



**NINE MONTHS
ENDED**

**SEPTEMBER
2020**



**Condensed Interim
Financial Information
(Un - Audited)**



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. The current sponsors took over in May, 2015 and we eventually become BIPLS on Nov 03, 2016. 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 benefit of our clients, the company will continue to grow and all stakeholders will benefit and prosper.



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CONTENTS

Company Information	04	Branch Network
Directors' Review to the Members	05	
	06	Standalone Condensed Interim Financial Information (Un-Audited)
Condensed Interim Statement Of Financial Position		
	10	Condensed Interim Statement Of Profit And Loss Account And Other Comprehensive Income
Condensed Interim Cash Flow Statement	11	
	12	Condensed Interim Statement Of Changes In Equity
Notes To The Condensed Interim Financial Information	13	
	14	Consolidated Condensed Interim Financial Information (Un-Audited)
Consolidated Condensed Interim Statement Of Financial Position		
	28	Consolidated Condensed Interim Statement Of Profit And Loss Account And Other Comprehensive Income
Consolidated Condensed Interim Cash Flow Statement	29	
	30	Consolidated Condensed Interim Statement Of Changes In Equity
Notes To The Consolidated Condensed Interim Financial Information	31	
	32	



COMPANY INFORMATION

BOARD OF DIRECTORS

Kamal Uddin Tipu – Chairman
 Abdul Aziz Anis, CFA – Chief Executive Officer
 Sohail Sikandar
 Sikander Kasim
 Muhammad Hafeezuddin Asif
 Khurram Jamil
 Muhammad Uzair Sipra
 Mudassar Aslam

AUDIT COMMITTEE

Sikander Kasim - Chairman
 Sohail Sikandar
 Khurram Jamil

HR & R COMMITTEE

Kamal Uddin Tipu - Chairman
 Muhammad Uzair Sipra
 Mudassar Aslam

CHIEF EXECUTIVE OFFICER

Abdul Aziz Anis, CFA

COMPANY SECRETARY

Arsalan Farooq

CHIEF FINANCIAL OFFICER

Zafar Ahmed Khan

STATUTORY / NCB AUDITOR

RSM Avais Hyder
 Chartered Accountants 407,
 Progressive Plaza, Beaumont Road,
 Karachi, Pakistan

CREDIT RATING AGENCY

JCR-VIS Credit Rating Company Limited

BANKERS

Allied Bank Limited
 Askari Bank Limited
 Bank Al-Habib Limited
 Bank Al-Falah Limited
 BankIslami Pakistan Limited
 Dubai Islamic Bank 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 September 30, 2020.

Economic Review

Despite challenging global economic environment, Pakistan managed to generate a current account surplus balance of USD297mn in August 2020; this followed a surplus of USD508mn in the preceding month. This was the fourth C/A surplus in CY20 so far and is mainly the result of increased remittances from Pakistanis working abroad and falling import payments.

Nonetheless, the SBP expects Pakistan's current account deficit to remain at around 2% of GDP in FY21. During 1QFY21, trade deficit was recorded at USD5.80bn as compared to USD5.69bn YoY, up 2%. On the other hand, remittances posted a significant jump of 31% YoY in the same period as compared to last year.

On the fiscal side, the Federal Board of Revenue (FBR) achieved its first quarter FY21 tax collection target and provisionally collected PKR1.0trn as against the target of PKR970bn. However, given the full year target of PKR 4.9trn FBR needs to substantially increase its collections as the year progresses in order to achieve full year desired numbers.

Equity Market Review

The benchmark KSE-100 index gained 6,150 points in 1QFY21, posting a positive return of 18% to close at 40,571 points. Improving external account numbers, stable currency and cheap stock valuations were the key drivers for this increase. The positive investor sentiments also led to increased trading activity as seen in the 113% and 118% increase YoY in Average Daily Traded Value and Average Daily Traded Volume, respectively, for the quarter.

Debt and Currency Market Review

With the government continuing to maintain real interest rates in the negative zone, appetite for long term bonds has remained low. Conversely, majority of borrowing has been done through short term papers of 3M and 6M. With a limited appetite for fixed rate bonds, the government has to either scrap the auction or is forced to borrow at higher rates. Therefore, to avoid this, floating rate bonds have been used to meet borrowing needs. To this end, in the past four months, around PKR1trn worth of floating 3-10-year bonds have been issued.

Operating and Financial Performance

During the period ended September 30, 2020 the Company reported the following results:

Nine months ended September 30

	2020	2019
	----- (Rupees in '000) -----	
Operating revenue	274,535	131,325
Mark-up / profit on bank deposits, investments and other receivables	75,145	62,079
Gain on sale of investments - net	7,465	9,409
Unrealized (loss) / gain on investments –net	(8,312)	266
Reversal of impairment of held for trading investments	-	5,000
Total income	348,833	208,079
Operating and administrative expenses	(255,917)	(228,374)
Finance cost	(19,276)	(19,435)
Total expenses	(275,193)	(247,809)
Net profit / (loss) - before impairment and taxation	73,640	(39,730)
Impairment on long term investment- Subsidiary	(126)	(644)
Reversal / (provision) against doubtful debts-net	3,265	(3,293)
Other income	10,647	1,275
Taxation	(30,158)	14,017
Net profit / (loss) after tax	57,268	(28,375)
Earnings/ (loss) per share	0.57	(0.28)

The company managed to substantially increase its operating revenue by approx. 109% led mainly by increase in equity commissions due to improving market volumes and higher retail participation in daily turnover. Rising interest rates have improved mark-up and other interest based income for the period. The Operating and Administrative expenses have risen by 12% due to inflationary increase in cost of doing business during the period. Nonetheless, on a net basis the company has managed to generate profits for the period as compared to a loss for the same period last year.

