





# QUARTERLY REPORT



MARCH  
**2019**

Condensed Interim  
Financial Information  
(Un - Audited)



# Company Introduction



A scenic landscape photograph showing a dense forest of trees with vibrant autumn foliage in shades of orange, yellow, and green. The trees are reflected in a calm body of water in the foreground, creating a mirror-like effect. The overall atmosphere is peaceful and natural.

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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# COMPANY INFORMATION

## BOARD OF DIRECTORS

Kamal Uddin Tipu – Chairman  
 Abdul Aziz Anis, CFA – Chief Executive Officer  
 Sohail Sikandar  
 Saad Ahmed Madani  
 Sikander Kasim  
 Muhammad Hafeezuddin Asif  
 Natasha Matin  
 Khurram Jamil

## AUDIT COMMITTEE

Sikander Kasim - Chairman  
 Sohail Sikandar  
 Khurram Jamil  
 Muhammad Shafiq Oza - Secretary

## HR & R COMMITTEE

Kamal Uddin Tipu - Chairman  
 Natasha Matin  
 Saad Ahmed Madani  
 Jihan Malik Mehboob - Secretary

## CHEIF EXECUTIVE OFFICER

Abdul Aziz Anis, CFA

## COMPANY SECRETARY

Arsalan Farooq

## CHIEF FINANCIAL OFFICER

Zafar Ahmed Khan

## STATUTORY / NCB AUDITOR

RSM Avais Hyder Liaquat Nauman  
 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  
 Bank Islami Pakistan Limited  
 Faysal Bank Limited  
 Habib Metropolitan Bank Limited  
 JS Bank Limited  
 MCB Bank Limited  
 Meezan Bank Limited

## LEGAL ADVISORS

Bawaney and Partners  
 Advocates and Investment and Corporate  
 Advisor 3rd & 4th Floors, 68-C, Lane 13,  
 Bokhari Commercial Area,  
 Phase-VI, DHA, Karachi, Pakistan  
 Phones: (+92-21) 35156191-92-93-94  
 Fax: (+92-21) 351-56195  
 bawaney@cyber.net.pk

## TAX ADVISOR

Grant Thornton Anjum Rahman  
 Chartered Accountants  
 1st Floor, 40-C, Block-6,  
 P.E.C.H.S., Karachi, Pakistan.  
 Phone: (+92-21) 111-000-322  
 Fax: (+92-21) 34168271

## REGISTERED OFFICE

5th Floor, Trade Centre, I.I.Chundrigar Road,  
 Karachi. Phone: (+92-21) 111-222-000  
 Fax: (+92-21) 32630202  
 info@biplsec.com  
 www.biplsec.com

## SHARE REGISTRAR

THK Associates (Private) Limited  
 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi  
 75400, Pakistan.  
 Phone: +92 (021) 111-000-322  
 Direct: +92 (021) 34168270  
 Fax: +92 (021) 34168271  
 secretariat@thk.com.pk

# BRANCH NETWORK

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## Gulshan-e-Iqbal - Karachi

Mr. Nasim Ahmed

Friends Paradise, 1st Floor, SB-36,  
Block No. 13-D, KDA Scheme-24,  
Main University Road, Karachi

TEL: +92 21-34980763-4 & 66  
FAX: (+92-21) 34980761

## Corporate Office

5th Floor, Trade Center, I. I.  
Chundrigar Road, Karachi-74200,  
Pakistan.

UAN : 0092-21-111-222-000  
Email : [info@biplsec.com](mailto:info@biplsec.com)  
URL : [www.biplsec.com](http://www.biplsec.com)

## Multan

Mr. Muhammad Sajid

Ground Floor, State Life  
Building, Abdali Road, Multan.

TEL: +92 51-111-222-000  
FAX: (+92-61) 4500272

## PSX - Karachi

Ahsan ul Haq

Room No. 139, 3rd Floor,  
Pakistan Stock Exchange  
Building, Stock Exchange Road.

TEL: +92 21 3241 2910 - 14  
FAX: (+92-21) 32412911

## Gujranwala

Mr. Farhan Ataullah Ahmad

81, Ground Floor, GDA Trust  
Plaza, Gujranwala

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FAX: (+92-55) 3822505

## Lahore

Mr. Kamran Khalid Butt

2nd Floor, Fountain Avenue  
Building, 64-A, Main Boulevard,  
Main Gulberg, Lahore.

TEL: +92 42-111-222-000  
FAX: (+92-42) 35787545

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investment needs.

## Peshawar

Mr. M.Ilyas Khan

1st Floor, State Life Building,  
34-The Mall, Peshawar Cantt,  
Peshawar

TEL: +92 91-5276025-27  
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## Islamabad

Mr. Junaid Ali

90-91, Razia Sharif Plaza,  
Jinnah Avenue, Blue Area,  
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## Sialkot

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Shahab Pura Road, Sialkot

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FAX: (+92-52) 3256038

## Islamabad

Mr. Mirza Bilal Arif

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## Rahim Yar Khan

Mr. Adnan Saleem

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Hall Road. Rahim Yar Khan.

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061-4500273-76  
FAX: (+92-68) 5873251

## Faisalabad

Mr. Gul Hussain

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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 March 31, 2019.

## Economic Review

The country's economic woes continued in 1QCY19 as inflation continued to rise unabated, posting a multiple year high of 9.4% in the month of Mar'19. Consequently, for the 9MFY19 average inflation settled at 6.8% as opposed to 3.8% same period last year. Resultantly, in order to curtail inflationary pressures the central bank raised interest rates by another 75bps during 1QCY19 to take the benchmark policy rate to 10.75%. However, with the advent of summer and the upcoming Holy Month, the inflationary pressures are likely to remain elevated and we may see further tightening in the coming quarters.

