



ANNUAL REPORT 2017







Table Of Content

04 Vision & Mission	05 Core Values	06 About Us	07 Company Information	08 Code of conduct	09 Awards	10 Our Location & Branch Network
26 Notice Of Annual General Meeting	30 Review Report To The Members	32 Statement Of Compliance With The Code Of Corporate Governance	Standalone Financial Statements	36 Auditor's Report To the Members	38 Balance Sheet	39 Profit and Loss Account
73 Consolidated Profit and Loss Account	74 Consolidated Cashflow Statement	75 Consolidated Statement of Changes in Equity	76 Notes to the Consolidated Financial Statements	99 Pattern Of Shareholding	101 Urdu Transla- tion - Directors' Report To The Members	109 Urdu Translation Consolidated Directors' Report To The Members



12

Chairman's
Review

13

CEO Message

14

Directors'
Profile

17

Our Policies

18

Corporate
Social
Responsibility

19

Directors'
Report To
The Members

25

Financial
Highlights

40

Cashflow
Statement

41

Statement of
changes in
Equity

42

Notes to the
Financial
Statements

Consolidated
Financial
Statements

70

Directors'
Report On The
Consolidated
Financial
Statements

71

Auditor's
Report To the
Members

72

Consolidated
Balance
Sheet

111

Form Of
Proxy -
English

112

Form Of
Proxy - Urdu

Vision & Mission



Our Vision

To invest in quality human resource ensuring sustained growth enabling provision of par excellence financial services fuelled with innovation.

Our Mission

Building a team of professionals, managing relationship with all stakeholders, their families and businesses on the principles of integrity and accountability with a tradition of trust.



Core Values

Integrity

Acting with honesty and transparency in the best interest of our clients and other stakeholders

Excellence

Working diligently to deliver the very best in terms of products and service to our clients every time

Leadership

Innovate and be the change agent that exceeds client expectations by providing new, diverse and complete range of products and services

About Us



BIPL Securities Ltd (BIPLS) is a full service brokerage house listed on the Pakistan Stock Exchange (PSX). We trace our history back nearly six decades 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 nearly 56 years of our existence one thing that has been 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 the many product platforms that we have 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, be they clients, employees, shareholders, regulators etc, will benefit and prosper.

Services

Our vast range of services includes the following:

EQUITIES	FIXED INCOME
MONEY MARKET	FOREX
COMMODITIES	ADVISORY
RESEARCH	CORPORATE FINANCE

Company Information

Board of Directors

Kamal UddinTipu – Chairman
Sikander Kasim – Director
Saad Ahmed Madani – Director
Khawaja Ehrar ul Hassan – Director
Sohail Sikandar – Director
Natasha Matin – Director

Audit Committee

Sikander Kasim- Chairman
Sohail Sikandar
Khawaja Ehrar ul Hassan
Syed Sameer Abbas Ali - Secretary

HR & R Committee

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

Chief Executive Officer

Abdul Aziz Anis

Company Secretary

Uzma Sheriff

Chief Financial Officer

Zafar Ahmed Khan

Auditors

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

Bankers

Allied Bank Limited
Bank Al-Habib Limited
Bank Al-Falah Limited
BankIslami 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
Email: bawaney@cyber.net.pk

Registered Office

5th Floor, Trade Centre, I.I.Chundrigar Road, Karachi.
Phone: (+92-21) 111-222-000
Fax: (+92-21)326-30202
Email:biplho@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) 341-68271
Email:secretariat@thk.com.pk

Credit Rating

JCR-VIS Credit Rating Company Limited

Code of Conduct



BIPL Securities Ltd (BIPLS) is a strong supporter of corporate decorum and ensures that its employees endeavor to maintain the highest ethical standards during the discharge of their duties. The Company has adopted a Code of Ethics and Business Practices and Code of Conduct for Equity Dealers applicable on all its employees.

The salient features of the code of conduct are as follows:

Conflict of Interest

Employees must act at all times in the Company's and the clients best interests and are expected to avoid situations in which their financial or other personal interests or dealings are in conflict with the interests of the Company and its clients. Matters involving conflict of interest are prohibited as a matter of policy and any conflict that arises in a specific situation or transaction must be disclosed and resolved.

Best execution on instructions from the customer

Orders are recorded and processed on the instructions of the customer and in a way that facilitates best execution. Best execution means that every order is executed at the best rate under the prevailing circumstances, except where the client has instructed otherwise via the applicable mode of communication.

Confidentiality of Information

Protecting the confidentiality of customer information is mandatory on each employee. Information relating to a particular customer may not be shared with anyone else except the customer itself or other regulatory agency e.g. Pakistan Stock Exchange Limited, Central Depository Company of Pakistan Limited, Securities and Exchange Commission of Pakistan, Federal Investigation Agency etc. after due verification.

Compliance with Regulatory Requirements

BIPLS transacts its business in accordance with the applicable laws, rules and regulations and cooperates fully with the government and regulatory bodies.

No activity to bring market in disrepute

No investment activity should be carried out which carries a risk of bringing the Company and/or the market into disrepute. Such activity may include actions attempting to manipulate the market or share prices in the market to the detriment of others or actions intended to mislead or create artificial dealings which lead others to make transactions which otherwise may not have been executed.

Remuneration / profit sharing /receiving gifts, bounties and awards

Dealers are specifically advised not to expect, accept, receive or show willingness to receive any sort of remuneration, financial assistance, profit sharing, gifts or presents from their clients and account holders.

Transmission of timely and clear information

Due regard should be given to the information needs of the customers and timely transmission of information to them which should be clear, complete and not misleading.

ASIAMONEY

(1990-2013)

Best Brokerage House in Pakistan for the period 1990-2013"
25th Anniversary Poll of Polls

(2008-2011, 2013)

Best Country Research

(2007-2009)

Best Bank Coverage

(2007, 2009-2010)

Best Energy Coverage

(2008-2013)

Best Domestic Equities House

(2007-2009, 2013)

Best Strategy Analyst

(2008)

Runner-up Best Analyst

(2007, 2009-2011)

Best Analyst

(2007)

Runner up Best Country Research

THE Asset

(2010)

Best Finance Deal

(2008)

Best Domestic Investment Bank

(2008)

Best Corporate Finance House

CFA INSTITUTE

(2008-2015)

Pakistan's Best Equities House

(2008-2009, 2011-2012)

Best Research Analyst

(2010)

Runner – up Best Research Analyst

(2011-2012)

Best Corporate Finance House of the Year Equity & Advisory -
Banks

(2007)

Best Corporate Finance House of the Year

(2009)

Runner up Corporate Finance House of the Year Equity &
Advisory - Banks

EUROMONEY

(2008-2015)

Pakistan's Best Equities House

WORLD FINANCE

(2008-2015)

Best Investment Bank Pakistan

AWARDS



Our Location & Branch Network

Corporate Office

5th Floor, Trade Center, I. I. Chundrigar Road,
Karachi-74200, Pakistan.
UAN : 0092-21-111-222-000
Email : biplho@biplsec.com

Branch Office

Islamabad

90-91, Razia Sharif Plaza, Jinnah Avenue,
Blue Area, Islamabad.
UAN : 051-111-222-000
Email : biplisb@biplsec.com

Lahore

2nd Floor, Fountain Avenue Building, 64-A,
Main Boulevard, Main Gulberg, Lahore.
UAN: 042-111-222-000
Email: biplhr@biplsec.com

Rahim Yar Khan

Plot # 29, City Park Chowk, Town Hall Road.
Rahim Yar Khan.
UAN: 068-5873252 & 54
Email: biplryk@biplsec.com

Sialkot

Ground Floor, City Tower, ShahabPura Road, Sialkot.
UAN: 052-3256035-37
Email: biplskt@biplsec.com

Multan

Ground Floor, StateLife Building, Abdali Road, Multan.
UAN: 061-4780300-02 , 061-4500273-76
Email: biplmul@biplsec.com

Gujranwala

81, Ground Floor, GDA Trust Plaza, Gujranwala.
UAN: 055-3822501-04
Email: biplguj@biplsec.com

Peshawar

1st Floor, State Life Building, 34-The Mall,
Peshawar Cantt, Peshawar
UAN : 091-5276025-27
Email : biplpsh@biplsec.com

Faisalabad

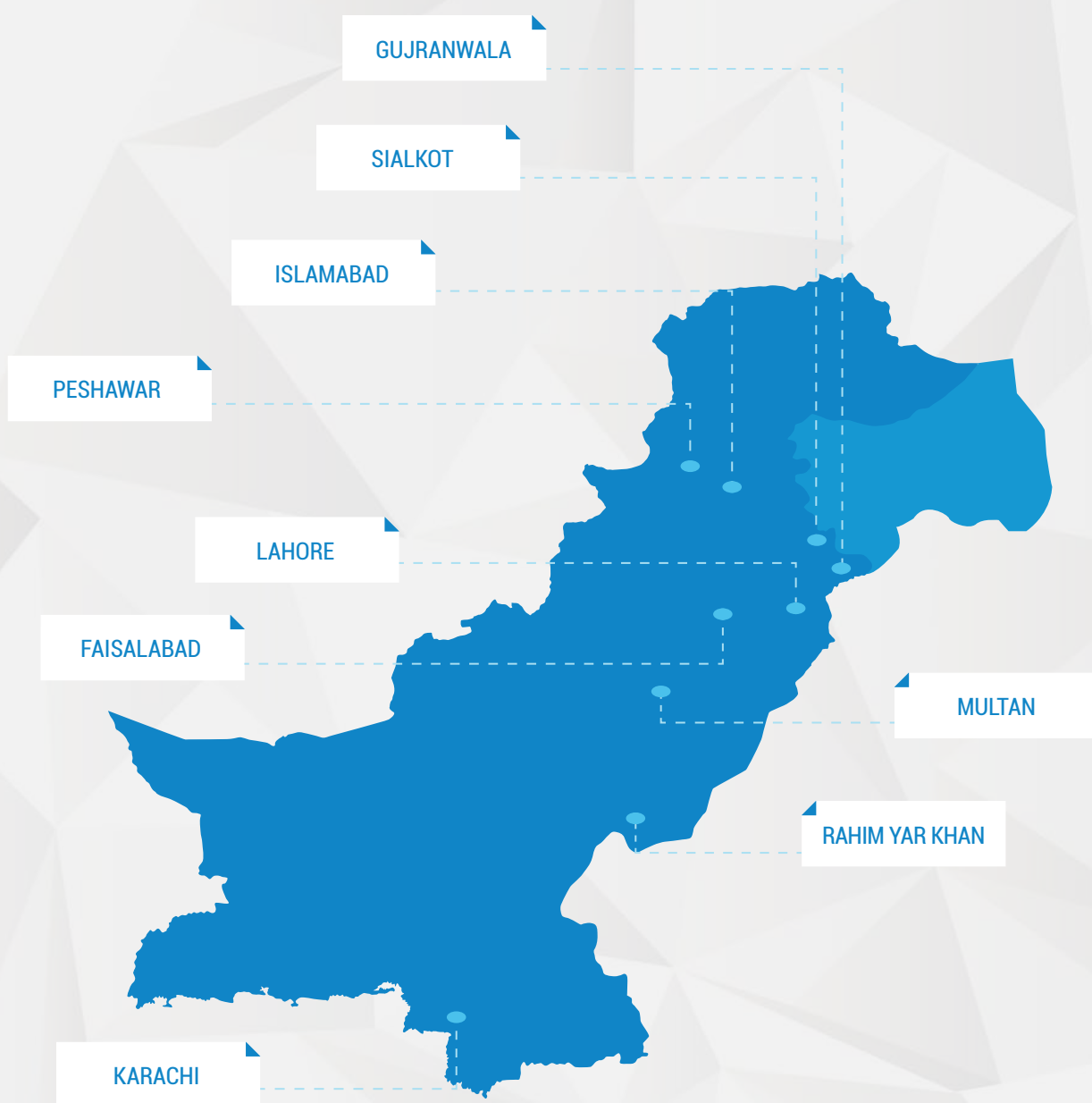
Room # 521, 5th Floor, State Life Building,
Liaquat Road, Faisalabad
UAN : 041-32614408-9, 041-32614410, 041-32634408

Gulshan-e-Iqbal - Karachi

1st Floor, Friends Paradise, Main University Road,
Opposite Bait-ul-Mukkaram Masjid. Karachi-74200.
UAN : 021-34980763-4 & 66
Email : biplgul@biplsec.com

Pakistan Stock Exchange Office Karachi

Room No. 139 3rd Floor Pakistan Stock Exchange Building
Stock Exchange Road Karachi.
UAN: (+92-21) 32412910
Email: kseusersbiplsecurities@biplsec.com



Chairman's Review



Kamal Uddin Tipu

Chairman

It gives me immense pleasure to present this review report to the stakeholders of BIPL Securities Limited on the overall performance of the Board and the effectiveness of the role played by the Board in achieving the company's objectives.

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of BIPL Securities has been carried out to ensure Board's overall performance is in line with the objectives set for the Company. The Board was fully involved in company's progress and will continue to play its role in ensuring high standards of governance.

The Board of Directors received agendas along with supporting materials in sufficient time prior to the Board and its Committee meetings. The Board met frequently enough to adequately discharge its responsibilities. All the Directors were equally and actively involved in important decisions.

I wish to acknowledge the contribution of Board of Directors and all the employees of BIPL Securities Limited for their hard work, dedication and commitment towards achieving organizational goals.

A handwritten signature in black ink, which appears to read 'Kamal Uddin Tipu'.