Future Outlook

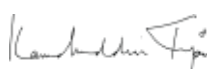
The stock market is already up 49% from its lows in CY20. Hence, at current levels we may see some consolidation and side way movement. Key concerns remain (1) rising political noise which may dampen investor sentiments and keep new money at bay and (2) re-emergence of Covid-19 which may hurt economic activity during the end of the year.

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
October 19, 2020



Director



Chief Executive Officer





STANDALONE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2020

- 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

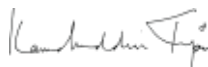
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020**

	Note	(Un-Audited) September 30, 2020	(Audited) December 31, 2019
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property and equipment	5	46,024	52,409
Intangible assets		3,907	4,179
Long-term investments	6	328,608	361,377
Long-term loans and advances		820	568
Long-term deposits and prepayments		21,886	22,073
Deferred tax asset - net		58,794	70,159
		460,039	510,765
Current assets			
Short-term investments	7	103,321	-
Trade debts	8	140,557	150,756
Advances, deposits, prepayments and other receivables	9	430,903	872,120
Taxation - net		120,814	123,494
Cash and bank balances	10	926,453	238,825
		1,722,048	1,385,195
TOTAL ASSETS		2,182,087	1,895,960
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
General reserve			
		18,752	18,752
Unrealised gain on re-measurement of investments held at fair value through other comprehensive income			
		110,763	143,406
Accumulated loss			
		(351,495)	(408,763)
		778,020	753,395
Non-current liabilities			
Long-term financing-secured	11	150,000	150,000
Liability against asset subject to finance lease	12	5,295	9,889
		155,295	159,889
Current liabilities			
Trade and other payables	13	1,188,967	974,789
Current portion of liability against asset subject to finance lease	12	8,120	6,416
Short term financing-secured	14	50,000	-
Unclaimed dividend		1,402	1,402
Accrued mark-up		283	69
		1,248,772	982,676
TOTAL EQUITY AND LIABILITIES		2,182,087	1,895,960
CONTINGENCIES AND COMMITMENTS			
	15		

The annexed notes 1 to 21 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

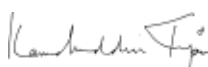
**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED AND QUARTER ENDED SEPTEMBER 30, 2020**

	Note	Nine months ended September 30,		Quarter ended September 30,	
		2020	2019	2020	2019
(Rupees in '000)					
Operating revenue	16	274,535	131,325	133,688	40,546
Net gain on investment					
Gain on sale of investments 'at fair value through profit and loss' - net		7,465	9,409	3,097	2,989
Reversal of impairment of held for trading investments		-	5,000	-	-
Unrealised (loss) / gain on re-measurement of investments 'at fair value through profit or loss' -net		(8,312)	266	(11,016)	496
		(847)	14,675	(7,919)	3,485
Mark-up / profit on bank deposits and other receivables	17	75,145	62,079	22,817	21,616
		348,833	208,079	148,587	65,647
Operating and administrative expenses		(255,917)	(228,374)	(92,438)	(75,205)
Impairment on long-term investment - Subsidiary	6.1	(126)	(644)	(38)	(50)
Reversal / (provision) against doubtful debts-net	8.1	3,265	(3,293)	1,923	574
		(252,778)	(232,311)	(90,553)	(74,681)
Operating profit / (loss)		96,055	(24,232)	58,034	(9,034)
Finance cost		(19,276)	(19,435)	(6,085)	(6,471)
		76,779	(43,667)	51,949	(15,505)
Other income / (expense)		10,647	1,275	11,782	(834)
Profit / (loss) before taxation		87,426	(42,392)	63,731	(16,339)
Taxation					
Current - for the period		(18,792)	(4,308)	(12,575)	(1,968)
Deferred		(11,366)	18,325	(9,045)	5,609
		(30,158)	14,017	(21,620)	3,641
Profit / (loss) after taxation		57,268	(28,375)	42,111	(12,698)
Other comprehensive income / (loss) for the period:					
Unrealised (loss) / gain arising during the period on re-measurement of investment at fair value through other comprehensive income - net		(32,643)	(176,332)	111,038	(246,406)
Total comprehensive income / (loss) for the period		24,625	(204,707)	153,149	(259,104)
(Rupees in '000)					
Earnings / (loss) per share - basic and diluted		0.57	(0.28)	0.42	(0.13)

The annexed notes 1 to 21 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 THE NINE MONTHS ENDED SEPTEMBER 30, 2020**

Nine months ended September 30

CASH FLOW FROM OPERATING ACTIVITIES

Profit / (loss) before taxation

**Non-cash adjustments to reconcile profit / (loss)
before tax to net cash flows:**

Depreciation

Amortisation

Gain on sale of investments 'at fair value through profit and loss' - net

Unrealised loss / (gain) on re-measurement of investments 'at
fair value through profit or loss' - net