During 1QCY19 PKR shed another 1.4% (on closing basis) against the USD to close in at 141 taking the cumulative depreciation since Dec'17 to ~28%. Stronger USD and higher interest rates have eventually managed to suppress demand in the country and the import bill has started to reflect the same. As per SBP numbers imports declined by 18%YoY in the month of Feb'19 while the overall imports during 8MFY19 contracted by 1.2%. Exports on the other hand have stagnated at the levels seen last year despite the various stimuli provided to the export sector by the government.

Finally, despite notable cuts in PSDP, 1HFY19 fiscal deficit was recorded at a 5yr high of 2.7% of GDP vs. 2.2% of GDP in 1HFY18; significant jump in current expenditures (up 17%YoY) and poor revenue collection (down 2%YoY) are the major culprits for the increase in deficit.

## Equity Market Review

Slight recovery was seen in stock market where the benchmark KSE-100 index posted a return of 4.3% during 1QCY19 to close at 38,649 points. However, trading activities on the bourse remained dull as depicted by thin volumes traded during the period where Average Daily Traded Value and Average Daily Traded Volume declined by 37%YoY and 38%YoY, respectively.

However, with pre-budgetary proposals coming in and Budget FY20 to be unveiled during May 2019, it is expected that the market may see increased trading and investment activity in the near future. This may be further supported by improved investor sentiments if the country manages to secure an IMF program in the coming months.

## Debt and Currency Market Review

The central bank has raised the benchmark interest rates by 425bps during FY19 but the majority of interbank activity still remains concentrated in short end tenors. This indicates that market participants still expect further interest rate hikes in the coming months.

## Operating and Financial Performance

During the period ended March 31, 2019 the Company reported the following results:

	QUARTER ENDED MARCH 31	
	2019	2018
	----- (Rupees in '000) -----	
Operating revenue	47,493	56,350
Mark-up / profit on bank deposits, investments & other receivables	21,373	14,008
Gain on sale of investments - net	2,593	3,666
Dividend income	-	84
Unrealized gain / (loss) on investments - net	499	1,013
Other expense / income	(341)	483
<b>Total income</b>	<b>71,617</b>	<b>75,604</b>
Operating and administrative expenses	(75,273)	(76,912)
Finance cost	(5,204)	(3,527)
<b>Total expenses</b>	<b>(80,477)</b>	<b>(80,439)</b>
<b>Net loss - before impairment and taxation</b>	<b>(8,860)</b>	<b>(4,835)</b>
Impairment on long term investment- Subsidiary	(38)	(41)
Taxation	(321)	(5,964)
<b>Net loss after tax</b>	<b>(9,219)</b>	<b>(10,840)</b>
<b>Loss per share</b>	<b>(0.09)</b>	<b>(0.11)</b>

### Future Outlook

The upcoming Budget FY20 and the news regarding IMF program are going to dictate equity market direction in the near future. Also, movements in interest rate and the currency are likely to have impact as and when they do materialize.

### Acknowledgement

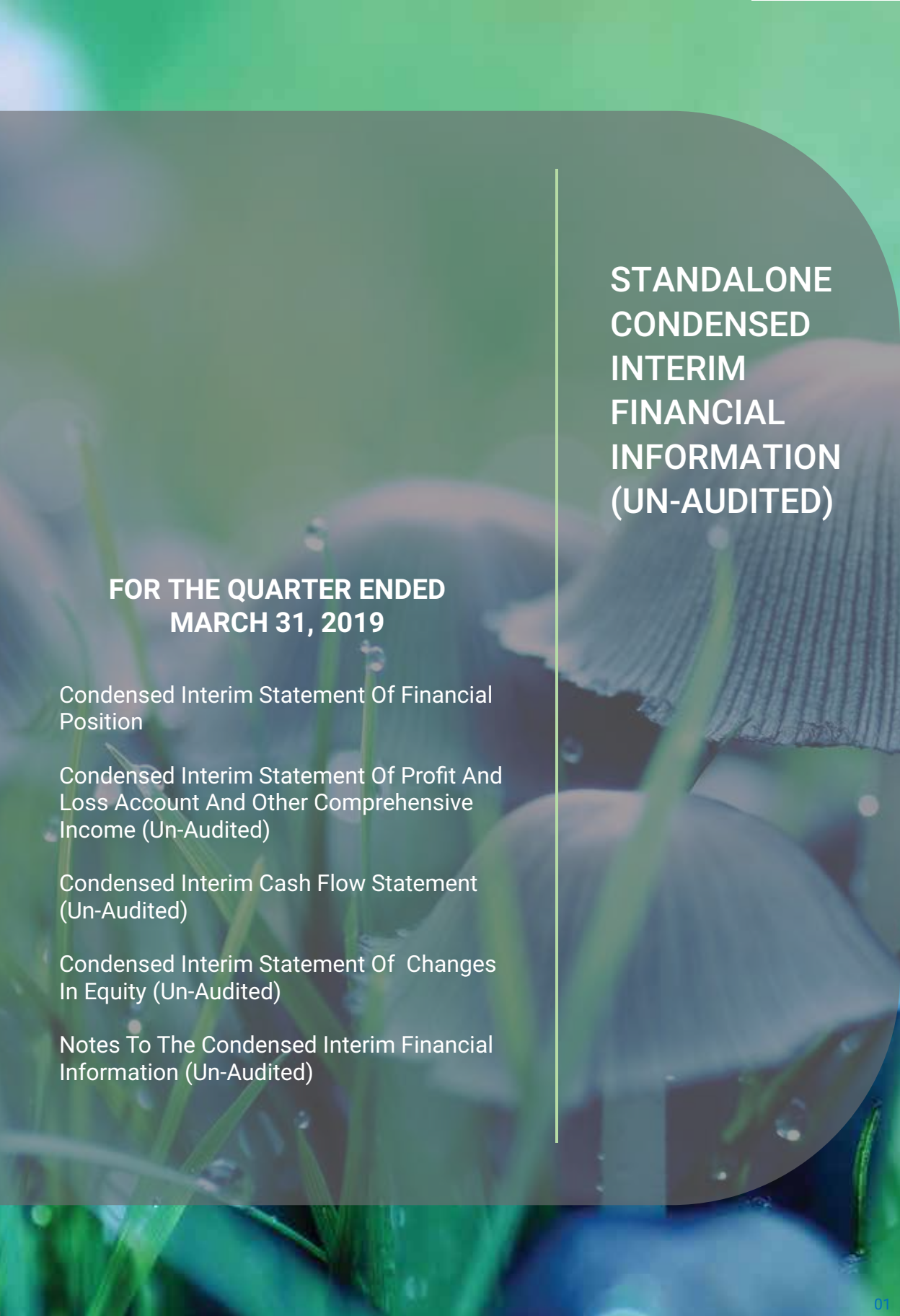
The Directors wish to record their gratitude to the Company's valued clients, shareholders, business partners and other stakeholders for their continued trust that they have reposed in the Company. The Board would also like to record their appreciation to the employees of the Company for their commitment and dedication.

