

ASSURANCE DEPARTMENT

BIPL SECURITIES LIMITED
STATEMENT OF NET CAPITAL BALANCE
AS AT JUNE 30, 2018

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 June 30, 2018 (together 'the statement').

In our opinion, the financial information in the statement of the Securities Broker as at June 30, 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 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

A handwritten signature in black ink, appearing to read 'RSM Chartered Accountants', is written over a horizontal line. To the left of the signature is a small, stylized logo consisting of the letters 'RSM'.

Chartered Accountants
Karachi

Dated: **13 AUG 2018**

BIPL SECURITIES LIMITED**STATEMENT OF NET CAPITAL BALANCE FOR PSX****AS ON JUNE 30, 2018**

	Note	June 30, 2018 (Rupees)	June 30, 2018 (Rupees)
CURRENT ASSETS			
Cash in hand			204,875
Cash at banks			
Bank Balances pertaining to brokerage house			3,276,372
Bank Balances pertaining to clients			541,833,110
	2		545,109,482
Exposure deposits with National Clearing Company of Pakistan Limited			193,388,931
Trade receivables			
Book value			265,870,197
Less: Overdue for more than 14 days			(148,762,640)
	3		117,107,557
Investments			
Listed securities	4	127,249,135	108,161,765
Securities purchased for clients	5		49,236,403
Total Current Assets			1,013,209,013
CURRENT LIABILITIES			
Trade payables			
Book value			693,702,919
Less: Overdue for more than 30 days			(351,321,878)
	6		342,381,041
Other liabilities	7		388,596,149
Total Current Liabilities			730,977,190
NET CAPITAL BALANCE			282,231,823
APPORTIONMENT:			
Allocation of National Clearing Company of Pakistan Limited			242,231,823
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 JUNE 30, 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.

	30-Jun-18 (Rupees)
2 CASH AND BANK	
Bank balance pertaining to:	
- Brokerage House	3,276,372
- Clients	541,833,110
	545,109,482

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	102,683,751
- Provisions	94,356,284
- Other receivable margin finance	69,516,747
	163,873,030
Total receivables - Gross	266,556,781
- Receivables other than equity	(686,584)
Gross debtors - Equity	265,870,197
Outstanding for more than 14 days	(148,762,640)
Balance generated within 14 days and / or not yet due	117,107,557

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:

	30-Jun-18 (Rupees)
- Trade payables overdue more than 30 days	351,321,878
- Accrued expenses	30,643,038
- Withholding tax	2,987,758
- Unclaimed dividends	1,402,307
- Others	2,202,127
- Accrued Mark-up	39,041
	388,596,149



Chief Executive Officer