CEO Message



Abdul Aziz Anis

Chief Executive Officer

BIPL Securities Ltd is an exceptional company with an extraordinary heritage and a promising future. Even with nearly six decades of history behind us we are only at the beginning of our journey to still greater heights in the years to come. The hallmark of our progress has been based on excellence in everything we do. It is supported by the passion we bring to bear on each and every activity that we undertake for our clients in the most ethical and transparent manner. We are honored to serve a cross section of clients, ranging from small individual investors to large financial institutions, whether based nationwide or in international jurisdictions, who seek our advice in equities, debt, money market, FX, commodities or in corporate finance transactions. We value them all the same and strive to exceed their expectations each day.

The coming year promises to be exciting as we plan to strengthen our branch footprint and further grow our market leading online platform by adding new local and international clients. Taken together these two initiatives

are expected to improve and solidify our market penetration which in turn should lead to better sustainable business volumes in the future. Also, we will focus on enhancing our other business lines such as money market and corporate finance activities so as to diversify our revenue stream and improve core operational earnings.

What we have achieved would not have been possible without the active support of all our stakeholders, be they our clients, employees, directors, shareholders, regulators etc. We thank them profusely and look forward to their continued guidance going forward.

A handwritten signature in black ink, appearing to read 'A. Anis', with a stylized flourish extending from the end.

Directors' Profile



Kamal Uddin Tipu – Chairman

Kamal Uddin Tipu is a PhD scholar in International Relations & Politics, Masters in Conflict Transformation from Eastern Mennonite University, VA USA, a Fulbright scholar, diploma in Human Rights Law from Human Rights Center Peshawar and MSc in Civil Engineering from Wayne State University Detroit MI USA having over 30 years of experience of law enforcement operations, management and planning, International Peacekeeping, electronic media regulation, project management, training and research administration.

His experience includes member of National Counter Terrorism Authority (NACTA), Executive Member and Chairman PEMRA, Police Planning Advisor at United Nations Office to the African Union UNOAU Addis Ababa Ethiopia, Deputy Inspector general of Police, Islamabad, Sector Commander and Director Planning National Highways & Motorway Police, Islamabad and many other command and staff assignments in Police Service of Pakistan.

He has written various papers on the subjects of Conflict Analysis, Nonviolence, Negotiations, Dialogue, Peace building, Community Policing, and Restorative Justice as requirement of the Masters Degree in the field of Conflict Transformation under the Fulbright program at Eastern Mennonite University Virginia, USA. He was a Visiting speaker National Institute of Public Administration, National Police Academy and Pakistan Institute of Manpower Islamabad. He also works on the Executive Body of Association of Former Inspectors General of Police AFIGP

Abdul Aziz Anis, CFA – Chief Executive Officer

Abdul Aziz is an investment management and capital markets specialist with multifaceted plus 24 years of successful track record spread over brokerage, asset management, investment advisory, wealth management and investment banking. His in-depth "C" level experience has led to strong leadership and expertise in establishing, running and growing business not only across product lines but also regionally and globally.

He has previously worked as Managing Director Investment Strategist in Asset Management at NCB Capital, Saudi Arabia, which managed close to USD 16bn in AUMS across diverse asset classes. He has actively worked in structuring and launching the largest employee's savings plans in the MENA region worth approx. USD 3.3bn. He has been the founding Chief Executive Officer of Alfalah GHP Investment Management Ltd, an asset management and investment advisory firm, and the Founding Executive Director of Alfalah Securities Ltd, a full service brokerage house. Earlier, he was the Chief Executive Officer of Elixir Securities (formerly Indosuez W.I. Carr Securities) which was the largest foreign brokerage in the country at the time.





Sikander Kasim

Sikander Kasim is a Fellow member of Institute of Chartered Accountants of Pakistan with over 30 years of experience in cross sector of listed companies. He joined Ford Rhodes Robson Morrow to pursue Accounting Certification after his B.Com from University of Karachi. He was admitted as an Associate Member of ICAP in the year 1991. His work experience revolves around financial and corporate affairs, including the office of Chief Financial Officer. He has major insight of public offerings, treasury functions and mobilization of funds for enterprise. Majority of his experience pertains to refinery sector.

Saad Ahmed Madani

Saad Ahmed Madani is the Head of Corporate Banking for BankIslami Pakistan Limited and has been associated with the bank since 2007. A Chartered Accountant by qualification he has 15 years post-qualification experience in the fields of corporate banking, investment banking and credit analysis.



Khawaja Ehrar ul Hassan

Mr. Khawaja Ehrar ul Hassan is currently working as Head of legal and Company Secretary in BankIslami Pakistan Limited (BIPL). He has also worked as Acting Chief Financial Officer, Company Secretary and Head of Fraud Control in BIPL. Prior to this, he was associated with two leading banks of Pakistan i.e. Allied Bank Limited and United Bank Limited. He has more than sixteen years diversified experience in regulatory compliance, legal, internal control, accounts, finance, corporate matters, fraud investigation, corporate governance and internal audit in Pakistan and middle east. He is voluntarily working as member Board of Governors of two reputed professional accounting bodies of Pakistan i.e. Institute of Cost and Management Accountants of Pakistan (ICMAP) and Pakistan Institute of Public Finance and Accountants (PIPFA). Presently, he is serving as President PIPFA.

He has various academic and professional qualifications as mentioned below:

1. Fellow Cost and Management Accountants of Pakistan.
2. Advance Diploma in Management Accounting from CIMA, UK.
3. Certified Internal Auditor (CIA) from the Institute of Internal Auditors (IIA), Florida, USA.
4. Qualified Corporate Secretary from the Institute of Corporate Secretaries of Pakistan (ICSP).
5. Diplomaed Associate of the Institute of Bankers (DAIBP).
6. Masters in Economics from the Karachi University.
7. Certified Director

Sohail Sikandar

Sohail Sikandar is the Chief Financial Officer for BankIslami Pakistan Limited and has been associated with them since May 2016. A Chartered Accountant by qualification, he has more than 9 years of experience in the field of Finance, Fund Management, Business Process Re-engineering, Strategic Planning and Compliance/Governance Structures in Banking Industry. He has rich experience of setting up a robust MIS system for senior management to assist in decision making. He has also worked as CFO in Burj Bank Ltd and Dawood Family Takaful Limited Limited. He has also led due diligence projects for proposed mergers with potential targets, delivering critical insight, valuation, potential synergies and advisory to the Board.



Natasha Matin

Natasha Matin is an MBA having over 16 years of diversified banking experience in corporate finance, investment banking and risk management. She has been working with BankIslami since 2007 and is presently heading the corporate credit division of the bank. Prior to her current assignment she worked with Pak Oman Investment Co. as Vice president/Team leader credit & marketing where she was instrumental in forming the advances portfolio comprising of blue chip corporates. She started off her career at ORIX Group in 1999 where she was part of credit & marketing team there.

Our Policies



Business Practices

Honesty and integrity are the hallmarks of BIPL Securities (BIPLS) and adherence is expected on part of each employee. BIPLS must compete for business on an honest and open basis – this is integral to our ethical behavior.

A conflict occurs when an employee's private interest interfaces with the interest of the Company or its clients. No employee shall transact any business on behalf of himself or any person other than BIPLS with any supplier of goods or services to BIPLS in circumstances that could give rise to a conflict of interest or be prejudicial to the company.

In placing or accepting any business and in entering into contracts on behalf of BIPLS, employees are expected to observe the highest standards of integrity and to act in the best interests of the company. Business should not be placed or accepted, or contracts or arrangements entered into, for any improper motive.

No employee shall use the resources of BIPLS for any purpose other than to conduct BIPL's lawful and proper business. In particular, the company's resources must not be used for illegal purposes or for the gain of anyone other than BIPLS. Employees should endeavor to protect the assets of BIPLS, its sponsors and customers and ensure efficient utilization in a transparent manner and as per applicable rules and regulations.

No trading on possession of insider information

No person in BIPLS is permitted to trade in any security, either in his own personal account or in the account of his spouse or dependent children, if he / she is in possession of any inside information and neither should they encourage others to do so including his / her relatives, spouse, dependent children or/and close associates. Also, they should refrain from communicating insider information to any outsider, customer or a third party.

All Dealers shall take extra care in sharing information from the trading desk to clients and should be careful not to disseminate any insider information, whether acquired directly or otherwise, or which may, if disseminated, be construed as a leakage of inside information.

Corporate Social Responsibility (CSR)

Responsibility towards the Community:

BIPL Securities Ltd (BIPLS) continues to be a good corporate citizen, supporting the communities from which it derives its business and recognizing its responsibilities towards all such communities. BIPLS will be supportive of community initiatives across the organization, targeting those most appropriate for each individual community.

The company has integrated CSR into its ethics and business practices. In this context, community and stakeholder needs are carefully assessed and support is extended in line with the company's policies, code of ethics and business objectives.

Some of the key CSR activities undertaken by the company include:

1. Indus Hospital and blood drive

Every day blood transfusions take place that saves lives of many people all over the world. Donating blood is good for the health of donors as well as those who need it.

With this in mind, a team from the Indus Hospital was invited to the office of BIPLS to give a briefing about the activities that the hospital was carrying out in this regard. Also, a blood drive was launched in the company and we are happy to report that a large number of employees actively participated in voluntary blood donation.

2. Adherence to regulatory requirements

The company and its employees contributed an amount of PKR 60.25 million to the national exchequer in the form of taxes.

3. The Citizens Foundation (TCF) and support for education

A TCF delegation was invited to the BIPLS office to give an overview about the work being carried out by the Foundation in the education of underprivileged children across Pakistan.

Impressed by the work done by TCF, the company sponsored the education of one complete classroom for six months. Also, a few senior management personnel in their individual capacities agreed to support individual child's education on monthly basis.

4. People / Human Resources

The company follows a policy of contributing to employees' professional development and promoting physical, mental and emotional health. To this end a few in-house and external training programs have been conducted and arranged to improve HR quality.

5. Health, safety and environment

BIPLS ensures that all its present and future activities are conducted safely without endangering the health and safety of its employees, customers, the public and the environment in which we operate. Our aim is to minimize negative environmental impact and promote green and clean energy as is economically and practically possible.

Directors' Report To The Members

On behalf of the Board of directors of BIPL Securities Limited, we are pleased to present the audited standalone financial statements of the Company and commentary for the year ended December 31, 2017.

Economic Review

Macroeconomic indicators largely remained encouraging during CY17 as the country reported the highest GDP growth in a decade which reached 5.2% in FY17. This robust growth was achieved while keeping a check on inflationary pressures which remained muted at 4.1% during FY17. The momentum of growth and benign inflation continued in 1HFY18 (2HCY17) with the country on track to report a 5.8% growth in GDP in FY18. This growth in overall GDP will likely be backed by a robust growth in LSM which has posted a growth of 7.2% during 5MFY18 as compared to 4.8% during FY17, thus driving the overall growth in industrial sector. Important contributions are also expected to be made from agriculture and services sectors which are both expected to post a better YoY growth in FY18.

However, the sailing was far from smooth as the country's long standing issues with trade imbalances reared their heads again. The country's net exports and inward remittances reported a decline of 1%YoY and 3%YoY, respectively, during FY17 while imports grew by 13%YoY despite a high base effect which dragged the overall current account deficit to USD12.4bn (4.0% of GDP) as against USD4.8bn (1.2% of GDP). 1HFY18 saw a slight recovery in exports; however, the overall trend of CAD remained worrisome and imports growth outpaced the growth in exports.

On the fiscal front, the government failed to keep the fiscal deficit under control which clocked in at 5.8% of GDP, above the government's target of 4.0% for the year. This is primarily due to sluggish growth in tax collection as well as slippages on the expenditure side.

Equity Market Review

The biggest news of CY17 was MSCI's decision to reclassify Pakistan from Frontier to Emerging Markets index. Market performance up-till that point from the beginning of the year was positive as the index returned +5.8% during the period while the average daily trading value remained at USD116mn over the same time. However, the index came under heavy pressure owing to heightened political noise as well as concerns on economic front. Consequently, the index performance during subsequent period was dismal and the index returned -17% during 2HCY17.

Consequent to this sharp correction in the market, the trading multiples which had inflated to ~11.5x in May'17 have now fallen to long run index average multiples of 8.2x, thus making PSX one of the most attractively priced markets in the region.

Debt and Currency Market Review

CY17 saw the country entering the international bond market yet again as country borrowed USD2.5bn through the auction of Sukuks and Eurobonds to fund its growing CAD position. The yields offered on those issues averaged roughly around 6.3% and therefore drew huge investor appetite as reflected by the total bids received of USD8.0bn.

On the local front, the demand for government bonds remained robust for short tenor bills while there was a limited appetite from banks for long tenured bonds. This could be explained by an expectation from the market participants for a gradual rate hike which did eventually materialize in Jan'18 as SBP hiked the discount rate by 25bps owing to huge build-up in CAD and the pressure it exerted on the currency (PKR depreciating by 4.7% against USD in Dec'17) as a result. With CAD position likely to remain under pressure going forward, we may see further depreciation in the currency which may result in a spike in inflation. Owing to the said reasons, we expect a cumulative hike of upto 100bps in discount rate during CY18.