On behalf of the Board of Directors

  
Director

  
Chief Executive Officer

Karachi  
April 18, 2019



**STANDALONE  
CONDENSED  
INTERIM  
FINANCIAL  
INFORMATION  
(UN-AUDITED)**

**FOR THE QUARTER ENDED  
MARCH 31, 2019**

Condensed Interim Statement Of Financial  
Position

Condensed Interim Statement Of Profit And  
Loss Account And Other Comprehensive  
Income (Un-Audited)

Condensed Interim Cash Flow Statement  
(Un-Audited)

Condensed Interim Statement Of Changes  
In Equity (Un-Audited)

Notes To The Condensed Interim Financial  
Information (Un-Audited)





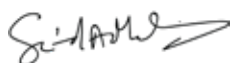
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT MARCH 31, 2019

	Note	(Un-Audited) March 31, 2019	(Audited) December 31, 2018
------(Rupees in '000)-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	41,657	39,472
Intangible assets		4,675	4,775
Long-term investments	6	499,228	488,286
Long-term loans and advances		147	158
Long-term deposits and prepayments		18,201	23,017
Deferred tax asset - net		67,061	66,276
		630,969	621,984
<b>Current assets</b>			
Short-term investments	7	72,867	-
Trade debts	8	75,991	121,988
Advances, deposits, prepayments and other receivables	9	334,310	424,365
Taxation - net		116,989	111,476
Cash and bank balances	10	479,502	546,138
		1,079,659	1,203,967
<b>TOTAL ASSETS</b>		<b>1,710,628</b>	<b>1,825,951</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized capital</b>			
		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 'available- -for-sale' investments to fair value - net		312,284	301,304
Accumulated loss		(455,010)	(445,791)
		876,026	874,265
<b>Non-current liabilities</b>			
Long-term financing-secured	11	150,000	150,000
<b>Current liabilities</b>			
Trade and other payables	12	683,141	700,172
Short term financing-secured		-	100,000
Unclaimed dividend		1,404	1,404
Accrued mark-up		56	110
		684,601	801,686
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,710,628</b>	<b>1,825,951</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	13		

The annexed notes 1 to 19 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 QUARTER ENDED MARCH 31, 2019

	Note	Quarter ended March 31,	
		2019	2018
		------(Rupees in '000)-----	
Operating revenue	14	47,493	56,350
<b>Net gain on investment</b>			
Gain on sale of investments 'at fair value through profit and loss' - net		2,593	3,666
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' -net		499	1,013
		3,092	4,679
Dividend income		-	84
Mark-up / profit on bank deposits and other receivables	15	21,373	14,008
		71,958	75,121
Operating and administrative expenses		(75,315)	(76,912)
Impairment on long-term investment - Subsidiary	6.1	(38)	(41)
Reversal / (provision) against doubtful debts-net	8.2	42	-
		(75,311)	(76,953)
<b>Operating loss</b>		(3,353)	(1,832)
Finance cost		(5,204)	(3,527)
		(8,557)	(5,359)
Other (expense) / income		(341)	483
<b>Loss before taxation</b>		(8,898)	(4,876)
Taxation			
Current - for the period		(1,106)	(8,450)
Deferred		785	2,486
		(321)	(5,964)
<b>Loss after taxation</b>		(9,219)	(10,840)
<b>Other comprehensive income for the period:</b>			
Unrealised gain arising during the period on re-measurement of 'available-for-sale' investments - net		10,980	27,465
<b>Total comprehensive income for the period</b>		1,761	16,625
		------(Rupees)-----	
<b>Loss per share - basic and diluted</b>		(0.09)	(0.11)

The annexed notes 1 to 19 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 QUARTER ENDED MARCH 31, 2019

CASH FLOW FROM OPERATING ACTIVITIES

Loss before taxation

(8,898)

(4,876)

Non-cash adjustments to reconcile loss

before tax to net cash flows:

Depreciation

2,205

2,915

Amortisation

181

308

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

(2,593)

(3,666)

Gain on sale of property and equipment

-

(509)

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

(499)

(1,013)

Reversal of provision against doubtful debts-net

(42)

-

Impairment on long-term investment - Subsidiary

38

41

Finance cost

5,204

3,527

Dividend income

-

(84)

4,494

1,519

(4,404)

(3,357)