Gain on disposal of property and equipment

(Reversal) / provision against doubtful debts-net

Provision against long term deposits

Impairment on long-term investment - Subsidiary

Finance cost

Working capital adjustments:

Decrease in current assets

Trade debts

Advances, deposits, prepayments and other receivables

Increase / (decrease) in current liabilities

Trade and other payables

Finance cost paid

Income tax paid

Net cash flows generated from / (used in) operating activities

CASH FLOW FROM INVESTING ACTIVITIES

Investments 'at fair value through profit or loss' - net

Purchase of property and equipment

Purchase of intangible assets

Sale proceeds from disposal of property and equipment

Net cash flows used in investing activities

CASH FLOW FROM FINANCING ACTIVITIES

Long-term loans and advances

Long-term deposits and prepayments

Liability against asset subject to finance lease

Repayment of short term financing

Net cash flows used in financing activities

Net increase / (decrease) in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

Cash and cash equivalents comprises of:

Cash and bank balances

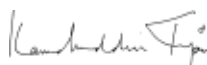
Short term financing-secured

	2020	2019
	------(Rupees in '000)-----	
	87,426	(42,392)
	12,866	10,430
	273	438
	(7,465)	(9,409)
	8,312	(266)
	(1,200)	(1,554)
	(3,265)	3,293
	-	136
	126	644
	19,276	19,435
	28,923	23,147
	116,349	(19,245)
	13,464	2,336
	441,217	60,266
	454,681	62,602
	214,622	(27,112)
	785,652	16,245
	(19,506)	(18,940)
	(16,111)	(13,591)
	750,035	(16,286)
	(104,168)	(36,887)
	(3,764)	(7,215)
	-	(81)
	1,200	6,581
	(106,732)	(37,602)
	(252)	(527)
	187	(270)
	(5,610)	(6,487)
	-	(100,000)
	(5,676)	(107,284)
	637,628	(161,172)
	238,825	546,138
	876,453	384,966
	926,453	384,966
	(50,000)	-
	876,453	384,966

The annexed notes 1 to 21 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

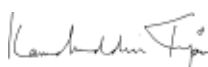
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020**

	Share Capital	General Reserve	Accumulated Loss	Unrealised gain / (impairment loss) on re-measurement of investment at 'fair value through other comprehensive income'	Total
	(Rupees in '000)				
Balance as at January 01, 2019 (As previously reported)	1,000,000	18,752	(445,791)	301,304	874,265
Reclassification of impairment loss due to initial application of IFRS-9	-	-	31,629	(31,629)	-
Adjustment of initial application of IFRS-9 (net of tax)	-	-	17,340	-	17,340
Adjusted Balance as at January 01, 2019	1,000,000	18,752	(396,822)	269,675	891,605
Total comprehensive loss for the period	-	-	(28,375)	(176,332)	(204,707)
Adjusted Balance as at September 30, 2019	1,000,000	18,752	(425,197)	93,343	686,898
Total comprehensive income for the period	-	-	16,434	50,063	66,497
Balance as at December 31, 2019	1,000,000	18,752	(408,763)	143,406	753,395
Total comprehensive income for the period	-	-	57,268	(32,643)	24,625
Balance as at September 30, 2020	1,000,000	18,752	(351,495)	110,763	778,020

The annexed notes 1 to 21 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 THE NINE MONTHS ENDED SEPTEMBER 30, 2020**

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 BankIslami Pakistan Limited (BIPL) - (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.
- The parent company 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.
- 1.4 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 September 30, 2020 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, 2019.
- 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, 2020, 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, 2020, 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, 2019.

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, 2019.

5. PROPERTY AND EQUIPMENT

	Note	(Un-audited)	(Audited)
		September 30, 2020	December 31, 2019
----- (Rupees in '000) -----			
Operating fixed assets	5.1	31,669	34,247
Right-of-use- assets	5.2	14,355	18,162
		46,024	52,409

5.1 OPERATING FIXED ASSETS

The details of additions and disposals during the period / year are as follows:

	Nine months ended (Un-audited)		Year ended (Audited)	
	September 30, 2020		December 31, 2019	
	Additions Cost	Disposals Cost	Additions Cost	Disposals Cost
----- (Rupees in '000) -----				
Office Premises-leasehold	2,444	(607)	-	-
Furniture and fixtures	-	-	418	-
Computers and office equipment	1,320	-	1,992	(1,265)
Vehicles	-	-	5,321	(5,321)
	3,764	(607)	7,731	(6,586)

Note	(Un-audited)	(Audited)
	September 30, 2020	December 31, 2019

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

5.2 RIGHT-OF-USE- ASSETS

Opening balance	18,162	-
Additions during the period/year	2,720	24,968
Depreciation for the period/year	(6,527)	(6,806)
Closing balance	14,355	18,162

6. LONG-TERM INVESTMENTS

Subsidiary company- Structured Venture (Private) Limited (SVPL)	6.1	581	707
Investments at fair value through Other comprehensive income	6.2	328,027	360,670
		328,608	361,377

6.1 Subsidiary Company

Cost	488,581	488,581
Less: Provision for impairment	(488,000)	(487,874)
	581	707

"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)	(Audited)	
	September 30, 2020	December 31, 2019	
------(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	26,449	20,005
Unquoted shares			
Al Jomaih Power Limited	6.2.2	301,578	340,665
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)
		-	-
		328,027	360,670

6.2.1 This represents 1,602,953 shares having a market value of Rs 16.50 per share as at September 30, 2020 (December 31, 2019: 12.48 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 September 30, 2020. The auditors of the investee company through their audit report dated February 17, 2020 for financial year ended December 31, 2018 had issued a qualified opinion over calculation of NAV by the investee company, however the management of BIPLS had recorded its investment after taking adjustment of qualified amount in calculation of NAV as at September 30, 2020.