Operating and Financial Performance

Details of financial performance for the year ended December 31, 2017 are as follows:

	2017	2016
	----- (Rupees in '000) -----	
Operating revenue	237,885	243,633
Mark-up / profit on bank deposits, investments & other receivables	55,420	48,907
Gain on sale of investments – net	77,585	25,568
Dividend income	659	3,676
Unrealized gain on investments – net	773	7,061
Other income	59,288	2,846
Total income	431,610	331,691
Operating and administrative expenses	(358,080)	(299,309)
Reversal of provision against doubtful debts-net	23,631	15
Finance cost	(14,181)	(14,771)
Total expenses	(348,630)	(314,065)
Net profit (before impairment and taxation)	82,980	17,626
Impairment on long term investment- Subsidiary	(342)	(222)
Taxation	(44,595)	1,711
Net profit after tax	38,043	19,115
Earnings per share	0.38	0.19

Corporate Governance

The directors confirm compliance with the Corporate & Financial Reporting Framework of the Securities and Exchange Commission of Pakistan (SECP's) Code of Corporate Governance for the following:

- Proper books of account of the Company have been maintained;
- The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and the changes in equity;
- Appropriate accounting policies, as more fully explained in notes 4.2 to 4.18 of the financial statements have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment;
- Approved Accounting Standards, as applicable in Pakistan, Companies Ordinance, 1984 and the directives issued by the Commission as also stated in note 4.1 to the financial statements, have been followed in the preparation of the financial statements;
- The system of internal control, which is sound in design has been effectively implemented and is being continuously reviewed and monitored;
- The Company is financially sound and is a going concern and that there are no doubts about its ability to continue as a going concern;
- There has not been any material departure from the best practices of Corporate Governance, as detailed in the listing regulations;
- The Company maintains a balance of executive and non-executive directors in the Board of Directors, with two directors meeting the criteria for independent directors as laid out in the listing regulations.

- Executive Directors do not number more than one third of the elected directors. Details of the composition of the Board of Directors have been provided on page 14 - 16;
- The Board of Directors has ensured that all regulations concerning responsibilities, powers and functions of the Directors have been carefully considered and acted upon. In addition, Company Secretary, CFO and Head of Internal Audit who meet the requirements laid out in the Code have been appointed;
- Key operating and financial data of the preceding years is appearing on page 25;
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on December 31, 2017 except for those disclosed in the financial statements;
- Related-party transactions have been placed before the Audit Committee and their recommendations placed;
- The Company operates an approved contributory provident fund for its eligible employees. The value of investments as per the un-audited financial statements for the year ended December 31, 2017 amounts to approximately PKR 50.18 million;
- No material changes and commitments affecting the financial position of your Company have occurred between the balance sheet date and the date of the Directors Report.

Corporate Social Responsibility

Responsibility towards the Community: BIPLS continues to be a good corporate citizen, supporting the communities from which it derives its business and recognizing its responsibilities towards all such communities. BIPLS will be supportive of community initiatives across the organization, targeting those most appropriate for each individual community.

Responsibility towards the Environment: BIPLS is concerned with conservation of the environment in its broadest sense, recognizing its role in this respect by maintaining responsibility for the building and land which it occupies and aims to limit its use of all finite resources, with specific focus on usage of energy.

BIPLS has integrated Corporate Social Responsibility (CSR) into its ethics and business practices. In this context, community and stakeholder needs are carefully assessed and support is extended in line with the company's policies, code of ethics and business objectives.

Summary of CSR activities during 2017 are as follows:

- **Adherence to regulatory requirements:** The Company and its employees contributed an amount of PKR 60.25 million to the national exchequer in the form of taxes.
- **People/Human Resources:** The Company follows a policy of contributing to employees' professional development and promoting physical, mental and emotional health. To this end:
 - The company supported one class for The Citizen Foundation amounting to Rs. 30,000/- for Six Months.
 - Individual employee to support a TCF child via monthly payroll salary contribution.
- Few in-house and external training programs have been conducted and arranged to improve HR quality such as:
 - Workforce Focus Group Activity on discussion & managing of team work toward achievement of Organization Goal & its effectiveness.
 - Training on "problem solving and decision making skills"
 - Participation in OICCI Women empowerment
 - Corporate Activity Camp for "Voluntary sponsors for Blood Donation" to Indus Hospital.

The Board

The Board comprised of two independent directors and four non-executive directors. The positions of the Chairman and the Chief Executive Officer are kept separate in line with the best governance practices and the Chairman has been elected from among the Non-Executive Directors. The Board has established a separate Audit Committee and an HR & Remuneration Committee to assist the Board in the performance of its functions. The Chairman of Board and Audit Committee are not same person, in line with best practices. Further, none of the Directors is elected or nominated in more than seven listed companies, including unlisted subsidiaries of listed companies.

Seven meetings of the Board of Directors were held during the year 2017. As per the requirements of the Code of Corporate Governance, written notices were circulated at least 7 days in advance except for emergent meetings and significant issues as detailed in the Code were placed for the information, consideration and decision of the Board and the Audit Committee. Minutes were appropriately recorded, including any dissenting views.

The attendance of Directors at the Board meetings was as follows:

Name of Directors	Invited for Meetings held during 2017	Meetings attended during 2017**
Kamal Uddin Tipu – Chairman *	7	7
Saad Ahmed Madani	7	6
Khawaja Ehrar ul Hassan	7	5
Natasha Matin	7	6
Sohail Sikandar	7	7
Sikander Kasim	7	7
Anwer Ahmed Sheikh-Chief Executive officer	7	7

Name of Directors	Invited for Meetings held during 2017	Meetings attended during 2017**
Board Members retired/resigned during 2017		
Mansur ur Rehman Khan- Chairman	6	6
Anwer Ahmed Sheikh-Chief Executive officer	7	7

*Nominated as Chairman in BoD Meeting held on December 19, 2017.

**Against all absences, leave of absence was duly granted by the Board.

The directors wish to report the following changes during 2017 in the composition of the Board of Directors:

- Mr. Mansur ur Rehman Khan Director/Chairman of BIPL Securities Limited resigned from his office on December 12, 2017. The casual vacancy arising shall be filled within prescribed time. Mr. Kamal Uddin Tipu has been appointed as the Chairman of the Board in his place.

The Board welcomes the new Chairman of the Board and places on record its sincere appreciation for the services rendered by the outgoing Chairman.

Audit Committee

As per the requirements of the Code of Corporate Governance, the Audit Committee consists entirely of non-executive directors. The attendance of Directors at the Committee's meetings was as follows:

Name of Committee Members	Meetings held during 2017	Meetings attended during 2017**
Sikander Kasim – Chairman*	-	-
Sohail Sikandar	5	5
Khawaja Ehrar ul Hassan	5	4

Name of Committee Members	Meetings held during 2017	Meetings attended during 2017**
Committee Members resigned/retired during 2017		
Mansur ur Rehman Khan	5	5

*Nominated in BoD Meeting held on December 19, 2017.

**Against all absences, leave of absence was duly granted by the Committee.

Human Resource & Remuneration Committee

The Human Resource & Remuneration Committee consists entirely of non-executive directors. The attendance of Directors at the Committee's meetings was as follows:

Name of Committee Members	Invited for Meetings held during 2017	Meetings attended during 2017**
Kamal Uddin Tipu - Chairman*	-	-
Saad Madani	4	3
Natasha Matin	4	2

Name of Committee Members	Invited for Meetings held during 2017	Meetings attended during 2017**
Committee Members resigned/retired during 2017		
Mansur ur Rehman Khan - Chairman	4	4

*Nominated in BoD Meeting held on December 19, 2017.

**Against all absences, leave of absence was duly granted by the Committee.

Financial Responsibility

The management of the Company is responsible for the preparation of financial statements and the related notes contained therein. These financial statements are reviewed by the Audit Committee before being approved by the Board of Directors.

The Audit Committee assists the Board in monitoring and managing risks associated with the business and the internal controls put in place to mitigate these risks. The Committee operates in accordance with the requirements laid down in the Code of Corporate Governance and the terms of reference approved by the Board. The Committee comprises of three Non-Executive Directors and held five meetings during the year.

The Human Resource & Remuneration committee assists the Board in the Human Resources management including selection, evaluation and compensation of key management personnel.

Appointment of External Auditors

The external auditors Messrs. RSM Avais Hyder Liaquat Nauman, Chartered Accountants stand retired following expiry of their tenor. As per the recommendations of the Audit Committee, the Board endorses the re-appointment of Messrs. RSM Avais Hyder Liaquat Nauman, Chartered Accountants as external auditors for the financial year 2018, based on the recommendation of Audit Committee.

Shareholding

The pattern of shareholding as on December 31, 2017 appears on page 99. Transactions in the shares of the Company as reported by the Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company on their own account and on account of their spouses and minor children are also reported therein.

Dividends

In order to accumulate liquidity for expansion and growth prospects, the Board has decided to retain the profits and no dividend has been paid during the year.

Future Outlook

CY18 is likely to remain a challenging year for economy where external account may witness pressure as a result of growing trade imbalances which may result in further rupee depreciation and thus translate into higher inflation. Consequently, a cumulative hike of 100bps in the discount rate coupled with further rupee depreciation looks likely. Additionally, political uncertainty will continue until the general elections and may keep investor sentiments subdued. However, we expect the equity market to perform well after the elections as investor confidence returns due to attractive valuations.

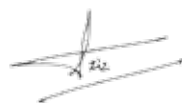
Acknowledgement

The Board of Directors of your company BIPL Securities Limited wishes to recognize the efforts of all the stakeholders and employees of the company who contributed towards the betterment of the company.

On behalf of the Board of Directors



Director



Chief Executive Officer

Karachi: February 20, 2018

Financial Highlights

Year ended December 31,

	2017	2016	2015	2014	2013	2012
Operating Performance (Rupees in '000)						
Revenue	372,322	328,845	386,073	609,305	517,717	385,856
Operating and administrative expenses	(358,080)	(299,309)	(394,783)	(466,292)	(400,656)	(323,617)
Reversal of provision / (provision) / impairment	23,289	(207)	(538,903)	1,070	9,695	33,454
Finance cost	(14,181)	(14,771)	(16,266)	(21,040)	(8,942)	(18,439)
Other income	59,288	2,846	4,847	6,669	7,263	8,770
Profit / (loss) before taxation	82,638	17,404	(559,032)	129,712	125,077	86,024
Profit / (loss) after taxation	38,043	19,115	(580,781)	108,658	81,454	131,396
Per Ordinary Share (Rupees)						
Earning / (loss) per share	0.38	0.19	(5.81)	1.09	0.81	1.31
Break-up value per share	9.25	10.81	9.37	12.57	12.18	11.74
Dividends (Percentage)						
Cash	-	-	-	-	5%	5%
Assets and Liabilities (Rupees in '000)						
Total assets	1,915,858	2,377,337	1,628,703	1,986,947	2,257,847	2,007,012
Current assets	1,304,494	1,552,186	933,409	1,014,969	1,272,453	1,002,555
Current liabilities	840,873	1,146,579	541,700	571,991	939,432	833,337
Financial Position (Rupees in '000)						
Shareholders equity	924,985	1,080,758	937,003	1,256,956	1,218,415	1,173,552
Share capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Reserves	(75,015)	80,758	(62,997)	256,956	218,415	173,552
Share outstanding (Number in '000)	100,000	100,000	100,000	100,000	100,000	100,000
Return on capital employed - (%)	8.93	1.61	(59.66)	10.32	10.27	7.33
Return on total assets - (%)	5.05	1.35	(33.33)	7.59	5.94	5.20
Current ratio-times	1.55	1.35	1.72	1.75	1.35	1.20
Interest cover ratio-times	6.83	2.18	(33.37)	7.17	14.99	5.67

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting of BIPL Securities Limited will be held on Friday, April 06, 2018 at 10:00 a.m. at Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi to transact the following businesses:

ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on March 20, 2017.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2017 together with the Directors' Report and Auditors' Report thereon.
3. To appoint RSM Avais Hyder Liaquat Nauman Chartered Accountants as the Auditors of the Company and fix their remuneration for the year ending December 31, 2018.

SPECIAL BUSINESS

1. The Securities & Exchange Commission of Pakistan has granted BIPL Securities Limited the license to act as 'Consultant to the issue', subject to the condition that the Company by June 30, 2018 incorporate the Clause as suggested by the Commission in the Memorandum of Association of the Company. Members approval is accordingly sought for the said amendment and if deemed appropriate to pass the following resolution with or without modification:

"RESOLVED THAT the sub-clause 4(xii) of Clause III of the Memorandum of Association of the company be and is hereby approved to be replaced by the following new sub-clause:

(xii). to act as consultant to the issue for undertaking the business of advising any person or undertaking regarding issue or offer of securities/public offering of securities and arrangement, reconstruction, mergers, due diligence or take-over of a listed company, subsidiary of a listed company, company undertaking an activity licensed or registered by the Commission and any other regulated financial institution and any of its assets or liabilities.

RESOLVED FURTHER THAT the Chief Executive Officer and/or Company Secretary be and are hereby authorized singularly or jointly to do all such acts and deeds as may be necessary or desirable to give effect to the foregoing resolution."

2. To consider and approve transmission of Annual Audited Accounts to members through electronic & digital means or CD/DVD/USB or other permissible compatible medium at their registered or notified address as allowed by the Securities & Exchange Commission of Pakistan under SRO 470(I) dated May 31, 2016 and if deemed appropriate to pass the following resolution with or without modification:

"RESOLVED THAT the Company may transmit the annual audited accounts to the members through email or other electronic and digital means or CD or DVD or USB instead of hard copies, as allowed by the Securities & Exchange Commission of Pakistan under SRO 470(I) dated May 31, 2016.

RESOLVED FURTHER THAT the Chief Executive Officer and/or Company Secretary be and are hereby authorized singularly or jointly to do all such acts and deeds as may be necessary or desirable to give effect to the foregoing resolution."

A Statement under section 134(3) of the Companies Act, 2017 pertaining to the Special Business is annexed.