Working capital adjustments:

Decrease / (increase) in current assets

Trade debts

46,039

(9,384)

Advances, deposits, prepayments and other receivables

90,055

108,521

136,094

99,137

(Decrease) / increase in current liabilities

Trade and other payables

(17,031)

128,985

114,660

224,765

Finance cost paid

(5,258)

(3,527)

Income tax paid

(6,620)

(10,128)

Net cash flows generated from operating activities

102,782

211,110

CASH FLOW FROM INVESTING ACTIVITIES

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

(69,775)

41,246

Purchase of property and equipment

(4,389)

(1,489)

Purchase of intangible assets

(81)

-

Proceeds from disposal of property and equipment

-

733

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

(74,245)

40,490

CASH FLOW FROM FINANCING ACTIVITIES

Long-term loans and advances

11

34

Long-term deposits and prepayments

4,816

5,536

Repayment of short term financing

(100,000)

-

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

(95,173)

5,570

Net (decrease) / increase in cash and cash equivalents

(66,636)

257,170

Cash and cash equivalents at the beginning of the period

546,138

496,966

Cash and cash equivalents at the end of the period

479,502

754,136

Quarter ended March 31,

2019

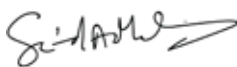
2018

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

The annexed notes 1 to 19 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

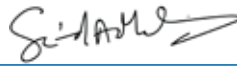
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2019

	Share Capital	General Reserve	Accumulated Loss	Unrealised gain /(loss) on re-measurement of 'available-for-sale' investments to fair value - net	Total
	(Rupees in '000)				
Balance as at January 01, 2018	1,000,000	18,752	(418,832)	325,065	924,985
Total comprehensive income for the period	-	-	(10,840)	27,465	16,625
<b>Balance as at March 31, 2018</b>	<b>1,000,000</b>	<b>18,752</b>	<b>(429,672)</b>	<b>352,530</b>	<b>941,610</b>
Total comprehensive loss for the period	-	-	(16,119)	(51,226)	(67,345)
<b>Balance as at December 31, 2018</b>	<b>1,000,000</b>	<b>18,752</b>	<b>(445,791)</b>	<b>301,304</b>	<b>874,265</b>
Total comprehensive Income for the period	-	-	(9,219)	10,980	1,761
<b>Balance as at March 31, 2019</b>	<b>1,000,000</b>	<b>18,752</b>	<b>(455,010)</b>	<b>312,284</b>	<b>876,026</b>

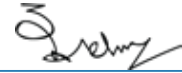
The annexed notes 1 to 19 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2019**

**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.
- 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 March 31, 2019 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, 2018.
- 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 and relevant**

IFRS 15 'Revenue from contract with customers'- IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods and services.

- b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant**

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after January 1, 2019, but are considered not to be relevant or have any significant effect on the Company's reporting and are therefore, not disclosed in these unconsolidated condensed interim financial statements.

- c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant**

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning January 01, 2019 that may have an impact on the financial statements.

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The management is in process of assessing the impact of changes laid down by this standard on its 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, 2018.

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, 2018.

### 5. PROPERTY AND EQUIPMENT

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

	Quarter ended (Un-audited)		Year ended (Audited)	
	March 31, 2019		December 31, 2018	
	Additions Cost	Disposals Cost	Additions Cost	Disposals Cost
	----- (Rupees in '000) -----			
Furniture and fixtures	418	-	811	-
Computers and office equipment	709	-	5,030	(847)
Vehicles	3,262	-	-	(2,509)
	<b>4,389</b>	<b>-</b>	<b>5,841</b>	<b>(3,356)</b>

### 6. LONG-TERM INVESTMENTS

	Note	(Un-audited) March 31, 2019	(Audited) December 31, 2018
		----- (Rupees in '000) -----	
Subsidiary company- Structured Venture (Private) Limited (SVPL)	6.1	1,309	1,347
"Available-for-sale" investments	6.2	497,919	486,939
		<b>499,228</b>	<b>488,286</b>
6.1 Subsidiary Company			
Cost		488,581	488,581
Less: Provision for impairment		(487,272)	(487,234)
		<b>1,309</b>	<b>1,347</b>

"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) March 31, 2019	(Audited) December 31, 2018
(Rupees in '000)			
<b>6.2 'Available-for-sale' investments</b>			
<b>Name of the Investee Company</b>			
<b>Quoted shares</b>			
Pakistan Stock Exchange Limited	6.2.1 & 6.2.2	26,304	21,752
<b>Unquoted shares</b>			
Al Jomaih Power Limited	6.2.3	471,615	465,187
New Horizon Exploration and Production Limited - (Related Party) - Class 'A' ordinary shares		31,629	31,629
Less: impairment	6.2.4	(31,629)	(31,629)
		497,919	486,939

6.2.1 This represents 1,602,953 shares having a market value of Rs 16.41 per share as at March 31, 2019 (December 31, 2018: 13.57 per share).

The Company's entitlement in respect of PSX's shares was determined on the basis of valuation of assets and liabilities of PSX as approved by the SECP and 4,007,383 shares of the face value of Rs 10/- each were allotted to the Company, out of which 2,404,430 shares were kept in the blocked account and the divestment of the same was to be made in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 [the Act] within two years from the date of promulgation of the Act. On December 22, 2016, the Divestment Committee of PSX accepted the highest bid price of Rs. 28 per share from Chinese Consortium to divest 40% equity stake held by the existing shareholders of PSX, which were kept in the blocked account as mentioned above, under Stock Exchange (Corporatisation, Demutualisation and Integration) Act, 2012 and regulation framed there under. Subsequent to above, PSX intimated vide letter dated December 29, 2016 that bidding process for the sale of PSX shares has been concluded. Further, consideration for the above sale was received by PSX after holding 10% of the sale price as Retention money in terms of Share Purchase Agreement executed among Anchor investor, Divestment Committee and PSX, which has been retained for a period of one year to settle any outstanding liabilities of PSX, the amount has been subsequently received.

