

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, 2018 (together 'the statement').

In our opinion, the financial information in the statement of the Securities Broker as at December 31, 2018 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 1 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.

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


Chartered Accountants
Karachi

Dated: 14 MAR 2019

BIPL SECURITIES LIMITED
STATEMENT OF NET CAPITAL BALANCE FOR PSX
AS AT DECEMBER 31, 2018

		December 31, 2018
	Note	(Rupees)
CURRENT ASSETS		
Cash in hand		-
Cash at banks		
Bank Balances pertaining to brokerage house		126,303,006
Bank Balances pertaining to clients	2	419,829,530
		546,132,535
Exposure deposits with National Clearing Company of Pakistan Limited		322,045,536
Trade receivables		
Book value		294,217,162
Less: Overdue for more than 14 days		(147,721,318)
	3	146,495,845
Investments		
Listed securities	4	-
Securities purchased for clients	5	48,938,312
Total Current Assets		1,063,612,227
CURRENT LIABILITIES		
Trade payables		
Book value		668,695,329
Less: Overdue for more than 30 days		(262,585,773)
	6	406,109,556
Other liabilities	7	395,577,370
Total Current Liabilities		801,686,926
NET CAPITAL BALANCE		261,925,302
APPORTIONMENT:		
Allocation of National Clearing Company of Pakistan Limited		221,925,302
Allocation of National Clearing Company of Pakistan Limited- For BATS		20,000,000
Allocation of Pakistan Mercantile Exchange Limited		20,000,000



BIPL SECURITIES LIMITED
NOTES TO THE STATEMENT OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2018

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 AT DECEMBER
31, 2018

(Rupees)

2 CASH AND BANK

Bank balance pertaining to:

- Brokerage House	126,303,006
- Clients	419,829,530
	<u>546,132,535</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	121,988,326
- Provisions	96,618,460
- Other receivable margin finance	76,209,856
	<u>172,828,316</u>
Total receivables - Gross	294,816,642
- Receivables other than equity	(599,480)
Gross debtors - Equity	294,217,162
Outstanding for more than 14 days	<u>(147,721,318)</u>
Balance generated within 14 days and / or not yet due	<u>146,495,845</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.



BIPL SECURITIES LIMITED
NOTES TO THE STATEMENT OF NET CAPITAL BALANCE
AS AT DECEMBER 31, 2018

7. OTHER LIABILITIES

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

- Trade payables overdue more than 30 days
- Accrued expenses
- Withholding tax
- Unclaimed dividends
- Short term borrowing
- Others
- Accrued Mark-up

AS AT DECEMBER
31, 2018

(Rupees)

262,585,773
26,220,965
2,985,389
1,404,307
100,000,000
2,271,073
109,863
<u>395,577,370</u>



Chief Executive Officer

Signature

Signature