By order of the Board



Uzma Sheriff
Company Secretary
Karachi: March 15, 2018

Notes:

1. The Share Transfer books of the Company shall remain closed from March 31, 2018 to April 06, 2018 (both days inclusive). Transfers received in order by the Share Registrar of the Company, M/s THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi 75400, Pakistan, up to the close of business on March 30, 2018 will be treated in time for the purpose of attending the Annual General Meeting.
2. A member entitled to attend and vote at the above meeting may appoint a person/ representative as proxy to attend and vote on his behalf at the Meeting. The annexed instrument of proxy duly executed in accordance with the Articles of Association of the Company must be received at the Registered Office of the Company not less than 48 hours before the time of holding of the meeting.
3. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
4. Beneficial owners of physical shares and the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxies are required to produce their original Computerized National Identity Cards (CNICs) or Passports for identification purpose at the time of attending the meeting. The Proxy Form(s) must be submitted with the Company within the time stipulated (mentioned in note no.2 above), duly signed and witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the Proxy Form(s), along with attested copy(ies) of the CNICs or the Passport(s) of the beneficial owners and the proxy(ies). In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the Proxy(ies) Form(s) to the Company.
5. Shareholders are requested to notify any changes in their registered address immediately to the Company's Share Registrar, M/s. THK Associates (Private) Limited.
6. **Notice to Shareholders who have not yet provided CNIC:**
The shareholders who have not yet provided copies of their CNICs are once again advised to provide at earliest
7. **Placement of Financial Statements:**
The Company has placed the Audited Financial Statements for the year ended December 31, 2017 along with the Auditors and Directors Reports thereon on its website www.biplsec.com.
8. **Consent for Video Conference Facility:**
Members holding in aggregate 10% or more shareholding residing at a geographical location other than Karachi, may participate in the meeting through video conference by submitting their application to the Company Secretary at least 10 days prior to date of meeting. The Company will arrange video conference facility in the requested city subject to availability of such facility in that city. The Company will intimate members regarding venue of video conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 PERTAINING TO THE SPECIAL BUSINESS

This statement sets out the material facts concerning the Special Business given in agenda item No.1 & 2 of the special business in Notice of Annual General Meeting which will be considered to be passed by the members. The purpose of the Statement is to set forth the material facts concerning such Special Business.

Agenda Item no.1 of Special Business

To give effect to the Securities & Exchange Commission of Pakistan requirement, shareholders' approval is being sought to amend the Memorandum of Association to enable the Company to perform under license of 'Consultant to the Issue'. The Board of Directors have recommended to the members to approve and adopt amendment/change, by replacing the sub-clause 4(xii) of Clause III of Memorandum of Association of the Company.

None of the directors of the Company have any direct or indirect interest in the aforesaid special business.

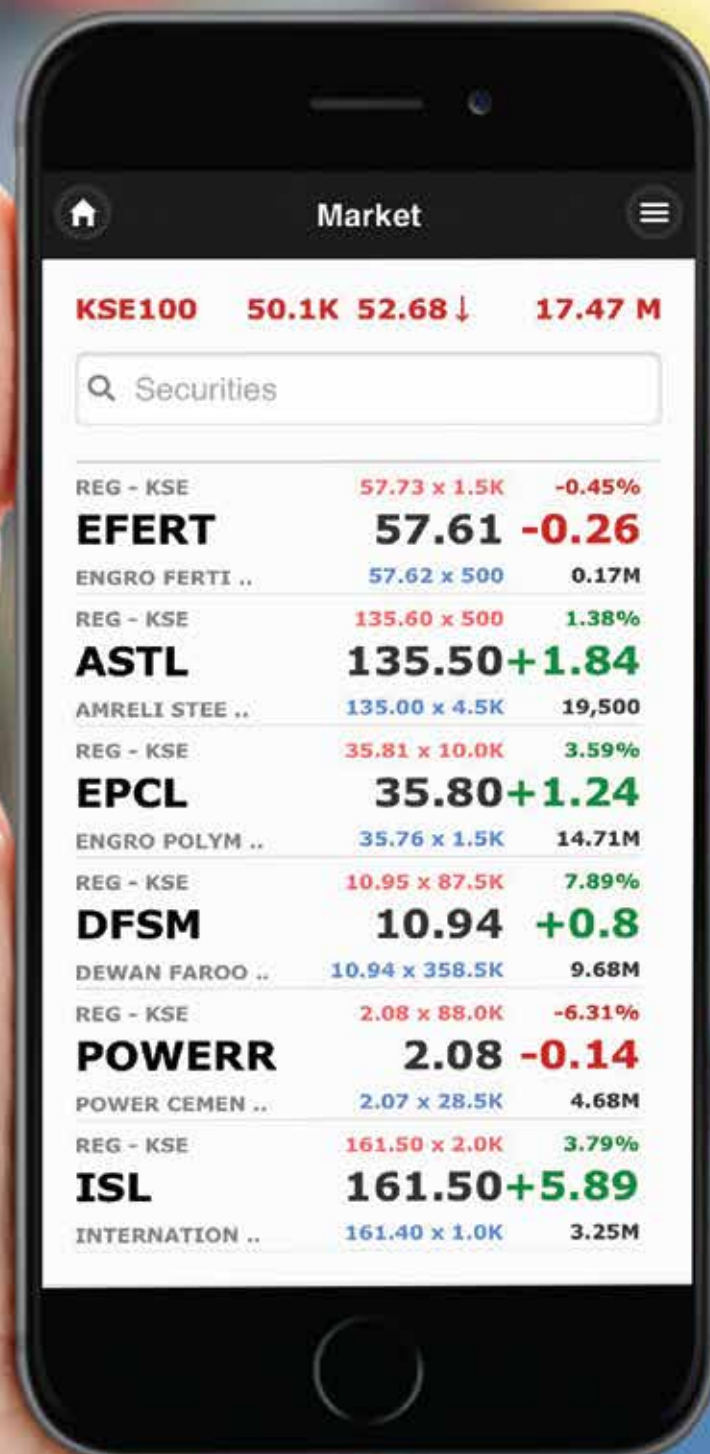
Agenda Item no. 2 of Special Business

The Securities & Exchange Commission of Pakistan has allowed listed companies under SRO 470(I)/2016 dated May 31, 2016 to transmit the Annual Audited Accounts and notices of general meeting to its members through email/electronic & digital means or through CD/DVD/USB or other permissible compatible medium sent to their registered or notified address instead of transmitting the same through hard copies. Consent of shareholders is sought to adopt the newly introduced mode of transmission.

None of the directors of the Company have any direct or indirect interest in the aforesaid special business.

Stay connected to your investments with

BIPL Direct Mobile App



BIPL Direct

www.bipldirect.com | +92-21 111 222 001

Review Report To The Members

On Statement Of Compliance



RSM Avals Hyder Liaquat Nauman
Chartered Accountants
407, Progressive Plaza, Beaumont Road
Karachi, 75530 - Pakistan
T: +92 (21) 35655975-6
F: +92 (21) 3565-5977
W: www.rsm-pakistan.pk

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the statement of compliance with best practices ("the statement") contained in the Code of Corporate Governance prepared by the Board of Directors of BIPL Securities Limited ("the Company"), to comply with the Listing Regulations of Pakistan Stock Exchange, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provision of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statement we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control and effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Listing Regulations of Pakistan Stock Exchange require the Company to place before the board of directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm length price recording proper justification for using such alternative price mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING



Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended December 31, 2017.

Adnan Zaman
Chartered Accountants
Karachi.
Dated: 20 FEB 2018

Engagement Partner: Adnan Zaman

Statement Of Compliance

With The Code Of Corporate Governance

For the year ended December 31, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19.24 of listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors on its Board. The Board includes:

Category	Names
Independent Directors	Kamal Uddin Tipu Sikander Kasim Mansur ur Rehman Khan*
Non-Executive Directors	Saad Ahmed Madani Khawaja Ehrar ul Hassan Natasha Matin Sohail Sikandar
Chief Executive Officer	Abdul Aziz Anis* Anwer Ahmed Sheikh*

The independent directors meets the criteria of independence under clause i (b) of the CCG.

* Mr. Mansur ur Rehman Khan Director/Chairman of BIPL Securities Limited resigned from his office on December 12, 2017. The casual vacancy arising shall be filled within prescribed time. Mr. Kamal Uddin Tipu has been appointed as the Chairman of the Board in his place.

* Mr. Anwer Ahmed Sheikh resigned from the office of Chief Executive Officer on January 13, 2018. Mr. Abdul Aziz Anis has been appointed in his place.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking Company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy on the board occurred on December 12, 2017 and will be filled up by the Board within 90 days.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms & conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board/shareholders.

8. The meetings of the board were presided over by the Chairman and, the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board arranged two (2) training programs for its directors during the year. During the year, five directors from the Board got certified under the Directors Training Program (DTP) by Institute of Cost and Management Accountants of Pakistan.
10. The Board has approved appointment of Company Secretary, including the remuneration and terms and conditions of employment. Mr. Kashif Shahzad resigned from the post of Company Secretary on June 29, 2017 and Ms. Uzma Sheriff was appointed in his place on June 29, 2017.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises of three members, all of whom are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR & Remuneration Committee. It comprises of three members, all of whom are non-executive directors and the chairman of the committee is an independent director.
18. The Board has set up an internal audit function. The Head of internal audit is suitably qualified and experienced for the purpose and is fully conversant with the policies and procedures of the Company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/ final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to directors, employees and the stock exchange.
22. Material/ price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

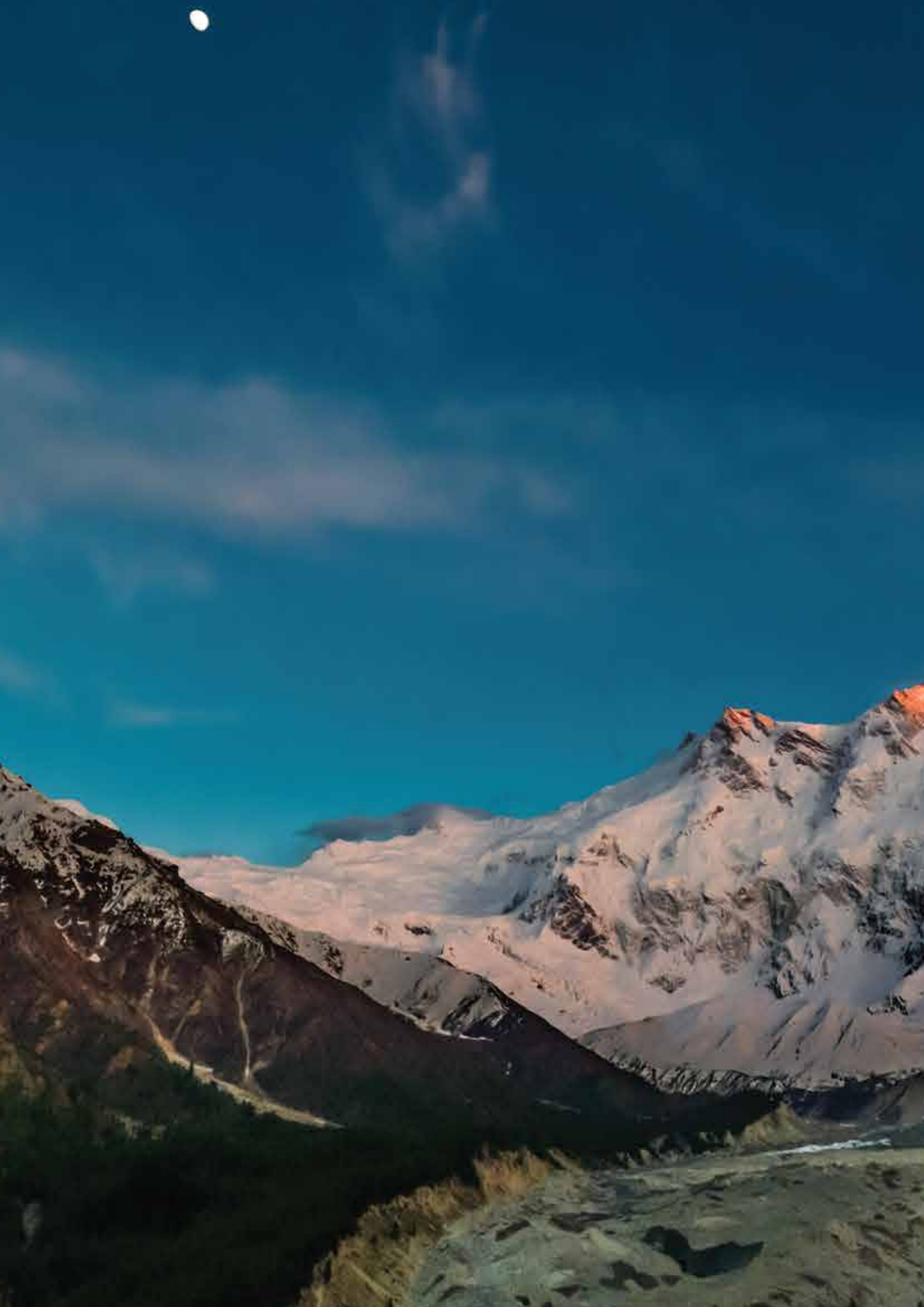
On behalf of Board of Directors



Director



Chief Executive Officer





Standalone Financial Statements

Auditor's Report to the Members

Balance Sheet

Profit and Loss Account

Cashflow Statement

Statement of Changes in Equity

Notes to the Financial Statement

Auditor's Report

To the Members



RSM Awaiz Hyder Liaquat Nauman
Chartered Accountants
407, Progressive Plaza, Beaumont Road
Karachi, 75330 - Pakistan
T: +92 (21) 35655975-6
F: +92 (21) 3565-5977
W: www.rsm-pakistan.pk

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of BIPL Securities Limited as at December 31, 2017 and the related profit and loss account, cash flow statement and statement of changes in equity, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the company as required by the repealed Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING



- (iv) the Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the balance sheet was prepared.
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement, and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at December 31, 2017 and the profit, comprehensive loss, cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980, (XVIII of 1980).