6.2.2 During the quarter ended March 31, 2017, the company has received sale proceed of Rs 40.39 million against disposal of 1,602,953 shares representing 90% of sale proceed as initially agreed with Chinese Consortium through sale purchase agreement mentioned above. During the quarter ended June 30 2017, the company has received sale proceed of Rs. 21.99 million against disposal of 801,477 shares representing 20% holding to general public.

Further, PSX notified vide letter dated June 23, 2017 that SECP has approved the application for formal listing and quotation of shares of PSX pursuant to Stock Exchange (Corporatisation, Demutualisation and Integration) Act, 2012. The shares of PSX have been listed on June 29, 2017 on its Ready Counter, and currently it is measured at mark to market due to availability of active market. These shares are required to be blocked with CDC in-house / investor accounts under sub-regulation (1), (2) & (3) of Regulation 5 of Public offering Regulations, 2017. However CDC has kept these shares as frozen instead of blocked.

Further, the company has pledged 1,602,694 shares with PSX to meet the requirement of Base Minimum Capital (BMC) under clause 19.2 of the Risk Management Regulations in PSX Rule Book. As of reporting date 1,081,194 shares are still kept in blocked account by CDC as required under sub-regulation (1), (2) & (3) of Regulation 5 of Public offering Regulations, 2017 which will be released in June 2020.

6.2.3 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 December 31, 2018. The changes in fair value is due to upward valuation of foreign currency.

6.2.4 In year 2015, the management carried out impairment testing of its investment in New Horizon Exploration and Production Limited (NHEPL), as required by IAS 39. 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

-Term Finance Certificates

Note	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	----- (Rupees in '000) -----	
7.1	72,867	-
7.2	-	-
	<b>72,867</b>	<b>-</b>

7.1 This includes shares with carrying value of Rs.72.86 million (December 31, 2018: Nil) pledged with NCCPL against exposure margin.

Note	(Un-audited) March 31, 2019	(Audited) December 31, 2018
	----- (Rupees in '000) -----	

### 7.2 Term Finance Certificates

2019	2018
------	------

Number of certificates	Name of Investee Company		
	Pace Pakistan Ltd.		
	(Face value Rs. 5,000/- each)		
6,000	Opening	27,221	45,369
-	Less: sold	-	(18,148)
<b>6,000</b>	Closing	<b>27,221</b>	<b>27,221</b>
	Less: impairment	(27,221)	(27,221)
		<b>-</b>	<b>-</b>

#### 7.2.1 Impairment

Opening balance	27,221	45,369
Less: Reversal of impairment due to sale	-	(10,000)
Impairment written off	-	(8,148)
	<b>27,221</b>	<b>27,221</b>



Note	(Un-audited) March 31, 2019	(Audited) December 31, 2018
------	--------------------------------	--------------------------------

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

## 8. TRADE DEBTS

Receivable against purchase of marketable securities - net of provisions  
Receivable from NCCPL  
Inter-bank brokerage  
Fees

8.2	71,463	78,155
	-	40,638
	4,390	3,195
	138	-
	<b>75,991</b>	<b>121,988</b>

8.1 Trade debts are recognized at fair value and subsequently measured at carrying value. A provision for impairment in trade debts is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables whereas debts deemed uncollectible are written off.

Note	(Un-audited) March 31, 2019	(Audited) December 31, 2018
------	--------------------------------	--------------------------------

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

### 8.2 Considered good

Secured

Unsecured

Considered doubtful

Less: provision for doubtful debts

	22,654	28,299
	5,901	7,189
	28,555	35,488
	139,484	139,285
8.3	(96,576)	(96,618)
	<b>71,463</b>	<b>78,155</b>

### 8.3 Reconciliation of provisions against trade debts

Opening

Provision

Write off

Reversal

	96,618	94,395
	-	3,390
	-	(1,117)
	(42)	(50)
	-	2,223
8.3.1	<b>96,576</b>	<b>96,618</b>

8.3.1 Provision against doubtful debts has been made after considering the market value of listed shares amounting to Rs.42.91 million (December 31, 2018: Rs. 42.67 million) held in custody by the Company against respective customer accounts.

(Un-audited) March 31, 2019	(Audited) December 31, 2018
--------------------------------	--------------------------------

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

### 8.4 The aging analysis of trade debts are as follows:

Not past due

Past due 15 days - 30 days

Past due 31 days - 180 days

Past due 181 days - 1 year

More than one year - net of provision

22,384	70,285
759	473
5,101	4,260
1,488	3,373
46,258	43,597
<b>75,991</b>	<b>121,988</b>

Note	(Un-audited) March 31, 2019	(Audited) December 31, 2018
------	--------------------------------	--------------------------------

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

## 9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

### Advances to:

-Suppliers	2,536	5,456
-Current portion of long-term loans and advances	789	998
	3,325	6,454

### Deposits:

-Exposure deposit with -NCCPL	182,369	322,046
-Exposure deposit with -PMEX	3,022	3,084
-Others	2,100	2,100
	187,491	327,230

### Prepayments:

-Rent	3,939	1,967
-Insurance	2,737	231
-Software development and maintenance	724	461
-Others	1,331	1,633
	8,731	4,292

### Other receivables:

-Profit on bank deposits	4,736	4,314
-Profit on exposure deposit with -PSX	1,149	778
-Receivable against margin finance	123,760	75,286
-Others	5,118	6,011
	134,763	86,390
	334,310	424,365

## 10. CASH AND BANK BALANCES

### Cash at bank in:

#### Company accounts

- Current accounts	2,223	6,064
- Saving accounts	27,568	120,239
	29,791	123,303

#### Client accounts

- Current accounts	10	10
- Saving accounts	449,572	419,820
	449,582	414,830

#### Cash in hand

Cash in hand	125	-
Stamps in hand	4	5
	479,502	546,138

10.1 These carry profit at the rates ranging from 3% to 9.65% (December 31, 2018: 2.6% to 9%) per annum.

10.2 This includes Rs. 292.91 million (December 31, 2018: Rs. 217.47 million) with BankIslami Pakistan Limited, the Parent Company.

