

# ASSURANCE DEPARTMENT

BIPL SECURITIES LIMITED  
STATEMENT OF NET CAPITAL BALANCE FOR  
NATIONAL CLEARING COMPANY OF PAKISTAN  
AS AT DECEMBER 31, 2017

## INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE OF BIPL SECURITIES LIMITED

Chief Executive Officer of BIPL Securities Limited

### Opinion

We have audited the Statement of Net Capital Balance of **BIPL Securities Limited** (the Securities Broker) and notes to the Statement of Net Capital Balance as at December 31, 2017 (together 'the statement').

In our opinion, the financial information in the statement of the Securities Broker as at December 31, 2017 is prepared, in all material respects, in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) issued by the Securities & Exchange Commission of Pakistan (SECP).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the statement* section of our report. We are independent of the Securities Broker in accordance with the ethical requirements that are relevant to our audit of the statement in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter – Basis of Accounting and Restriction on Distribution

We draw attention to Note X to the statement, which describes the basis of accounting. The statement is prepared to assist **BIPL Securities Limited** to meet the requirements of the SECP, Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL). As a result, the statement may not be suitable for another purpose. Our report is intended solely for **BIPL Securities Limited**, SECP, PSX and NCCPL and should not be distributed to parties other than **BIPL Securities Limited** or the SECP, PSX or NCCPL. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the statement

Management is responsible for the preparation of the statement in accordance with the Regulations and the SEC Rules 1971, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance is responsible for overseeing the Securities Broker's financial reporting process.

## Auditor's Responsibilities for the Audit of the statement

Our objectives are to obtain reasonable assurance about whether the statement is free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Securities Broker's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. (This paragraph is required only in case of listed company)

*The engagement partner on the audit resulting in this independent auditor's report is **Adnan Zaman***

  
Chartered Accountants  
Karachi

Dated: **13 MAR 2018**

BIPL Securities Limited

STATEMENT OF NET CAPITAL BALANCE FOR PSX

AS ON DECEMBER 31, 2017

	Note	December 31, 2017 (Rupees )	December 31, 2017 (Rupees )
<b>CURRENT ASSETS</b>			
Cash in hand			
<b>Cash at banks</b>			
Bank Balances pertaining to brokerage house			82,759,424
Bank Balances pertaining to clients			414,193,969
	2		496,953,393
Exposure deposits with National Clearing Company of Pakistan Limited			330,813,710
<b>Trade receivables</b>			
Book value			300,861,287
Less: Overdue for more than 14 days			(147,178,935)
	3		153,682,352
<b>Investments</b>			
Listed securities	4	152,026,835	129,222,810
<b>Securities purchased for clients</b>	5		47,998,466
<b>Total Current Assets</b>			1,158,670,730
<b>CURRENT LIABILITIES</b>			
<b>Trade payables</b>			
Book value			791,602,890
Less: Overdue for more than 30 days			(324,495,386)
	6		467,107,504
<b>Other liabilities</b>	7		373,764,924
<b>Total Current Liabilities</b>			840,872,428
<b>NET CAPITAL BALANCE</b>			317,798,303
<b>APPORTIONMENT:</b>			
Allocation of National Clearing Company of Pakistan Limited			277,798,303
Allocation of National Clearing Company of Pakistan Limited- For BATS			20,000,000
Allocation of Pakistan Mercantile Exchange Limited			20,000,000



Chief Executive Officer



BIPL Securities Limited  
 NOTES TO THE STATEMENT OF NET CAPITAL BALANCE  
 AS ON DECEMBER 31, 2017

1 STATEMENT OF COMPLIANCE

The financial information has been prepared in conformity with the accounting policies of BIPL Securities Limited provisions of Securities and Exchange Rules, 1971 and the guidelines issued by the Securities and Exchange Commission of Pakistan.

AS ON DECEMBER 31,  
 2017

(Rupees)

2 CASH AT BANKS

Bank balance pertaining to:

- Brokerage house	82,759,424
- Clients	414,193,969
	<u>496,953,393</u>

3 TRADE RECEIVABLES

Trade debts are valued at cost less bad and doubtful debts and debts outstanding for more than 14 days.

Total Receivables as per financial statements	117,270,307
- Provisions	94,395,663
- Other receivable margin finance	90,343,678
	<u>184,739,341</u>
Total receivables - Gross	302,009,649
- Receivables other than equity	(1,148,361)
Gross debtors - Equity	<u>300,861,287</u>
Outstanding for more than 14 days	(147,178,935)
Balance generated within 14 days and / or not yet due	<u>153,682,352</u>

4 INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER

These have been valued at market price less 15% discount.

5 SECURITIES PURCHASED FOR CLIENT

Value of trade receivable outstanding for more than 14 days are included in the computation of net capital balance to the extent of outstanding amount or value of securities, whichever is less.

6 TRADE PAYABLES

This represents balance payable against trading of shares less trade payable balances overdue for more than 30 days which has been included in other liabilities.



7. OTHER LIABILITIES

All current liabilities except trade payable which is shown separately, are stated at book value as follows:

	AS ON DECEMBER 31, 2017
	(Rupees)
- Trade payables overdue more than 30 days	324,495,386
- Accrued expenses	42,664,546
- Withholding tax	3,070,852
- Unclaimed dividends	1,403,807
- Others	2,092,771
- Accrued Mark-up	37,562
	<u>373,764,924</u>

  
Chief Executive Officer