RSM Adnan Zaman
Chartered Accountants
Karachi.
Dated: 20 FEB 2018

Engagement partner: Adnan Zaman

BIPL SECURITIES LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2017

	Note	2017	2016
------(Rupees in '000)-----			
ASSETS			
Non-current assets			
Property and equipment	7	37,480	28,165
Intangible assets	8	5,562	4,710
Investment properties	9	5,066	5,356
Long-term investments	10	512,211	730,438
Long-term loans and advances	11	481	203
Long-term deposits and prepayments	12	14,843	16,078
Deferred tax asset - net	13	35,721	40,201
		611,364	825,151
Current assets			
Short-term investments	14	152,027	72,499
Trade debts	15	117,271	197,436
Advances, deposits, prepayments and other receivables	16	445,805	573,620
Taxation - net		92,425	64,017
Cash and bank balances	17	496,966	644,614
		1,304,494	1,552,186
TOTAL ASSETS		1,915,858	2,377,337
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Capital :			
200,000,000 (2016: 200,000,000) Ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid-up capital	18	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		325,065	518,881
Accumulated loss		(418,832)	(456,875)
		924,985	1,080,758
Non-current liabilities			
Long-term financing - secured	19	150,000	150,000
Current liabilities			
Trade and other payables	20	840,835	1,146,542
Accrued mark-up	21	38	37
		840,873	1,146,579
TOTAL EQUITY AND LIABILITIES		1,915,858	2,377,337
CONTINGENCIES AND COMMITMENTS			
	22		

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

BIPL SECURITIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017	2016
		------(Rupees in '000)-----	
Operating revenue	23	237,885	243,633
Net gain on investments			
Gain on sale of investments 'at fair value through profit or loss'- net	24	12,860	25,568
Gain on sale of 'available-for-sale' investment- net	10.2.1 & 10.2.2	64,725	-
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' - net	14.3	773	7,061
		78,358	32,629
Dividend income		659	3,676
Mark-up / profit on bank deposits and other receivables	25	55,420	48,907
		372,322	328,845
Operating and administrative expenses	26	(358,080)	(299,309)
Impairment on long-term investment - subsidiary	10.1	(342)	(222)
Reversal of provision against doubtful debts-net	15.2	23,631	15
		(334,791)	(299,516)
Operating profit		37,531	29,329
Finance cost	27	(14,181)	(14,771)
		23,350	14,558
Other income - net	28	59,288	2,846
Profit before taxation		82,638	17,404
Taxation	29	(44,595)	1,711
Profit after taxation		38,043	19,115
Other comprehensive (loss) / income for the year			
Reclassification adjustment on disposal of 'available-for-sale' investments included in profit and loss account		(58,435)	-
Reversal of deferred tax liability related to component of other comprehensive income		21,913	-
Unrealised (loss) / gain arising during the year on re-measurement of 'available-for-sale' investments	10.2.5	(157,294)	124,640
		(193,816)	124,640
Total comprehensive (loss) / income for the year		(155,773)	143,755
		------(Rupees)-----	
Earnings per share - basic and diluted	30	0.38	0.19

The annexed notes from 1 to 40 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

BIPL SECURITIES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

Note

2017

2016

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

CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation

82,638

17,404

Non-cash adjustments to reconcile profit before tax to net cash flows:

Depreciation

26.2

11,004

14,431

Amortization

8

1,058

784

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

(12,860)

(25,568)

Gain on sale of 'available-for-sale' investments - net

(64,725)

-

Gain on sale of property and equipment

(67)

(250)

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

(773)

(7,061)

Impairment on long-term investment - subsidiary

342

222

Reversal of provision against doubtful debts-net

(23,631)

(15)

Finance cost

14,181

14,771

Dividend income

(659)

(3,676)

(76,130)

(6,362)

6,508

11,042

Working capital adjustments:**Decrease / (increase) in current assets**

Trade debts

103,796

(75,621)

Advances, deposits, prepayments and other receivables

126,738

(373,212)

230,534

(448,833)

(Decrease) / increase in current liabilities

Trade and other payables

(305,709)

604,879

(68,667)

167,088

Finance cost paid

(14,180)

(14,771)

Income tax paid

(46,611)

(36,716)

(129,458)

115,601

Net cash flows (used in) / generated from operating activities**CASH FLOW FROM INVESTING ACTIVITIES**

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

(65,895)

(11,339)

Purchase of property and equipment

(20,137)

(5,223)

Purchase of intangible assets

(1,910)

(1,417)

Proceeds from disposal of property and equipment

175

384

Dividend received

1,736

2,599

(86,031)

(14,996)

Net cash flows used in investing activities**CASH FLOW FROM FINANCING ACTIVITIES**

Long-term loans and advances

(278)

245

Long-term investment

66,882

-

Long-term deposits and prepayments

1,235

(3,410)

Dividend paid

2

-

67,841

(3,165)

Net cash flows generated from / (used in) financing activities**Net (decrease) / increase in cash and cash equivalents**

(147,648)

97,440

Cash and cash equivalents at the beginning of the year

644,614

547,174

Cash and cash equivalents at the end of the year

496,966

644,614

17

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

BIPL SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Share Capital	General Reserve	Accumulated Loss	Unrealised gain on re-measurement of 'available-for-sale' investments to fair value - net	Total
	----- (Rupees in '000) -----				
Balance as at January 01, 2016	1,000,000	18,752	(475,990)	394,241	937,003
Total comprehensive income for the year	-	-	19,115	124,640	143,755
Balance as at December 31, 2016	1,000,000	18,752	(456,875)	518,881	1,080,758
Total comprehensive loss for the year	-	-	38,043	(193,816)	(155,773)
Balance as at December 31, 2017	1,000,000	18,752	(418,832)	325,065	924,985

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

BIPL SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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 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.

The Company is a subsidiary of BankIslami Pakistan Limited (BIPL) (the Parent company) which holds 77.12% of the shares of the Company.

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, research and advisory services, consultancy and corporate finance.

1.2. These are separate financial statements 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

These financial statements have been prepared under the historical cost convention except for investments which are carried at fair value as referred to in note 4.5 below.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984 (effective through circular 17 of 2017 issued by SECP, dated July 20, 2017). In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

The Companies Ordinance, 1984 has been repealed after the enactment of Companies Act, 2017. However as allowed by the SECP vide its Circular No.23 of 2017 dated October 04, 2017, these financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. New / Revised Standards, Interpretations and Amendments

The Company has adopted the following revised standards, amendments and interpretations of IFRSs which became effective for the current year:

IFRS 10 – Consolidated Financial Statements
IFRS 11 – Joint Arrangements
IFRS 12 – Disclosure of Interests in Other Entities
IFRS 13 – Fair Value Measurement
IAS 28 – Investments in Associates and Joint Ventures

The adoption of the above amendments to accounting standards and interpretations did not have any material effect on the financial statements.

In addition to the above standards and interpretations, certain improvements to various accounting standards have also been issued by the IASB and are generally effective for current year. The Company expects that such improvements to the standards do not have any impact on the Company's financial statements for the year.

4.2. Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment, if any. Costs include the cost of replacing parts of property and equipment when that cost is incurred. Maintenance and normal repairs are charged to income as and when incurred. Depreciation is charged to income over the useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 7 to the financial statements.

Property and equipment are assessed for impairment whenever there is an indication that the same are impaired. Depreciation is charged from the day of purchase and no depreciation is charged from the day of disposal.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The asset's residual values, useful lives and methods are reviewed and adjusted, if appropriate at each financial year end.

Gains and losses on disposals, if any, of assets are included in income currently.

4.3. Intangible assets

These are stated at cost less accumulated amortisation and accumulated impairment, if any. Amortisation is charged over the useful life of the asset on a systematic basis to income applying the straight line method at the rate specified in note 8 to the financial statements.

Intangible assets with indefinite useful lives are not amortised. These are annually tested for impairment to assess whether these are in excess of their recoverable amounts, and where the carrying amounts exceeds the estimated recoverable amounts, the carrying amounts are written down to the estimated recoverable amounts.

Intangible assets are assessed for impairment whenever there is an indication that the same are impaired. Costs associated with maintaining assets are recognized as an expense in the period in which these are incurred. Gains and losses on disposals, if any, of assets are included in income currently.

4.4. Investment properties

Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged at the rate specified in note 9. Subsequent expenditures, depreciation and gains or losses on disposals are accounted for in the same manner as property and equipment.

4.5. Financial assets

4.5.1. Investments

Investments in subsidiary company is stated at cost less provision for impairment, if any. Other Investments are classified as either 'investments at fair value through profit or loss', 'held-to-maturity' investments or 'available-for-sale' investments, as appropriate.

When investments are recognised initially, these are measured at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases / sales of investments are recognised on the trade date, i.e. the date on which commitment to purchase / sale is made by the Company. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of securities within the time frame generally established by regulation or convention in the market place.

Investments at fair value through profit or loss

Investments classified as 'investments at fair value through profit or loss' are carried at fair value. Gain / loss on remeasurement of such investments to fair value is recognised in the profit and loss account.

Available-for-sale

Investments classified as 'available-for-sale' are measured at fair value. Gains or losses on available-for-sale investments are recognised directly in equity until the investment is sold, derecognised or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of comprehensive income is included in income. Upon impairment, gain / loss that which had been previously recognised directly in the statement of comprehensive income, is included in the profit and loss account for the year.

The fair value of those investments representing listed equity and other securities i.e. debt instruments, are determined on the basis of year-end prices obtained from stock exchange quotations.

4.5.2. Derivatives

Derivative instruments held by the company primarily comprise of future contracts in the capital market. These are initially recognised at fair value and are subsequently remeasured at fair value. The fair value of future contracts is calculated as being the net difference between the contract price and the closing period reported on the primary exchange of the future contracts. Derivatives with positive market values (unrealised gains) are included in assets and derivatives with negative market values (unrealised losses) are included in liabilities in the balance sheet. The resultant gains and losses are included in the profit and loss account. Derivative financial instrument contracts entered into by the company do not meet the hedging criteria as defined by International Accounting Standard (IAS) '39: Financial Instruments: Recognition and Measurement'. Consequently hedge accounting is not being applied by the company.

4.5.3. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are carried at amortised cost using effective yield method, less impairment losses, if any.

4.6. Impairment

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of that asset is estimated and impairment losses are recognized in the profit and loss account.

4.7. Financial instruments

All the financial assets and financial liabilities are recognised at the time when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Company lost control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised when these are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

4.8. Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses arising from

such assets and liabilities are also accordingly offset.

4.9. Revenue recognition

- Brokerage income is recognised as and when such services are rendered.
- Financial advisory fees and other income is recognised on an accrual basis.
- Underwriting commission is recognised on accrual basis in accordance with the terms of the agreement.
- Capital gains and losses on sale of securities is recognised as and when transaction occurred.
- Mark-up income, return on bank deposits and balances are recognized on accrual basis.
- Dividend income is recorded when the right to receive the dividend is established.

4.10. Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits, rebates and tax exemptions available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessment framed / finalised during the year.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences arising between tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the profit and loss account.

Deferred tax, if any, on revaluation of investments is recognised as an adjustment to surplus arising on revaluation.

4.11. Dividend distributions and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

4.12. Employees' benefits

Defined contribution plan

The Company operates a contributory provident fund for all its permanent employees and contributions are made monthly in accordance with the fund rules.

Employee compensated absences

The Company allows its management and non-management employees' to avail 30 days annual earned leave. The unutilized portion of the earned leave is neither accumulating nor encashable.

4.13. Cash and cash equivalents

Cash in hand and at banks is carried at cost. For the purposes of cash flow statement, cash and cash equivalents consist of cash in hand and bank balances. For the purposes of statement of cash flows, cash and cash equivalents are presented net of short term borrowings which are repayable on demand or in the short term and form an integral part of the Company's cash management.

4.14. Foreign currency transactions

Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

Foreign currency translations

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing on the balance sheet date. Gains and losses on translation are taken into income currently. Non-monetary-items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.15. Provisions

Provisions are recognized when the Company has the legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

4.16. Trade and other receivables

Trade debts and other receivables are recognized at fair value and subsequently measured at carrying value. A provision for impairment in trade and other receivables 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.

4.17. Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable costs, if any, and subsequently measured at carrying value.