Note	(Un-audited) March 31, 2019	(Audited) December 31, 2018
------	--------------------------------	--------------------------------

(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 loan is secured by way of Exclusive Charge over DM Assets along with equitable mortgage over all other commercial properties of the Company. The financing is 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 to December 2020.

(Un-audited) March 31, 2019	(Audited) December 31, 2018
--------------------------------	--------------------------------

(Rupees in '000)

## 12. TRADE AND OTHER PAYABLES

Trade creditors	596,717	625,426
Payable to NCCPL	55,541	43,269
Accrued expenses	25,760	26,221
Withholding tax	2,756	2,985
Others	2,368	2,271
	<b>683,141</b>	<b>700,172</b>

## 13. CONTINGENCIES AND COMMITMENTS

### 13.1 Contingencies

There is no change in the status of contingencies as disclosed in the published annual financial statements for the year ended December 31, 2018.

### 13.2 Commitments

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

73,056	-
--------	---

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	2,587	2,587
Later than one year but not later than five years	4,063	4,701
	<b>6,650</b>	<b>7,288</b>

(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
--------------------------------	--------------------------------

(Rupees in '000)

## 14. OPERATING REVENUE

Brokerage	46,548	52,181
Subscription research income	200	3,327
Custody services	745	842
	<b>47,493</b>	<b>56,350</b>

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

Profit on bank deposits	17,438	10,529
Margin finance income	3,891	3,438
Others	44	41
	<b>21,373</b>	<b>14,008</b>

## 16. RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of BankIslami Pakistan Limited (the Parent Company), associated undertakings (including companies under common directorship), employee benefit plans and its key management personnel. The balances with related parties as at March 31, 2019 and December 31, 2018 and transactions with related parties during the period ended March 31, 2019 and March 31, 2018 are as follows:

### As at March 31, 2019 (Un-audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
<b>BALANCES</b>						
Accrued mark-up	56	-	-	-	-	56
Bank balances	292,912	-	-	-	-	292,912
Ijarah deposits	1,462	-	-	-	-	1,462
Ijarah rental payable	543	-	-	-	-	543
Long-term financing	150,000	-	-	-	-	150,000
Profit receivable on bank deposit	1,078	-	-	-	-	1,078
Rent payable	221	-	-	-	-	221
Trade debts	70	-	28	-	-	98
Trade payables	-	-	-	20	-	20

### As at December 31, 2018 (Audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
<b>BALANCES</b>						
Accrued mark-up	110	-	-	-	-	110
Bank balances	217,474	-	-	-	-	217,474
Ijarah deposits	1,462	-	-	-	-	1,462
Ijarah rental payable	514	-	-	-	-	514
Long-term financing	150,000	-	-	-	-	150,000
Profit receivable on bank deposit	633	-	-	-	-	633
Rent payable	525	-	-	-	-	525
Advance against settlement of ijarah	3,262	-	-	-	-	3,262
Short term loan	100,000	-	-	-	-	100,000
Trade debts	66	-	1	-	-	67
Trade payables	-	1	117	24	-	142

## As at March 31, 2019 (Un-audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
<b>TRANSACTIONS</b>						
<b>Income</b>						
Brokerage income earned	75	-	-	-	-	75
Custody services-net	1	1	-	-	-	2
Profit on bank deposits	3,983	-	-	-	-	3,983
<b>Expenses</b>						
Bank charges	5	-	-	-	-	5
Charge in respect of contributory plan	-	-	-	173	1,485	1,658
Mark-up expense	5,074	-	-	-	-	5,074
Meeting fee	-	-	300	-	-	300
Remuneration to key management personnel	-	-	-	4,012	-	4,012
Ijarah expense	647	-	-	-	-	647
Rent expense	357	-	-	-	-	357
<b>Other transaction</b>						
Short term loan obtained	55,000	-	-	-	-	55,000
Short term loan repaid	155,000	-	-	-	-	155,000
Purchase of vehicle	3,262	-	-	-	-	3,262

## As at March 31, 2018 (Un-audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
<b>TRANSACTIONS</b>						
<b>Income</b>						
Brokerage income earned	70	11	-	11	-	92
Custody services-net	1	1	-	-	-	2
Profit on bank deposits	2,551	-	-	-	-	2,551
<b>Expenses</b>						
Bank charges	39	-	-	-	-	39
Charge in respect of contributory plan	-	-	-	194	1,326	1,520
Mark-up expense	3,388	-	-	-	-	3,388
Meeting fee	-	-	420	-	-	420
Remuneration to key management personnel	-	-	-	5,901	-	5,901
Ijarah expense	928	-	-	-	-	928
Rent expense	316	-	-	-	-	316



## 17 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:

### 17.1 Person holding more than 5% of shares

	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
	% 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	7.31%	7.31%	7,314,500	7,314,500

17.2 There were no changes in the shareholding of persons holding more than 5% shares of the Company.

17.3 As at March 31, 2019 the value of customer shares maintained with the Company pledged with financial institutions is Rs 360.76 million (December 31, 2018: Rs 87.65 million).

