,400
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	4,649,645	-	4,649,645
	Non-Current Liabilities			
	i. Long-Term financing	150,000,000	100.00%	-
	a. Long-Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease	1,438,569	100.00%	-
	b. Other long-term financing	-	100.00%	-
	ii. Staff retirement benefits	-	-	-
2.3	iii. Advance against shares for increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital. iv. Other liabilities as per accounting principles and included in the financial statements			
	Subordinated Loans			
2.4	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange. ii. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted			
2.5	Total Liabilities	1,662,806,092		1,511,367,523

3.1	Concentration in Margin Financing The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	262,544,422	17,832,995	17,832,995
3.2	Concentration in securities lending and borrowing The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed			
3.3	Net underwriting Commitments (a) In the case of right issue: if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting (b) in any other case: 12.5% of the net underwriting commitments			
3.4	Negative equity of subsidiary The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary			

BIPL Securities Limited

Head Office: 5th Floor, Trade Centre, Phase 1, Feroz Khan Road, Karachi - 74200, Pakistan.

UAN: +92 21 111 222 000 Fax: +92 21 3263 0202 Email: info@bipsec.com Website: www.bipsec.com



S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
Foreign exchange agreements and foreign currency positions				
3.5	5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-
Repo adjustment				
3.7	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
Concentrated proprietary positions				
3.8	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security. If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	-	-
Opening Positions in futures and options				
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met	15,793,439	13,144,531	13,144,531
Short sell positions				
3.10	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	3,314,837	3,314,837	-
3.11	Total Ranking Liabilities	281,652,699	34,292,363	30,977,525
3.12	Liquid Capital	652,706,523	Liquid Capital	476,461,218


Chief Executive Officer



BIPL Securities Limited

Head Office: 5th Floor, Trade Centre, Ferozshah Road, Karachi - 74200, Pakistan.

UAN: +92 21 111 222 000 Fax: +92 21 3263 0202 Email: info@bipsec.com Website: www.bipsec.com

Gulshan-e-Habib - Karachi	PSX - Karachi	Lahore	Islamabad	Islamabad II	Rahim Yar Khan	Multan	Gujranwala	Peshawar	Sialkot	Faisalabad
Friends Paradise, 1st Floor, SB-36 Block No. 13-D, KDA Scheme-24, Main University Road, Karachi.	Room No. 93 - 95 2nd Floor, Pakistan Stock Exchange Building, Stock Exchange Road, Karachi.	64-A, 2nd Floor, Fountain Avenue Building, Main Boulevard, Main Gulberg, Lahore.	90-91, Razia Sharif Plaza, Jinnah Avenue, Blue Area, Islamabad.	Office No. 313, ISE Tower, Jinnah Avenue, Blue Area, Islamabad	Plot # 24, City Park Chowk, Model Town, Rahim Yar Khan.	Ground Floor, State Life Building, Abdali Road, Multan.	Shop # 81, Ground Floor, GDA Trust Plaza, Gujranwala	1st Floor, State Life Building, 34-The Mall, Peshawar Cantt, Peshawar	Ground Floor, City Tower, Shahab Pura Road, Sialkot	Room # 509 & 510, 5th Floor, State Life Building, Liaquat Road, Faisalabad
T: +92 21 34980763-4 & 66 F: (+92 21) 34980761	T: +92 21 3241 2910 - 14 F: (+92-21) 32412911	UAN: +92 42-111-222-000 F: (+92-42) 35787545	UAN: +92 51-111-222-000 F: (+92-51)2272841	T: +92 51-2894201-5	T: +92 68-5873251-2-4	T: +92 61-4780300-1 F: (+92-61) 4500272	T: +92 55-3822501-04 F: (+92-55) 3822505	T: +92 91-5276025-27 F: (+92-92) 5273683	T: +92 52-3256095-37 F: (+92-52) 3256098	T: +92 41-2614408-10