4.18. Ijarah

Ijarah in which a significant portion of the risks and rewards of ownership is retained by the Muj'ir and Ijarah agreement has been entered into are classified as Ijarah. Payments made under Ijarah are charged to profit and loss on a straight-line basis over the period of Ijarah.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates, judgments and assumptions that have significant effect on the financial statements are as follows:

	Note
Useful lives of assets and methods of depreciation and impairment	4.2 to 4.4, 7, 8 & 9
Classification of investments	4.5.1, 10 & 14
Provision for doubtful debts	4.15 & 15
Deferred taxation and taxation	4.10, 13 & 31

6. STANDARDS AND IFRIC INTERPRETATIONS THAT ARE NOT YET EFFECTIVE

The following revised relevant standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard, Interpretation or amendment	Effective date (annual periods beginning on or after)
IFRS 2 - Share-based Payments Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 40 - Investment Property Amendments to clarify transfers or property to, or from, investment property	January 01, 2018

The Company expects that the adoption of the above standards and amendments would not impact the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard, Interpretation or amendments	IASB Effective Date (annual periods beginning on or after)
IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 - Regulatory Deferral Accounts	January 01, 2018
IFRS 15 - Revenue from Contracts with Customers	January 01, 2018
IFRS 16 - Leases	January 01, 2019
IFRS 17 - Insurance contracts	January 01, 2021

7. PROPERTY AND EQUIPMENT

2017

	Office premises-lease hold	Furniture & Fixtures	Computers & Office Equipment	Motor vehicles	Total
	(Rupees in '000)				
Cost	39,780	23,887	83,075	5,245	151,987
Accumulated depreciation	(25,555)	(20,196)	(74,641)	(3,430)	(123,822)
Net book value at the beginning of the year	14,225	3,691	8,434	1,815	28,165
Changes during the year					
Additions during the year	511	916	18,710	-	20,137
Disposals during the year					
- Cost	-	(178)	(672)	-	(850)
- Depreciation	-	96	646	-	742
	-	(82)	(26)	-	(108)
Depreciation charge for the year	(1,575)	(1,405)	(7,296)	(438)	(10,714)
	(1,064)	(571)	11,388	(438)	9,315
Net book value at the end of the year	13,161	3,120	19,822	1,377	37,480
Analysis of net book value					
Cost	40,291	24,625	101,113	5,245	171,274
Accumulated depreciation	(27,130)	(21,505)	(81,291)	(3,868)	(133,794)
Net book value as at December 31, 2017	13,161	3,120	19,822	1,377	37,480
Depreciation rate (% per annum)	5	10	33.33	20	

2016

	Office premises-lease hold	Furniture & Fixtures	Computers & Office Equipment	Motor vehicles	Total
	(Rupees in '000)				
Cost	39,780	23,842	84,630	5,299	153,551
Accumulated depreciation	(23,975)	(18,161)	(71,207)	(2,991)	(116,334)
Net book value at the beginning of the year	15,805	5,681	13,423	2,308	37,217
Changes during the year					
Additions during the year	-	153	5,070	-	5,223
Disposals during the year					
- Cost	-	(108)	(6,625)	(54)	(6,787)
- Depreciation	-	31	6,579	43	6,653
	-	(77)	(46)	(11)	(134)
Depreciation charge for the year	(1,580)	(2,066)	(10,013)	(482)	(14,141)
	(1,580)	(1,990)	(4,989)	(493)	(9,052)
Net book value at the end of the year	14,225	3,691	8,434	1,815	28,165
Analysis of net book value					
Cost	39,780	23,887	83,075	5,245	151,987
Accumulated depreciation	(25,555)	(20,196)	(74,641)	(3,430)	(123,822)
Net book value as at December 31, 2016	14,225	3,691	8,434	1,815	28,165
Depreciation rate (% per annum)	5	10	33.33	20	

7.1 DISPOSAL OF PROPERTY AND EQUIPMENT

Particulars of property and equipment disposed off during the year are as follows:

	Cost	Accumulated Depreciation	Written Down Value	Sale Proceeds	Gain / (Loss)	Particular of Buyers	Mode of Disposal
----- (Rupees in '000) -----							
Book value more than Rs. 50,000/-							
Furniture and fixtures	178	96	82	15	(67)	Various	Negotiation
Book value less than Rs. 50,000/-							
Computer and office equipment	672	646	26	160	134	Various	Negotiation
December 31, 2017	850	742	108	175	67		
December 31, 2016	6,787	6,653	134	384	250		

8 INTANGIBLE ASSETS

2017

	Computer Software	Membership of PMEX	Booths at PSX	License & Trademark	TREC - PSX (Note 8.1 & 8.2)	Total
----- (Rupees in '000) -----						
Cost	11,279	750	950	-	1,350	14,329
Accumulated amortization	(9,619)	-	-	-	-	(9,619)
Net book value at the beginning of the year	1,660	750	950	-	1,350	4,710
Addition during the year	1,038	-	-	872	-	1,910
Amortization for the year	(1,058)	-	-	-	-	(1,058)
Net book value at the end of the year	1,640	750	950	872	1,350	5,562
Analysis of Net Book Value						
Cost	12,317	750	950	872	1,350	16,239
Accumulated amortization	(10,677)	-	-	-	-	(10,677)
Net book value as at December 31, 2017	1,640	750	950	872	1,350	5,562
Amortization rate (% per annum)	33.33	-	-	-	-	

2016

	Computer Software	Membership of PMEX	Booths at PSX	License & Trademark	TREC - PSX (Note 8.1 & 8.2)	Total
----- (Rupees in '000) -----						
Cost	9,862	750	950	-	1,350	12,912
Accumulated amortization	(8,835)	-	-	-	-	(8,835)
Net book value at the beginning of the year	1,027	750	950	-	1,350	4,077
Addition during the year	1,417	-	-	-	-	1,417
Amortization for the year	(784)	-	-	-	-	(784)
Net book value at the end of the year	1,660	750	950	-	1,350	4,710
Analysis of Net Book Value						
Cost	11,279	750	950	-	1,350	14,329
Accumulated amortization	(9,619)	-	-	-	-	(9,619)
Net book value as at 31 December 2016	1,660	750	950	-	1,350	4,710
Amortization rate (% per annum)	33.33	-	-	-	-	

8.1 Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (The Act), the ownership in a stock exchange had been segregated from right to trade on the exchange. Accordingly, the Company received equity shares of PSX and a Trading Right Entitlement Certificate (TRECs) in lieu of its membership card of PSX. 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 the Company had been allotted 4,007,383 shares of the face value of Rs 10/- each, 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 Act within two years from the date of Demutualization

On December 29, 2016, the divestment committee of PSX formed for the purpose confirmed the sale of 40% equity stake of PSX shares as detailed in Note 10.2.1 to these financial statements.

The cost / book value of the PSX membership card amounted to Rs. 4.95 million as at December 31, 2012. In absence of an active market of the shares of PSX and TREC, the allocation of the carrying value of the membership card between the shares (financial asset) and TREC (an intangible asset) was made by the Company on the basis of the face value of ordinary shares and the TREC value assigned by the PSX for minimum capital requirement purpose applicable to the stock exchange brokers.

8.2 The Company has pledged / hypothecated its TREC in favor of PSX to meet the requirement of Base Minimum Capital (BMC) under clause 19.2 of the Risk Management Regulation of PSX Rule Book.

9. INVESTMENT PROPERTIES

	Note	2017	2016
----- (Rupees in '000) -----			
Net book value as at the beginning of the year			
Cost		5,804	5,804
Accumulated depreciation		(448)	(158)
		5,356	5,646
Depreciation charge for the year		(290)	(290)
Net book value at the end of the year	9.1	5,066	5,356
Cost		5,804	5,804
Accumulated depreciation		(738)	(448)
Net book value at the end of the year		5,066	5,356
Depreciation rate (% per annum)		5	5

9.1 Investment properties comprise of Room No. 93, 94 and 95, First Floor, Pakistan Stock Exchange Building, off I.I. Chundrigar Road, Karachi. The said property is rented out to third party. The fair value of these properties in aggregate amounts to Rs. 24 million on the basis of valuation carried out by M/s. Akbani and Javed Associates on October 15, 2015. Under the rent agreement, the maintainance and other running expenses are to be paid by lessee.

10. LONG TERM INVESTMENTS

Subsidiary company -Structured Venture (Private) Limited (SVPL)	10.1	1,511	1,852
'Available-for-sale' investments	10.2	510,700	728,586
		512,211	730,438

10.1 Structured Venture (Private) Limited (SVPL) is a wholly owned subsidiary of the company. The total amount of investment approved by the shareholders of the Company in the extra-ordinary general meeting held on June 22, 2010 was Rs. 625 million. As of the balance sheet date, the Company has invested a total sum of Rs. 488.581 million.

Subsidiary Company

Cost	488,581	488,581
Less: Provision for impairment	(487,070)	(486,729)
	1,511	1,852

The net assets of the subsidiary company 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.

Structured Venture (Private) Limited (SVPL) had given advance against purchase of property 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.

During the year, the Company has recognized further impairment on the basis of audited financial statements at at December 31 2017 of SVPL showing a decrease in net assets due to operating losses.

10.2 DESCRIPTION OF AVAILABLE-FOR-SALE INVESTMENTS

2017	2016	Name of the Investee Company	Note	2017		2016	
Number of Shares				Cost	Carrying Value	Cost	Carrying Value
					----- (Rupees in '000) -----		
Quoted shares							
1,602,953	4,007,383	Pakistan Stock Exchange Limited	10.2.1, 10.2.2 & 10.2.5	1,438	35,906	3,595	100,986
Unquoted shares							
3,370	3,370	Al Jomaih Power Limited	10.2.3 & 10.2.5	184,197	474,794	184,197	627,600
		New Horizon Exploration and Production Limited (Related Party)	10.2.4				
14,760,000	14,760,000	Class 'A' ordinary shares		31,629	-	31,629	-
		Less: impairment		(31,629)	-	(31,629)	-
				-	-	-	-
				185,635	510,700	187,792	728,586

10.2.1 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 thereunder. 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. Accordingly, the Company revalued 4,007,383 of PSX after the discounting effect in the financial statement for the year ended December 31, 2016.

10.2.2 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 1,602,953 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.

10.2.3 The Company's investment in unquoted shares of Al Jomaih Power Limited are valued at its fair value as at December 31, 2017 based on the unaudited net asset value of the investee company.

10.2.4 In year 2015, the management carried out impairment testing of its investment in New Horizon Exploration and Production Limited (NHEPL), as required by IAS 36 - "Impairment of Assets". 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.

10.2.5 Unrealized (loss) / gain on re-measurement of 'available-for-sale' investments - net of deferred tax

	Note	2017	2016
		------(Rupees in '000)-----	
Al Jomaih Power Limited	10.2.3	(152,806)	49,162
Pakistan Stock Exchange Limited	10.2.1 & 10.2.2	(41,010)	75,478
		(193,816)	124,640

11. LONG-TERM LOANS AND ADVANCES - Considered Good

	Note	2017	2016
----- (Rupees in '000) -----			
Loans and advances to:			
Employees		1,742	476
Executives		-	-
	11.1	1,742	476
	16	(1,261)	(273)
Current maturity shown in current assets		481	203

11.1. This represents loans and advances given to executives and employees for general purpose in accordance with their terms of employment. These loan and advances carry mark-up at the rate of 12% (2016: 12%) per annum and are recovered through deduction from salaries over varying periods upto a maximum period of 36 months. The loans and advances are secured against staff provident fund balance.

12. LONG-TERM DEPOSITS AND PREPAYMENTS

Deposits with:

- Pakistan Stock Exchange Limited (PSX)
- National Clearing Company of Pakistan Limited (NCCPL)
- Pakistan Mercantile Exchange Limited (PMEX)
- Central Depository Company of Pakistan Limited (CDC)
- Rent deposits
- Ijarah deposits
- Others

12.1	5,512	10,364
	1,650	300
	2,500	2,500
	200	200
	1,327	1,025
	2,107	-
	1,421	1,563
	14,717	15,952
	126	126
	14,843	16,078

Prepayments

12.1. This includes amount of Rs 5.5 million (2016: 10 million) as cash deposit with PSX to fulfill the Base Minimum Capital (BMC) requirement in Compliance with clause 19.2 of the Risk Management Regulation of PSX Rule Book.

13. DEFERRED TAX ASSET - NET

Taxable temporary differences arising due to:

- long term investment

Deductible temporary differences arising due to:

- carry forward of tax losses
- accelerated tax depreciation
- carry forward of alternate corporate tax
- provision for doubtful debts

27,643	23,899
164	1,627
2,143	-
5,771	36,588
35,721	62,114
35,721	40,201

14. SHORT-TERM INVESTMENTS

'At fair value through profit or loss' - held for trading

- Listed shares
- Term finance certificates

14.1	152,027	72,499
14.2	-	-
	152,027	72,499

14.1 listed shares

2017	2016	Name of the Investee Company	Note	2017		2016	
Number of Shares				Cost	Carrying Value	Cost	Carrying Value
				----- (Rupees in '000) -----			
-	7,500	Agriauto Industries Ltd.		-	-	1,998	2,685
-	1,000	Abbot Laboratories Ltd.		-	-	925	957
-	105,000	Avanceon Ltd.		-	-	3,729	3,659
-	3,000	Bannu Woolen Mills Ltd.		-	-	204	216
-	40,000	Dewan Cement Ltd.		-	-	1,593	1,562
-	10,000	D.G. Khan Cement Company Ltd.		-	-	2,217	2,217
-	14,900	Engro Corporation Ltd.		-	-	4,620	4,710
1,161,000	75,000	Engro Fertilizers Ltd.		75,976	78,623	5,004	5,099
-	40,000	Engro Polymer and Chemical Ltd.		-	-	627	738
-	20,000	Fauji Fertilizer Company Ltd.		-	-	2,075	2,087
427,500	-	Fauji Cement Company Ltd.		10,614	10,692	-	-
-	3,800	Indus Motor Company Ltd.		-	-	5,117	6,135
-	15,500	Ittehad Chemicals Ltd.		-	-	628	624
3,290,000	-	K Electric Ltd.		22,043	20,760	-	-
-	4,900	Kohat Cement Company Ltd.		-	-	1,313	1,429
-	1,500	Lucky Cement Ltd.		-	-	1,110	1,299
-	4,200	Mari Petroleum Company Ltd.		-	-	5,246	5,775
-	39,500	Mughal Iron and Steel Industries Ltd.		-	-	3,254	3,482
98,500	-	National Bank of Pakistan		4,622	4,783	-	-
-	49,500	Nishat Power Ltd		-	-	2,776	3,172
-	15,000	Oil and Gas Development Corporation Ltd.		-	-	2,310	2,480
132,000	-	Pak Electron Ltd.		6,259	6,269	-	-
175,000	-	Pakistan Stock Exchange Ltd.		4,868	3,920	-	-
-	53,000	Pioneer Cement Ltd.		-	-	5,628	7,531
-	2,050	Sanofi Aventis Pakistan Ltd.		-	-	3,818	5,856
-	335,000	Shabbir Tiles and Ceramics Ltd.		-	-	4,058	3,739
-	6,200	Shifa International Hospital Ltd.		-	-	1,849	1,906
-	900,000	Summit Bank Ltd.		-	-	4,266	3,960
-	30,000	Thatta Cement Company Ltd.		-	-	1,073	1,181
911,500	-	TRG Pakistan Ltd.		26,873	26,980	-	-
14.1.1				151,254	152,027	65,438	72,499

14.1.1 This includes shares with carrying value of Rs.127.35 million (December 31, 2016: Rs.39.33 million) pledged with NCCPL against exposure margin.