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

At fair value through profit or loss'

-Listed shares	7.1	103,321	-
-Term Finance Certificates	7.2	-	-
		103,321	-

7.1 This includes shares with carrying value of Rs.103.32 million (December 31, 2019: Nil) pledged with NCCPL against exposure margin.

7.2 Term Finance Certificates

September 30 2020	December 31 2019		
		Number of certificates	Name of Investee Company
4,000	6,000		Pace Pakistan Ltd.
-	(2,000)		(Face value Rs. 5,000/- each)
4,000	4,000		Opening
			18,147
			Less: sold
			-
			18,147
			18,147
			Less: impairment
		7.2.1	(18,147)
			-
			-

Note

(Un-audited)
September 30, 2020(Audited)
December 31, 2019

(Rupees in '000)

7.2.1 Impairment

Opening balance	18,147	27,221
Less: Reversal of impairment due to sale	-	(5,000)
Impairment written off	-	(4,074)
	18,147	18,147

8. TRADE DEBTS

Receivable against purchase of marketable securities - net of provisions	135,764	90,454
Receivable from NCCPL	5	54,060
Inter-bank brokerage	4,788	6,242
	140,557	150,756
Considered doubtful	65,854	69,119
	206,411	219,875
Less: provision for doubtful debts	(65,854)	(69,119)
	140,557	150,756

8.1

8.1 Reconciliation of provisions against trade debts

Opening balance	69,119	96,618
Provision for the period/year	453	1,106
Impact of IFRS 9	-	(27,540)
Reversal for the period/year	(3,718)	(1,065)
	(3,265)	(27,499)
	65,854	69,119

8.2 The aging analysis of trade debts are as follows:

Not past due	55,849	70,453
Past due 15 days - 30 days	3,074	1,789
Past due 31 days - 180 days	3,055	4,860
Past due 181 days - 1 year	1,873	1,355
More than one year	76,706	72,299
	140,557	150,756

Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019
(Rupees in '000)		
9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Advances to:		
-Supplier	786	-
-Current portion of long-term loans and advances	1,156	1,495
	<u>1,942</u>	<u>1,495</u>
Deposits:		
-Exposure deposit with -NCCPL	9.1 237,959	771,751
-Exposure deposit with -PMEX	6,198	3,128
-Others	2,936	2,100
	247,093	776,979
-Impact of expected credit loss	(2,100)	(2,100)
	<u>244,993</u>	<u>774,879</u>
Prepayments:		
-Rent	970	-
-Insurance	2,503	1,581
-Software development and maintenance	419	376
-Others	2,209	2,222
	<u>6,101</u>	<u>4,179</u>
Other receivables:		
-Profit on bank deposits	3,471	4,843
-Profit on exposure deposit with -NCCPL	2,765	5,797
-Receivable against margin finance	166,184	76,221
-Others	6,762	6,021
	179,182	92,882
-Impact of expected credit loss	(1,315)	(1,315)
	<u>177,867</u>	<u>91,567</u>
	430,903	872,120

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 20.89 million relating to company's own exposure.

10. CASH AND BANK BALANCES

Cash at bank in:

Company accounts

- Current accounts	21,789	1,339
- Saving accounts	10.1 70,080	130,838
	<u>91,869</u>	<u>132,177</u>

Client accounts

- Current accounts	3	1
- Saving accounts	10.1 834,381	106,641
	<u>834,384</u>	<u>106,642</u>

	10.2 926,253	238,819
Cash in hand	194	-
Stamps in hand	6	6
	926,453	238,825

10.1 These carry profit at the rates ranging from 2.75% to 12.5% (December 31, 2019: 3% to 12.75%) per annum.

10.2 This includes Rs. 601.18 million (December 31, 2019: Rs. 213.14 million) with BankIslami Pakistan Limited, the Parent Company.

Note	(Un-audited) September 30, 2020	(Audited) December 31, 2019
------	------------------------------------	--------------------------------

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

11. LONG-TERM FINANCING - SECURED

Loan from financial institution	11.1	150,000	150,000
---------------------------------	------	---------	---------

11.1 This represents long-term financing obtained from the Parent Company (BIPL) 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. 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.