17.4 As at March 31, 2019 value of customers shares maintained in the Company's Sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs 12,527 million (December 31, 2018: Rs 12,422 million).

## 18. DATE OF AUTHORISATION

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Company on April 18, 2019.

## 19. GENERAL

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



Chief Executive Officer



Director



Chief Financial Officer



**CONSOLIDATED  
CONDENSED  
INTERIM  
FINANCIAL  
INFORMATION  
(UN-AUDITED)**

**FOR THE QUARTER ENDED  
MARCH 31, 2019**

Consolidated Condensed Interim Statement  
Of Financial Position

Consolidated Condensed Interim Statement  
Of Profit And Loss Account And Other  
Comprehensive Income (Un-Audited)

Consolidated Condensed Interim Cash Flow  
Statement (Un-Audited)

Consolidated Condensed Interim Statement  
Of Changes In Equity (Un-Audited)

Notes To The Consolidated Condensed  
Interim Financial Information (Un-Audited)

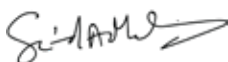
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT MARCH 31, 2019**

	(Un-Audited) March 31, 2019	(Audited) December 31, 2018
----- (Rupees in '000) -----		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	41,657	39,472
Intangible assets	4,675	4,775
Long-term investments	497,919	486,939
Long-term loans and advances	147	158
Long-term deposits and prepayments	18,201	23,017
Deferred tax asset - net	67,061	66,276
	<b>629,660</b>	<b>620,637</b>
<b>Current assets</b>		
Short-term investments	72,867	-
Trade debts	75,991	121,988
Advances, deposits, prepayments and other receivables	334,313	424,369
Taxation - net	117,207	111,693
Cash and bank balances	480,836	547,522
	<b>1,081,214</b>	<b>1,205,572</b>
	<b>1,710,874</b>	<b>1,826,209</b>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
<b>Authorized capital</b>		
	<b>2,000,000</b>	<b>2,000,000</b>
Issued, subscribed and paid-up capital	1,000,000	1,000,000
General reserve	18,752	18,752
Unrealised gain on re-measurement of 'available- -for-sale' investments to fair value - net	312,284	301,304
Accumulated loss	(455,010)	(445,791)
	<b>876,026</b>	<b>874,265</b>
<b>Non-current liabilities</b>		
Long-term financing- secured	150,000	150,000
<b>Current liabilities</b>		
Trade and other payables	683,388	700,430
Short term financing-secured	-	100,000
Unclaimed dividend	1,404	1,404
Accrued mark-up	56	110
	<b>684,848</b>	<b>801,944</b>
	<b>1,710,874</b>	<b>1,826,209</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		
<b>CONTINGENCIES AND COMMITMENTS</b>		


The annexed notes 1 to 8 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 QUARTER ENDED MARCH 31, 2019**

	Quarter ended March 31,	
	2019	2018
	----- (Rupees in '000) -----	
Operating revenue	47,493	56,350
<b>Net gain on investment</b>		
Gain on sale of investments 'at fair value through profit and loss' - net	2,593	3,666
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' -net	499	1,013
	3,092	4,679
Dividend income	-	84
Mark-up / profit on bank deposits and other receivables	21,383	14,017
	71,968	75,130
Operating and administrative expenses	(75,363)	(76,962)
Reversal of provision against doubtful debts-net	42	-
	(75,321)	(76,962)
<b>Operating loss</b>	(3,353)	(1,832)
Finance cost	(5,204)	(3,527)
	(8,557)	(5,359)
Other (expense) / income	(341)	483
<b>Loss before taxation</b>	(8,898)	(4,876)
Taxation		
Current - for the period	(1,106)	(8,450)
Deferred	785	2,486
	(321)	(5,964)
<b>Loss after taxation</b>	(9,219)	(10,840)
<b>Other comprehensive income for the period:</b>		
Unrealised gain arising during the period on re-measurement of 'available-for-sale' investments - net	10,980	27,465
<b>Total comprehensive income for the period</b>	1,761	16,625
	----- Rupees -----	
<b>Loss per share - basic and diluted</b>	(0.09)	(0.11)

The annexed notes 1 to 8 form an integral part of these Consolidated Condensed Interim Financial Information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer



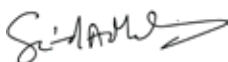
**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2019**

	Quarter ended March 31,	
	2019	2018
	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(8,898)	(4,876)
<b>Non-cash adjustments to reconcile loss before tax to net cash flows:</b>		
Depreciation	2,205	2,915
Amortisation	181	308
Gain on sale of investments 'at fair value through profit and loss' - net	(2,593)	(3,666)
Gain on sale of property and equipment	-	(509)
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' - net	(499)	(1,013)
Reversal of provision against doubtful debts-net	(42)	-
Finance cost	5,204	3,527
Dividend income	-	(84)
	<u>4,456</u>	<u>1,477</u>
	(4,442)	(3,399)
<b>Working capital adjustments:</b>		
<b>Decrease / (increase) in current assets</b>		
Trade debts	46,039	(9,384)
Advances, deposits, prepayments and other receivables	90,056	108,521
	<u>136,095</u>	<u>99,137</u>
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(17,042)	128,975
	<u>114,611</u>	<u>224,714</u>
Finance cost paid	(5,258)	(3,527)
Income tax paid	(6,621)	(10,129)
	<u>(6,621)</u>	<u>(10,129)</u>
<b>Net cash flows generated from operating activities</b>	<u>102,732</u>	<u>211,058</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments 'at fair value through profit or loss' - net	(69,775)	41,246
Purchase of property and equipment	(4,389)	(1,489)
Purchase of intangible assets	(81)	-
Proceeds from disposal of property and equipment	-	733
<b>Net cash flows (used in) / generated from investing activities</b>	<u>(74,245)</u>	<u>40,490</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long-term loans and advances	11	34
Long-term deposits and prepayments	4,816	5,536
Repayment of short term financing	(100,000)	-
<b>Net cash flows (used in) / generated from financing activities</b>	<u>(95,173)</u>	<u>5,570</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>(66,686)</u>	<u>257,118</u>
Cash and cash equivalents at the beginning of the period	547,522	498,382
Cash and cash equivalents at the end of the period	<b>480,836</b>	<b>755,500</b>