14.2 Term Finance Certificates

2017	2016	Name of the Investee Company	Note	2017		2016	
Number of Certificates				Cost	Carrying Value	Cost	Carrying Value
				----- (Rupees in '000) -----			
10,000	10,000	Pace Pakistan Ltd. (Face value Rs. 5,000/- each)	14.2.1				
		Cost		45,369	-	45,369	-
		Less: Impairment		(45,369)	-	(45,369)	-
				-	-	-	-

14.2.1 The above TFCs are secured and carry mark-up at the rate of 6 months KIBOR +2% and was to be matured in February 15, 2017. These TFCs are currently rated as 'non-performing' by the Mutual Funds Association of Pakistan at the purchase cost of TFCs amounts to Rs. 45.37 million (2016: Rs. 45.37 million). During the previous years, the Company on the basis of prudence, has fully impaired the investment of Rs. 45.37 million.

14.3 Unrealised gain on re-measurement of investments - net

	Note	2017	2016
----- (Rupees in '000) -----			
Listed Shares	14.1	773	7,061

15. TRADE DEBTS

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

15.1 considered good

Secured
Unsecured

Considered doubtful

Less: Provision for doubtful debts

15.2 Reconciliation of provisions against trade debts

Opening balance
Provision for the year
Reversal during the year

Note	2017	2016
	------(Rupees in '000)-----	
15.1	113,459	99,539
	75	92,878
	2,790	2,537
	947	2,482
	117,271	197,436
	102,581	56,195
	10,655	25,028
	113,236	81,223
	94,618	136,342
15.2	(94,395)	(118,026)
	113,459	99,539
	118,026	118,041
15.2.1	1,771	-
	(25,402)	(15)
	(23,631)	(15)
	94,395	118,026

15.2.1 Provision against doubtful debts has been made after considering the market value of listed shares amounting to Rs. 0.22 million (December 31, 2016: Rs. 18.32 million) held in custody by the Company against respective customer accounts.

16. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances to:

Suppliers
Current portion of long-term loans and advances to employees and executives
Others

Deposits:

Exposure deposit with -NCCPL
Exposure deposit with -PMEX
Others

Prepayments:

Rent
Insurance
Software development and maintenance
Others

Other receivables:

Dividends
Profit on bank deposits
Profit on exposure deposit with -NCCPL
Receivable against margin finance
Receivable from PSX against sale of shares
Receivable from related party
Others

11	2,086	2,219
	1,261	273
	-	40
	3,347	2,532
16.1	330,814	437,310
	5,400	2,982
	2,200	2,200
	338,414	442,492
	1,748	1,716
	1	244
	702	296
	2,072	1,810
	4,523	4,066
10.2.1	-	1,077
16.2	4,129	3,397
	533	1,352
	87,300	118,460
	4,488	-
	-	172
	3,071	72
	99,521	124,530
	445,805	573,620

16.1 This includes amounts deposited with the Honorable District and Sessions Court Karachi South in the form of Defense Saving Certificates (DSCs) having face value Rs. 2.1 million and cash Rs. 0.1 million. These DSCs carry yield of 7.34% per annum and will mature in August 2026 (December 31, 2016: 7.34%).

16.2 Receivables from related parties comprises of:

My Solutions Corporation Ltd.

Note	2017	2016
	----- (Rupees in '000) -----	
	-	172

17. CASH AND BANK BALANCES

Company accounts

Current accounts

Saving accounts

Client accounts

Current accounts

Saving accounts

Cash in hand

Stamps in hand

	2,896	1,521
17.1	79,863	550
	82,759	2,071
	12	154,500
17.1	414,182	488,037
	414,194	642,537
17.2	496,953	644,608
	-	6
	13	-
	496,966	644,614

17.1 These carry profit at rates ranging from 1.4% to 5.6% (2016: 2.5% to 5.15%) per annum.

17.2 This includes Rs 103.59 million (December 31, 2016: Rs 440.15 million) held with BIPL (the Parent Company).

18. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2017	2016		2017	2016
Number of Shares			----- (Rupees in '000) -----	
89,867,900	89,867,900	Ordinary shares of Rs. 10 each fully paid-up in cash	898,679	898,679
10,132,100	10,132,100	Ordinary shares of Rs. 10 each fully paid-up as part of the scheme of arrangement	101,321	101,321
100,000,000	100,000,000		1,000,000	1,000,000

18.1 The parent company holds 77,117,500 shares of the company as at December 31, 2017 and December 31, 2016.

19. LONG-TERM FINANCING - SECURED

	2017	2016
	----- (Rupees in '000) -----	
Loan from financial institution	150,000	150,000

19.1 This represents long-term financing obtained from the Parent Company (BIPL). The financing is secured by way of Exclusive Charge over all commercial properties of the Company (Musharakah assets as disclosed in note 7 and 9). 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.

20. TRADE AND OTHER PAYABLES

Trade creditors
Payable to NCCPL
Accrued expenses
Withholding tax
Unclaimed dividends
Others

2017	2016
------(Rupees in '000)-----	
739,644	977,164
51,959	35,966
42,664	107,329
3,070	22,998
1,404	1,402
2,094	1,683
840,835	1,146,542

21. ACCRUED MARK-UP:

BankIslami Pakistan Limited -the Parent Company

38	37
----	----

22. CONTINGENCIES AND COMMITMENTS

Contingencies:

The Income Tax authorities Substituted Section 5A of Income Tax Ordinance 2001 through Finance Act 2017 which requires company to be subjected to additional tax of 7.5% of the accounting profit before tax if it fails to distribute at least 40% of profit after tax within six months of the end of tax year through cash or bonus. However, the company has filed an appeal before the Honorable High Court of Sindh at Karachi. The Honorable High Court of Sindh has granted Stay orders in favour of the company and the proceedings thereof are pending till date. The management is confident that the eventual outcome of the matters will be decided in favour of the company. Accordingly, no provisions has been made in these financial statements.

Commitments

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

2017	2016
------(Rupees in '000)-----	
125,503	-

22.2 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
Later than one year but not later than 5 years

3,895	-
9,988	-
13,883	-

23. OPERATING REVENUE

Brokerage
Subscription research income
Financial advisory fee
Custody services

2017	2016
------(Rupees in '000)-----	
230,531	239,065
2,816	1,874
1,442	500
3,096	2,194
237,885	243,633

24. GAIN ON SALE OF INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT OR LOSS'- NET

Listed shares
Debt securities

12,815	21,979
45	3,589
12,860	25,568

25. MARK-UP / PROFIT ON BANK DEPOSITS & OTHER RECEIVABLES

	Note	2017	2016
----- (Rupees in '000) -----			
Profit on bank deposits		35,877	36,411
Margin finance income		19,384	12,432
Others	16.1	159	64
		55,420	48,907

26. OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	26.1	219,869	161,301
Staff training and development		1,574	522
Rent, rates and taxes		9,899	10,956
Insurance charges		819	991
Depreciation	26.2	11,004	14,431
Amortization of intangible assets	8	1,058	784
Repairs and maintenance		9,418	1,606
Power and utilities		13,387	13,456
Communication		14,867	12,773
Trading costs		17,319	14,798
Information technology related cost		10,236	7,897
Fees and subscription		7,551	5,112
Director fee		1,740	1,680
Printing and stationery		4,273	3,416
Papers and periodicals		98	102
Advertisement and business promotion		2,092	379
Sales and marketing		2,193	1,273
Travelling and conveyance		4,262	2,998
Entertainment		1,505	716
Brokerage expense		1,513	5,188
Legal and professional charges		5,553	4,182
Consultancy charges		3,290	682
Auditor's remuneration	26.3	1,593	904
Stamp charges		3	5
Donations	26.4	180	-
Workers' welfare fund		1,018	1,825
Kitchen expenses		2,176	1,826
Profit -paid to clients	26.5	6,943	28,894
Ijara rental		1,878	-
Others		769	612
		358,080	299,309

26.1 Salaries, allowances and benefits include company's contribution to provident fund amounting to Rs 6.4 million (2016: Rs 5.8 million).

26.2 Depreciation

Property and equipment	7	10,714	14,141
Investment properties	9	290	290
		11,004	14,431

26.3 Auditor's Remuneration

Statutory audit fee		548	522
Half-yearly review fee and other certifications		957	319
Out of pocket expenses		88	63
		1,593	904

26.4 Donation were not made to any donee fund in which any director of the Company or his spouse had any interest.

26.5 This relates to share of client in mark-up income earned against their unutilised fund balances in PLS bank accounts of BIPL Securities Limited- Client account as per the notice no. KSE/N-1479 dated March 17, 2015 of Pakistan Stock Exchange Limited. The gross markup earned is recorded as profit on bank deposits and client share is charged as expense.

27. FINANCE COST

Mark-up on:

Short term borrowing (the Parent Company)

Long-term financing (the Parent Company)

Bank charges

Note	2017	2016
	----- (Rupees in '000) -----	
	-	173
	13,765	13,887
	416	711
	14,181	14,771

28. OTHER INCOME - NET

Gain on disposal of property and equipment

Rental income

Staff loan

Reversal of liabilities

UIN fee rebate -PMEX

Unrealized loss on settlement of future transaction

7.1	67	250
	1,815	2,108
	82	147
28.1	59,403	341
	16	-
	(2,095)	-
	59,288	2,846

28.1 This includes reversal of tax liability of Rs 19.21 million and reversal of profit payable to clients of Rs 40.19 million.

29. TAXATION

Current

for the year

for prior year

Deferred

13	19,143	9,852
	(941)	(580)
	26,393	(10,983)
	44,595	(1,711)

29.1 Relationship between tax expense and accounting profit

Profit before taxation

Tax at the rate of 30% (December 31, 2016: 31%)

Tax effects of:

Tax effect of inadmissible items

Income taxed at reduced rates

Income tax under Final Tax Regime

Tax effect of unused tax credits

Change in tax rate

Prior year taxation

Others

	82,638	17,404
	24,791	5,395
	25,272	11,443
	(23,582)	(9,196)
	(12,485)	(5,383)
	30,509	-
	(621)	(2,043)
	941	580
	(230)	(2,507)
	44,595	(1,711)

30. EARNINGS PER SHARE-BASIC AND DILUTED

30.1 Basic Earning Per Share

Profit after taxation attributable to ordinary shareholders (Rupees in '000')

38,043	19,115
---------------	---------------

Weighted average number of ordinary shares('000')

100,000	100,000
----------------	----------------

Earnings per share (Rupees)

0.38	0.19
-------------	-------------

30.2 Diluted Earning Per Share

Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2017 and December 31, 2016 which could have any effect on the earnings per share.

31. REMUNERATION OF DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	2017			2016		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Managerial remuneration	13,509	-	90,679	11,963	-	85,606
Fee (note 31.2)	-	1,740	-	-	1,680	-
Travelling and boarding	-	342	-	-	51	-
Contribution to provident fund	510	-	3,368	460	-	3,145
	14,019	2,082	94,047	12,423	1,731	88,751
Number of persons	1	3	41	2	4	59

31.1 Certain executives of the Company are provided with Company maintained cars and cellular phones.

31.2 The fee was paid to Independent Directors for attending the Board of Directors meeting, Audit Committee and HR&R committee meetings of the Company.

31.3 As per the requirement under Regulation 5(4) of Research Analyst Regulation 2015, following are the details of Research Analyst employed by the Company;

	2017	2016
	----- (Rupees in '000) -----	
Managerial remuneration	5,899	10,470

All Research Analyst reports to Head of Research who in turn reports to the Chief Executive Officer.

32. 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 December 31, 2017 and December 31, 2016 and transactions with related parties during the year ended December 31, 2017 and December 31, 2016 are as follows:

	2017				
	Parent Company	Subsidiary/ Associates	Key Management Personnel	Others	Total
	----- (Rupees in '000) -----				
BALANCES					
Accrued mark-up	38	-	-	-	38
Bank balances	103,585	-	-	-	103,585
Ijara deposits	2,107	-	-	-	2,107
Ijara rental payable	542	-	-	-	542
Long-term financing - secured	150,000	-	-	-	150,000
Profit receivable on bank deposit	605	-	-	-	605
Prepaid rent	106	-	-	-	106
Loan / Advance Recievable	-	-	26	-	26
Receivable against financial advisory	500	-	-	-	500
Trade debts	23	26	5	-	54
Trade payables	-	-	1,059	-	1,059

2016				
Parent Company	Subsidiary/ Associates	Key Management Personnel	Others	Total
----- (Rupees in '000) -----				
BALANCES				
Accrued mark-up	37	-	-	37
Bank balances	440,154	-	-	440,154
Long-term deposits	-	142	-	142
Long-term financing	150,000	-	-	150,000
Profit receivable on bank deposit	1,546	-	-	1,546
Prepaid rent	108	-	-	108
Provident fund payable	-	-	11	11
Receivable against expenses	-	172	-	172
Trade debts	22	18	191	231
Trade payables	-	-	1,946	1,946

2017				
Parent Company	Subsidiary/ Associates	Key Management Personnel	Others	Total
----- (Rupees in '000) -----				
TRANSACTIONS				
Income				
Brokerage income earned	1,193	-	520	1,713
Custody services	5	8	1	14
Mark-up on staff loan	-	-	19	19
Financial Advisory Income	442	-	-	442
Profit on bank deposits	11,847	-	-	11,847
Expenses				
Bank charges	134	-	-	134
Charge in respect of contributory plan	-	-	6,427	6,427
Mark-up expense	13,765	-	-	13,765
Ijarah expense	1,878	-	-	1,878
Reimbursement of expenses	-	22	-	22
Rent expense	1,284	-	-	1,284
Other transactions				
Loans disbursed - Net	-	-	590	590
Repayment of advances/deposits	-	314	564	879
Purchase of fixed assets	3,224	-	-	3,224

Particulars relating to remuneration of Chief Executive Officer, Directors and Executives who are key management personnel are disclosed in note 31.