12. LIABILITY AGAINST ASSET SUBJECT TO FINANCE LEASE

Opening balance	16,305	-
Additions during the period/year	2,720	24,968
Payments made during the period/year	(5,610)	(8,663)
	<u>13,415</u>	<u>16,305</u>
Transferred to current maturity	(8,120)	(6,416)
Closing balance	5,295	9,889

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

	As at September 30, 2020		As at December 31, 2019	
	Principal	Finance Cost	Principal	Finance Cost

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

Not later than one year	8,120	1,463	6,416	2,010
Later than one year but not later than five years	5,295	388	9,889	1,020
	<u>13,415</u>	<u>1,851</u>	<u>16,305</u>	<u>3,030</u>

13. TRADE AND OTHER PAYABLES

Trade creditors	1,038,768	929,209
Payable to NCCPL	111,862	168
Accrued expenses	32,835	39,012
Withholding tax	2,153	2,754
Finance cost payable under IFRS 16	372	816
Others	2,976	2,830
	1,188,967	974,789

14. SHORT TERM FINANCING-SECURED

This represents running musharakah facility obtained from the Parent Company (BIPL) which is secured by way of Hypothecation over shares / receivables equivalent to amount of financing obtained. This facility carries markup at the rate of 1 week KIBOR plus 1%. The payment frequency is maximum 30 days from the date of financing obtained.

(Un-audited)
September 30, 2020(Audited)
December 31, 2019

(Rupees in '000)

15. CONTINGENCIES AND COMMITMENTS**15.1 Contingencies**

There is no change in the status of contingencies as disclosed in the published annual financial statements for the year ended December 31, 2019.

15.2 Commitments

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

113,106

-

The Company has entered into Ijarah arrangements for vehicles with BankIslami Pakistan Limited. The aggregate amount of commitments against these arrangements are as follows:

Not later than one year

2,498

2,587

Later than one year but not later than five years

261

2,114

2,759

4,701

(Un-audited)
Nine months ended September 30(Un-audited)
Quarter ended September 30

2020

2019

2020

2019

(Rupees in '000)

16. OPERATING REVENUE

Brokerage	271,625	128,470	132,543	39,814
Subscription research income	356	329	-	129
Custody services	2,554	2,526	1,145	603
	274,535	131,325	133,688	40,546

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

Profit on bank deposits	64,252	52,324	17,396	19,621
Margin finance income	10,749	9,621	5,372	1,949
Others	145	134	50	46
	75,145	62,079	22,817	21,616

18. RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of BankIslami Pakistan Limited (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 September 30, 2020 and December 31, 2019 and transactions with related parties during the period ended September 30, 2020 and September 30, 2019 are as follows:

As at September 30, 2020 (Un-audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
BALANCES						
Accrued mark-up	283	-	-	-	-	283
Bank balances	601,185	-	-	-	-	601,185
Ijarah deposits	1,462	-	-	-	-	1,462
Ijarah rental payable	655	-	-	-	-	655
Long-term financing - secured	150,000	-	-	-	-	150,000
Short-term financing - secured	50,000	-	-	-	-	50,000
Profit receivable on bank deposit	2,345	-	-	-	-	2,345
Liability against asset subject to finance lease	1,842	-	-	-	-	1,842
Prepaid rent	463	-	-	-	-	463
Trade debts	121	-	2	-	-	123
Trade payables	-	-	271	856	-	1,127

As at December 31, 2019 (Audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
BALANCES						
Accrued mark-up	69	-	-	-	-	69
Bank balances	213,148	-	-	-	-	213,148
Ijarah deposits	1,462	-	-	-	-	1,462
Ijarah rental payable	595	-	-	-	-	595
Long-term financing	150,000	-	-	-	-	150,000
Profit receivable on bank deposit	1,976	-	-	-	-	1,976
Liability against asset subject to finance lease	2,780	-	-	-	-	2,780
Trade debts	253	-	29	-	-	282
Trade payables	-	-	-	1,015	-	1,015

Nine months ended September 30, 2020 (Un-audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
TRANSACTIONS						
Income						
Brokerage income earned	297	-	-	74	-	371
Custody services-net	4	-	-	-	-	4
Profit on bank deposits	18,517	-	-	-	-	18,517
Expenses						
Bank charges	432	-	-	-	-	432
Charge in respect of contributory plan	-	-	-	332	2,763	3,095
Mark-up expense	16,945	-	-	-	-	16,945
Meeting fee	-	-	1,140	-	-	1,140
Remuneration to key management personnel	-	-	-	13,000	-	13,000
Ijarah expense	1,940	-	-	-	-	1,940
Other transaction						
Rent paid	1,003	-	-	-	-	1,003
Short term loan obtained	360,000	-	-	-	-	360,000
Short term loan repaid	310,000	-	-	-	-	310,000
Maintenance paid	2,665	-	-	-	-	2,665

Nine months ended September 30, 2019 (Un-audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
TRANSACTIONS						
Income						
Brokerage income earned	684	-	-	5	2	691
Custody services	4	3	-	-	-	7
Profit on bank deposits	15,995	-	-	-	-	15,995
Expenses						
Bank charges	106	-	-	-	-	106
Charge in respect of contributory plan	-	-	-	404	3,532	3,936
Mark-up expense	18,364	-	-	-	-	18,364
Meeting fee	-	-	660	-	-	660
Remuneration to key management personnel	-	-	-	12,358	-	12,358
Ijarah expense	1,940	-	-	-	-	1,940
Other transaction						
Rent paid	1,018	-	-	-	-	1,018
Short term loan obtained	307,000	-	-	-	-	307,000
Short term loan repaid	407,000	-	-	-	-	407,000
Advance against right to use asset	442	-	-	-	-	442
Purchase of vehicle	3,262	-	-	-	-	3,262

19. 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 financial information are as follows:

19.1 Person holding more than 5% of shares

	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
	% of Holding		No. of Shares	
M/s. BankIslami Pakistan Limited	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.54%	6.54%	6,535,500	6,535,500
Mr. Mohammad Aslam Motiwala	8.33%	7.45%	8,326,500	7,452,500

19.2 During the period ended September 30, 2020 Mr. Aslam Motiwala acquired 874,000/- shares of the company.

19.3 As at September 30, 2020 the value of customer shares maintained with the Company pledged with financial institutions is Rs 1,383.09 million (December 31, 2019: Rs 206.56 million).