The annexed notes 1 to 8 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)

	Share Capital	General Reserve	Accumulated Loss	Unrealised gain/(loss) on re-measurement of 'available-for-sale' investments to fair value - net	Total
	----- (Rupees in '000) -----				
Balance as at January 01, 2018	1,000,000	18,752	(418,832)	325,065	924,985
Total comprehensive income for the period	-	-	(10,840)	27,465	16,625
Balance as at March 31, 2018	1,000,000	18,752	(429,672)	352,530	941,610
Total comprehensive loss for the period	-	-	(16,119)	(51,226)	(67,345)
Balance as at December 31, 2018	1,000,000	18,752	(445,791)	301,304	874,265
Total comprehensive Income for the period	-	-	(9,219)	10,980	1,761
Balance as at March 31, 2019	1,000,000	18,752	(455,010)	312,284	876,026

The annexed notes 1 to 8 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 QUARTER ENDED MARCH 31, 2019**

**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.

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 SVPL 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 SVPL as at March 31, 2019 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 March 31, 2019 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, 2018.
- 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 and relevant

IFRS 15 'Revenue from contract with customers'- IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods and services.

**b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant**

There are certain new standards, amendments to the approved accounting standards and new interpretations that are mandatory for accounting periods beginning on or after January 1, 2019, but are considered not to be relevant or have any significant effect on the Group's reporting and are therefore, not disclosed in these consolidated condensed interim financial statements.

**c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant**

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning January 01, 2019 that may have an impact on the financial information.

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The management is in process of assessing the impact of changes laid down by this standard on its 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, 2018.

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, 2018.

### **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 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), employee benefit plans and its key management personnel. The balances with related parties as at March 31, 2019 and December 31, 2018 and transactions with related parties during the period ended March 31, 2019 and March 31, 2018 are as follows:

As at March 31, 2019 (Un-audited)						
	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
<b>BALANCES</b>						
Accrued mark-up	56	-	-	-	-	56
Bank balances	294,246	-	-	-	-	294,246
Ijarah deposits	1,462	-	-	-	-	1,462
Ijarah rental payable	543	-	-	-	-	543
Long-term financing	150,000	-	-	-	-	150,000
Profit receivable on bank deposit	1,081	-	-	-	-	1,081
Rent payable	221	-	-	-	-	221
Trade debts	70	-	28	-	-	98
Trade payables	-	-	-	20	-	20

As at December 31, 2018 (Audited)						
	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
<b>BALANCES</b>						
Accrued mark-up	110	-	-	-	-	110
Bank balances	218,835	-	-	-	-	218,835
Ijarah deposits	1,462	-	-	-	-	1,462
Ijarah rental payable	514	-	-	-	-	514
Long-term financing	150,000	-	-	-	-	150,000
Profit receivable on bank deposit	637	-	-	-	-	637
Rent payable	525	-	-	-	-	525
Advance against settlement of ijarah	3,262	-	-	-	-	3,262
Short term loan	100,000	-	-	-	-	100,000
Trade debts	66	-	1	-	-	67
Trade payables	-	1	117	24	-	142



## As at March 31, 2019 (Un-audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
<b>TRANSACTIONS</b>						
<b>Income</b>						
Brokerage income earned	75	-	-	-	-	75
Custody services-net	1	1	-	-	-	2
Profit on bank deposits	3,993	-	-	-	-	3,993
<b>Expenses</b>						
Bank charges	5	-	-	-	-	5
Charge in respect of contributory plan	-	-	-	173	1,485	1,658
Mark-up expense	5,074	-	-	-	-	5,074
Meeting fee	-	-	300	-	-	300
Remuneration to key management personnel	-	-	-	4,012	-	4,012
Ijarah expense	647	-	-	-	-	647
Rent expense	357	-	-	-	-	357
<b>Other transaction</b>						
Short term loan obtained	55,000	-	-	-	-	55,000
Short term loan repaid	155,000	-	-	-	-	155,000
Purchase of vehicle	3,262	-	-	-	-	3,262

## As at March 31, 2018 (Un-audited)

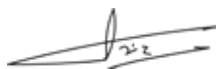
	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
<b>TRANSACTIONS</b>						
<b>Income</b>						
Brokerage income earned	70	11	-	11	-	92
Custody services-net	1	1	-	-	-	2
Profit on bank deposits	2,560	-	-	-	-	2,560
<b>Expenses</b>						
Bank charges	39	-	-	-	-	39
Charge in respect of contributory plan	-	-	-	194	1,326	1,520
Mark-up expense	3,388	-	-	-	-	3,388
Meeting fee	-	-	420	-	-	420
Remuneration to key management personnel	-	-	-	5,901	-	5,901
Ijarah expense	928	-	-	-	-	928
Rent Expense	316	-	-	-	-	316

## 7. DATE OF AUTHORISATION

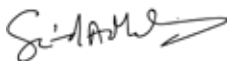
These consolidated condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Holding Company on April 18, 2019.

## 8. GENERAL

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



Chief Executive Officer



Director










Chief Financial Officer



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