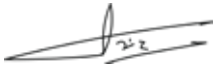
19.4 As at September 30, 2020 value of customers shares maintained in the Company's Sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs 16,554 million (December 31, 2019: Rs 14,269 million).

20. DATE OF AUTHORISATION

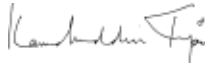
These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Company on October 19, 2020.

21. GENERAL

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



Chief Executive Officer

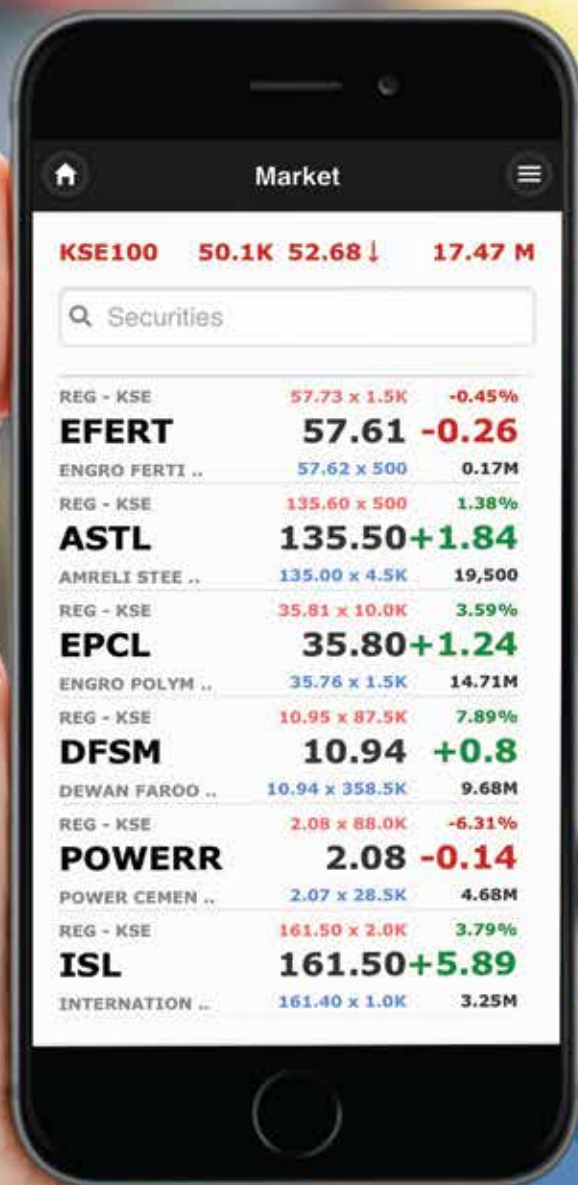
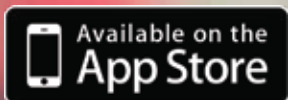


Director



Chief Financial Officer

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CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2020

- 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 SEPTEMBER 30, 2020**
ASSETS
Non-current assets

	(Un-Audited) September 30, 2020	(Audited) December 31, 2019
------(Rupees in '000)-----		
Property and equipment	46,024	52,409
Intangible assets	3,907	4,179
Long-term investments	328,027	360,670
Long-term loans and advances	820	568
Long-term deposits and prepayments	21,886	22,073
Deferred tax asset - net	58,794	70,159
	459,458	510,057

Current assets

Short-term investments	103,321	-
Trade debts	140,557	150,756
Advances, deposits, prepayments and other receivables	430,962	872,173
Taxation - net	121,037	123,716
Cash and bank balances	927,208	239,702
	1,723,085	1,386,347
	2,182,543	1,896,404

TOTAL ASSETS
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
General reserve	18,752	18,752
Unrealised gain on re-measurement of investments held at fair value through other comprehensive income	67,392	100,035
Accumulated loss	(308,124)	(365,392)
	778,020	753,395

Non-current liabilities

Long-term financing-secured	150,000	150,000
Liability against asset subject to finance lease	5,295	9,889
	155,295	159,889

Current liabilities

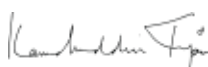
Trade and other payables	1,189,423	975,233
Current portion of liability against asset subject to finance lease	8,120	6,416
Short term financing-secured	50,000	-
Unclaimed dividend	1,402	1,402
Accrued mark-up	283	69
	1,249,228	983,120
	2,182,543	1,896,404

TOTAL EQUITY AND LIABILITIES
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

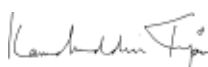
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED AND QUARTER ENDED SEPTEMBER 30, 2020**

	Nine months ended September 30,		Restated Quarter ended September 30,	
	2020	2019	2020	2019
	------(Rupees in '000)-----			
Operating revenue	274,535	131,325	133,688	40,546
Net gain on investment				
Gain on sale of investments 'at fair value through profit and loss' - net	7,465	9,409	3,097	2,989
Reversal of impairment of held for trading investments	-	5,000	-	-
Unrealised (loss) / gain on re-measurement of investments 'at fair value through profit or loss' -net	(8,312)	266	(11,016)	496
	(847)	14,675	(7,919)	3,485
Mark-up / profit on bank deposits and other receivables	75,162	62,105	22,822	21,623
	348,850	208,105	148,592	65,654
Operating and administrative expenses	(256,060)	(229,044)	(92,481)	(75,262)
Reversal / (provision) against doubtful debts-net	3,265	(3,293)	1,923	574
	(252,795)	(232,337)	(90,558)	(74,688)
Operating profit / (loss)	96,055	(24,232)	58,034	(9,034)
Finance cost	(19,276)	(19,435)	(6,085)	(6,471)
	76,779	(43,667)	51,949	(15,505)
Other income / (expense)	10,647	1,275	11,782	(834)
Profit / (loss) before taxation	87,426	(42,392)	63,731	(16,339)
Taxation				
Current - for the period	(18,792)	(4,308)	(12,575)	(1,968)
Deferred	(11,366)	18,325	(9,045)	5,609
	(30,158)	14,017	(21,620)	3,641
Profit / (loss) after taxation	57,268	(28,375)	42,111	(12,698)
Other comprehensive income / (loss) for the period:				
Unrealised (loss) / gain arising during the period on re-measurement of investment at fair value through other comprehensive income - net	(32,643)	(176,332)	111,038	(246,406)
Total comprehensive income / (loss) for the period	24,625	(204,707)	153,149	(259,104)
	------(Rupees in '000)-----			
Earnings / (loss) per share - basic and diluted	0.57	(0.28)	0.42	(0.13)

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 THE NINE MONTHS ENDED SEPTEMBER 30, 2020**

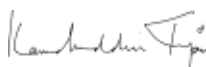
Nine months ended September 30,

	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	87,426	(42,392)
Non-cash adjustments to reconcile profit / (loss) before tax to net cash flows:		
Depreciation	12,866	10,430
Amortisation	273	438
Gain on sale of investments 'at fair value through profit and loss' - net	(7,465)	(9,409)
Unrealised loss / (gain) on re-measurement of investments 'at fair value through profit or loss' - net	8,312	(266)
Gain on disposal of property and equipment	(1,200)	(1,554)
(Reversal) / provision against doubtful debts-net	(3,265)	3,293
Provision against long term deposits	-	136
Finance cost	19,276	19,435
	28,797	22,503
	116,223	(19,889)
Working capital adjustments:		
Decrease in current assets		
Trade debts	13,464	2,336
Advances, deposits, prepayments and other receivables	441,211	60,240
	454,675	62,576
Increase / (decrease) in current liabilities		
Trade and other payables	214,634	(26,951)
	785,553	15,736
Finance cost paid	(19,506)	(18,940)
Income tax paid	(16,113)	(13,593)
	749,914	(16,797)
Net cash flows generated from / (used in) operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Investments 'at fair value through profit or loss' - net	(104,168)	(36,887)
Purchase of property and equipment	(3,764)	(7,215)
Purchase of intangible assets	-	(81)
Sale proceeds from disposal of property and equipment	1,200	6,581
	(106,732)	(37,602)
CASH FLOW FROM FINANCING ACTIVITIES		
Long-term loans and advances	(252)	(527)
Long-term deposits and prepayments	187	(270)
Liability against asset subject to finance lease	(5,610)	(6,487)
Repayment of short term financing	-	(100,000)
	(5,676)	(107,284)
Net increase / (decrease) in cash and cash equivalents	637,506	(161,683)
Cash and cash equivalents at the beginning of the period	239,702	547,522
Cash and cash equivalents at the end of the period	877,208	385,839
Cash and cash equivalents comprises of:		
Cash and bank balances	927,208	385,839
Short term financing-secured	(50,000)	-
	877,208	385,839

The annexed notes 1 to 9 form an integral part of these Consolidated Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

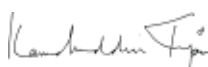
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020**

	Share Capital	General Reserve	Accumulated Loss	Unrealised gain / (impairment loss) on re-measurement of investment at 'fair value through other comprehensive income'	Total
	(Rupees in '000)				
Balance as at January 01, 2019 (As previously reported)	1,000,000	18,752	(445,791)	301,304	874,265
Reclassification of impairment loss due to initial application of IFRS-9	-	-	75,000	(75,000)	-
Adjustment of initial application of IFRS-9 (net of tax)	-	-	17,340	-	17,340
Adjusted Balance as at January 01, 2019	1,000,000	18,752	(353,451)	226,304	891,605
Total comprehensive loss for the period	-	-	(28,375)	(176,332)	(204,707)
Adjusted Balance as at September 30, 2019	1,000,000	18,752	(381,826)	49,972	686,898
Total comprehensive income for the period	-	-	16,434	50,063	66,497
Balance as at December 31, 2019	1,000,000	18,752	(365,392)	100,035	753,395
Total comprehensive income for the period	-	-	57,268	(32,643)	24,625
Balance as at September 30, 2020	1,000,000	18,752	(308,124)	67,392	778,020

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 NINE MONTHS ENDED SEPTEMBER 30, 2020****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 BankIslami Pakistan 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 Ultimate parent company 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.

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 is wholly owned by BIPL Securities Limited.

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 September 30, 2020 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 September 30,2020 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, 2019.
- 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, 2020, 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, 2020, therefore, not disclosed in these consolidated condensed interim financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated 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 consolidated 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 consolidated 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, 2019.

The Group'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, 2019.

5. BASIS OF CONSOLIDATION

The Financial information of the subsidiary are included in the consolidated financial information from the date of the control commences until the date of the control ceases. In preparing consolidated financial information, the financial information of the holding company and the subsidiary are consolidated on a line by line basis by adding together the items of assets, liabilities, income and expenses. All intercompany transactions have been eliminated.

6. RELATED PARTY TRANSACTIONS

The related parties of the Group comprise of BankIslami Pakistan Limited (the Ultimate 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 September 30, 2020 and December 31, 2019 and transactions with related parties during the period ended September 30, 2020 and September 30, 2019 are as follows:

As at September 30, 2020 (Un-audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
BALANCES						
Accrued mark-up	283	-	-	-	-	283
Bank balances	601,940	-	-	-	-	601,940
Ijarah deposits	1,462	-	-	-	-	1,462
Ijarah rental payable	655	-	-	-	-	655
Long-term financing - secured	150,000	-	-	-	-	150,000
Short-term financing - secured	50,000	-	-	-	-	50,000
Profit receivable on bank deposit	2,347	-	-	-	-	2,347
Liability against asset subject to finance lease	1,842	-	-	-	-	1,842
Prepaid rent	463	-	-	-	-	463
Trade debts	121	-	2	-	-	123
Trade payables	-	-	271	856	-	1,127

As at December 31, 2019 (Audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
BALANCES						
Accrued mark-up	69	-	-	-	-	69
Bank balances	214,025	-	-	-	-	214,025
Ijarah deposits	1,462	-	-	-	-	1,462
Ijarah rental payable	595	-	-	-	-	595
Long-term financing	150,000	-	-	-	-	150,000
Profit receivable on bank deposit	1,979	-	-	-	-	1,979
Liability against asset subject to finance lease	2,780	-	-	-	-	2,780
Trade debts	253	-	29	-	-	282
Trade payables	-	-	-	1,015	-	1,015

Nine months ended September 30, 2020 (Un-audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
TRANSACTIONS						
Income						
Brokerage income earned	297	-	-	74	-	371
Custody services-net	4	-	-	-	-	4
Profit on bank deposits	18,534	-	-	-	-	18,534
Expenses						
Bank charges	432	-	-	-	-	432
Charge in respect of contributory plan	-	-	-	332	2,763	3,095
Mark-up expense	16,945	-	-	-	-	16,945
Meeting fee	-	-	1,140	-	-	1,140
Remuneration to key management personnel	-	-	-	13,000	-	13,000
Ijarah expense	1,940	-	-	-	-	1,940
Other transaction						
Rent paid	1,003	-	-	-	-	1,003
Short term loan obtained	360,000	-	-	-	-	360,000
Short term loan repaid	310,000	-	-	-	-	310,000
Maintenance paid	2,665	-	-	-	-	2,665

Nine months ended September 30, 2019 (Un-audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
TRANSACTIONS						
Income						
Brokerage income earned	684	-	-	5	2	691
Custody services	4	3	-	-	-	7
Profit on bank deposits	16,022	-	-	-	-	16,022
Expenses						
Bank charges	106	-	-	-	-	106
Charge in respect of contributory plan	-	-	-	404	3,532	3,936
Mark-up expense	18,364	-	-	-	-	18,364
Meeting fee	-	-	660	-	-	660
Remuneration to key management personnel	-	-	-	12,358	-	12,358
Ijarah expense	1,940	-	-	-	-	1,940
Other transaction						
Rent paid	1,018	-	-	-	-	1,018
Short term loan obtained	307,000	-	-	-	-	307,000
Short term loan repaid	407,000	-	-	-	-	407,000
Advance against right to use asset	442	-	-	-	-	442
Purchase of vehicle	3,262	-	-	-	-	3,262

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

	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
	% of Holding		No. of Shares	
M/s. BankIslami Pakistan Limited	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.54%	6.54%	6,535,500	6,535,500
Mr. Mohammad Aslam Motiwala	8.33%	7.45%	8,326,500	7,452,500

7.2 During the period ended September 30, 2020 Mr Aslam Motiwala acquired 874,000 shares of the holding company.

7.3 As at September 30, 2020 the value of customer shares maintained with the Company pledged with financial institutions is Rs 1,383.09 million (December 31, 2019: Rs 206.56 million).

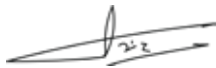
7.4 As at September 30, 2020 value of customers shares maintained in the Company's Sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs 16,554 million (December 31, 2019: Rs 14,269 million).

8. DATE OF AUTHORISATION

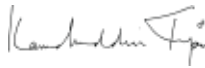
These consolidated condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Holding Company on October 19, 2020.

9. GENERAL

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



Chief Executive Officer



Director



Chief Financial Officer

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