	2016				
	Parent Company	Subsidiary/ Associates	Key Management Personnel	Others	Total
	----- (Rupees in '000) -----				
TRANSACTIONS					
Income					
Brokerage income earned	363	-	775	-	1,138
Custody services	6	8	30	-	44
Mark-up on staff loan	-	-	49	-	49
Profit on bank deposits	21,276	-	-	-	21,276
Expenses					
Bank charges	515	-	-	-	515
Charge in respect of contributory plan	-	-	-	5,805	5,805
Mark-up expense	14,060	-	-	-	14,060
Reimbursement of expenses	978	2	-	-	980
Rent expense	1,100	-	-	-	1,100
Other transactions					
Loans disbursed - Net	-	-	1,000	-	1,000
Loans repayment	-	-	1,725	-	1,725
Purchase of property and equipment	-	124	-	-	124

33. PROVIDENT FUND RELATED DISCLOSURE

The following information is based on latest un-audited financial statements of the Fund:

Note	2017	2016
	------(Rupees in '000)-----	
Size of the fund -Total assets	47,144	69,528
Cost of investments made	52,148	55,598
Percentage of investments made	106.44%	91.54%
Fair value of investments	50,180	63,648

33.1 Break-up value of fair value of investments are:

	2017		2016	
	(Rs. in '000)	(%)	(Rs. in '000)	(%)
Government securities	-	-	40,818	64.13%
Term deposits/saving accounts	49,988	99.62%	22,529	35.40%
Listed shares	192	0.38%	301	0.47%
	50,180	100.00%	63,648	100.00%

The investments out of provident fund have been made in accordance with the provisions of section 227 of the repealed Companies Ordinance, 1984 and the rules formulated for this purpose. The above figures are unaudited.

34. NUMBER OF EMPLOYEES

The average and total number of employees during the year end as at December 31, 2017 and December 31, 2016 respectively are as follows:

	2017	2016
(Number of Employees)		
Average number of employees during the year	145	136
Total number of employees as at year end	156	134

35. FINANCIAL INSTRUMENTS

Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest/mark-up rate risk and price risk). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in note below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

35.1 Market Risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company's market risk comprises of three types of risk: foreign exchange or currency risk, interest/markup rate risk and equity price risk. The market risks associated with the Company's business activities are discussed as under:

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of the financial instruments. As of the balance sheet date, the Company is exposed to such risk mainly in respect of bank balances and long term loan. Effective interest rates on such instruments are disclosed in respective notes to the financial statements.

Management of the Company estimates that 1% increase in the market interest rate, with all other factors remaining constant, would increase the Company's total comprehensive income by Rs. 3.44 million (2016: Rs. 3.39 million) and a 1% decrease would result in decrease in the Company's total comprehensive income by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of change in foreign exchange rates relates only to the investment in Al Jomaih Power Limited maintained in US dollars amounting to Rs.474.8 million (2016: Rs. 627.2 million) [US dollars 4.3 million (2016: US dollars 6 million)].

Management of the Company estimates that 10% increase in the exchange rate between US dollars and Pak Rupees will increase the comprehensive income of the Company by Rs. 47.48 million (2016: Rs. 62.76 million) and 10% decrease in the exchange rate would result in decrease in comprehensive income of the Company by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

(iii) Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The Company is exposed to price risk because of investments held by the Company and classified on the balance sheet as investments at fair value through profit or loss and available-for-sale investments. The management believes that 10% increase or decrease in the value of investments at fair value through profit and loss, with all other factors remaining constant would result in increase or decrease of the Company's profit by Rs. 15.20 (2016: Rs. 7.25 million) and 10% of such increase or decrease would result in increase or decrease of unrealized gain on revaluation of available-for-sale investments by Rs. 3.59 million (2016: Nil).

35.2 liquidity risk

Liquidity risk is the risk that an enterprise may encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity risk by following internal guidelines of the company executive committee such as monitoring maturities of financial assets and financial liabilities and investing in liquid financial assets.

On the reporting date, the Company has cash and bank balance Rs. 496.97 million (2016:Rs. 644.61 million) unutilized credit lines Rs. 1,150 million (2016: Rs. Nil) and liquid assets in the form of short term securities Rs.152.02 million (2016: 72.49 million).

The following are the contractual maturities of financial liabilities, including estimated interest payments:

The table below summaries the maturity profile of the Company's financial liabilities:

	2017				Total
	On Demand	Upto Three Months	More than Three Months upto one year	More than one year	
	----- (Rupees in '000) -----				
Long-term financing - secured	-	-	-	150,000	150,000
Trade and other payables	836,361	-	-	-	836,361
Accrued mark-up	38	-	-	-	38
	836,399	-	-	150,000	986,399

	2016				Total
	On Demand	Upto Three Months	More than Three Months upto one year	More than one year	
	----- (Rupees in '000) -----				
Long-term loan financing - secured	-	-	-	150,000	150,000
Trade and other payables	1,122,142	-	-	-	1,122,142
Accrued mark-up	37	-	-	-	37
	1,122,179	-	-	150,000	1,272,179

35.3 credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continuously assessing the credit worthiness of counter parties. The Company seeks to minimise the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The table below analyses the Company's maximum exposure to credit risk:

	Note	2017	2016
		----- (Rupees in '000) -----	
Trade debts	35.3.1	211,666	315,462
Bank balances (see note 35.3.2)		496,953	644,608
Long-term loans and advances		1,742	476
Long-term deposits and prepayments		14,843	16,078
Advances, deposits, prepayments and other receivables		444,544	573,347
		1,169,749	1,549,971

35.3.1 The aging analysis of trade debts are as follows:

	2017		2016	
	Gross	Impairment	Gross	Impairment
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Not past due	64,287	-	163,989	-
Past due 15 day - 30 days	474	-	3,875	-
Past due 31 days - 180 days	4,371	-	5,606	-
Past due 181 days - 1 year	2,457	-	2,742	-
More than one year	140,077	(94,395)	139,249	(118,026)
	211,666	(94,395)	315,462	(118,026)

35.3.2 The analysis below summarises the credit quality of the Company's bank balances with banks / financial institutions:

Note	2017	2016
	----- (Rupees in '000) -----	
Rating (short-term) of Banks and Financial Institutions*		
A1	103,585	440,154
A1+	264,487	111,553
A-1	128,882	92,901
	496,953	644,608

*Rating of banks performed by PACRA and JCR-VIS.

35.4 financial instruments by categories

Financial assets as per balance sheet

35.4 financial instruments by categories

	As at December 31, 2017				
Financial assets as per balance sheet	Asset at ammortized cost	Asset at fair value through profit and loss	Loans and recievables	Other Financial Assets	Total
	----- (Rupees in '000) -----				
Long term investment	-	1,511	-	510,700	512,211
Long term deposits	-	-	-	14,717	14,717
Long term loans and advances	-	-	481	-	481
Short term investments	-	152,027	-	-	152,027
Trade debts	-	-	117,271	-	117,271
Advances, deposits and other receivables	-	-	441,282	-	441,282
Cash and bank balances	-	-	-	496,966	496,966
	-	153,538	559,034	1,022,383	1,734,955

Financial liabilities as per balance sheet

As at December 31, 2017	
Financial liabilities at amortized cost	
----- (Rupees in '000) -----	
Long-term financing-secured	150,000
Trade and other payables	836,361
Accrued mark-up	38
	986,399

Financial assets as per balance sheet

	As at December 31, 2016				
Financial assets as per balance sheet	Asset at ammortized cost	Asset at fair value through profit and loss	Loans and recievables	Other Financial Assets	Total
	----- (Rupees in '000) -----				
Long term investment	-	1,852	-	728,586	730,438
Long term deposits	-	-	-	15,952	15,952
Long term loans and advances	-	-	-	203	203
Short term investments	-	72,499	-	-	72,499
Trade debts	-	-	197,436	-	197,436
Advances, deposits and other receivables	-	-	569,554	-	569,554
Cash and bank balances	-	-	-	644,614	644,614
	-	74,351	766,990	1,389,355	2,230,695

Financial liabilities as per balance sheet

Long-term financing-secured
Trade and other payables
Accrued mark-up

As at December 31, 2016

Financial liabilities at
amortized cost

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

150,000

1,122,142

37

1,272,179

36. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital include :

- Reinforcing Company's ability to continue as a going concern in order to provide returns to all its stakeholders with their corresponding risk profiles;
- Maintaining a strong capital base - resulting in enhancement of Company's business operations.

In order to maintain the balance of its capital structure, the Company may consider adjusting its dividend payouts, controlling non-developmental cash outflows and issuing fresh debt or capital instruments.

The Company monitors capital on the basis of the gearing ratio and its related profitability ratios. Gearing is calculated as debt divided by debt plus equity. Debt represents redeemable capital and other long-term borrowings, if any, as shown in the balance sheet. Equity represents paid-up capital of the Company, general reserve and unappropriated profit and loss.

Net capital requirements of the Company are set and regulated by PSX. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities. the Company manages its net capital requirements by assessing its capital structure against required capital level on a regular basis.

37. FAIR VALUE OF FINANCIAL INSTRUMENT

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying value and fair value estimates. The carrying values of all the financial assets and liabilities reflected in the financial statements approximate their fair values.

Under the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

37.1 Financial Assets Fair Value Hierarchy

All financial instruments carried at fair value are categorised in three categories defined as follows:

Level 1 - quoted prices in active markets for identical assets.

Level 2 - other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 - techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at December 31, 2017 the Company held the following financial instruments measured at fair value:

	2017			
	Total	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----			
'Available-for-sale' investments	474,794	-	-	474,794
Investment 'at fair value through profit and loss' - held for trading	187,933	187,933	-	-
	662,727	187,933	-	474,794

	2016			
	Total	Level 1	Level 2	Level 3
	----- (Rupees in '000) -----			
'Available-for-sale' investments	728,586	-	-	728,586
Investment 'at fair value through profit and loss' - held for trading	72,499	72,499	-	-
	801,085	72,499	-	728,586

37.1.1 The reconciliation from the beginning to ending balances for assets measured at fair value using level 3 valuation technique is given below:

	2017	2016
	----- (Rupees in '000) -----	
Opening balance	728,586	578,438
Unrealised gain on 'available-for-sale' investments	(152,806)	150,148
Investments transferred to Level 1 due to availability of active market	(100,986)	-
Provision for impairment	-	-
Investment disposed during the year	-	-
Closing balance	474,794	728,586

38. OTHER DISCLOSURES UNDER REGULATION 34(2) OF THE SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATION 2016:

The disclosures under the regulation 34(2), other than disclosed elsewhere in these annual financial statements are as follows:

38.1 Person holding more than 5% of shares

	2017	2016	2017	2016
	% of Holding		No. of Shares	
M/s. BankIslami Pakistan Limited	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.53%	6.53%	6,532,500	6,525,000
Mr. Mohammad Aslam Motiwala	7.31%	6.66%	7,314,500	6,664,500

38.2 During the year, Mrs. Noor Jehan Bano and Mr. Mohammed Aslam Motiwala acquired 7,500/- and 650,000/- shares respectively of the company.

38.3 As at December 31, 2017, the value of customer shares maintained with the company pledged with financial institution is Rs. 71.72 million (December 31, 2016: Rs. 34.27 million).

38.4 As at December 31, 2017, the value of customer shares maintained with the company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.13,169 million (December 31, 2016: Rs. 13,257 million).

39. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Company on 20 February 2018.

40. GENERAL

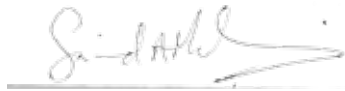
40.1 Corresponding figures have been rearranged and reclassified, wherever necessary, to facilitate comparison except for the following:

		2016
		----- (Rupees in '000) -----
Transfer from component	Transfer to component	
Trade debts (Receivable against purchase of marketable securities - net of provisions)	Trade debts (Receivable from NCCPL)	92,878
Trade and other payable (creditor)	Trade and other payable (payable to NCCPL)	35,966

40.2 Figures have been rounded off to the nearest thousand.



Chief Executive Officer



Director










Chief Financial Officer




Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices





Consolidated Financial Statements

Directors' Report on Consolidated Financial Statements

Auditor's Report to the Members

Consolidated Balance Sheet

Consolidated Profit and Loss Account

Consolidated Cash Flow Statement

Consolidated Statement of Changes in Equity

Notes to the Consolidated Financial Statements

Directors' Report

On The Consolidated Financial Statements

The Board of Directors present the report on consolidated financial statements of BIPL Securities Limited and its wholly owned subsidiary namely Structured Venture (Private) Limited, for the year ended December 31, 2017.

The consolidated financial results of the group for the year ended December 31, 2017, under review, are summarized as follows:

	2017	2016
	------(Rupees in '000)-----	
Profit before taxation	82,638	17,404
Taxation	(44,595)	1,711
Profit after taxation	38,043	19,115
Dividend paid during the year	-	-
Un-appropriated loss brought forward	(456,875)	(475,990)
Accumulated loss	(418,832)	(456,875)
	------(Rupees)-----	
Earning per share	0.38	0.19

Summary of changes in equity

The Group profit after tax was PKR 38.043 Million (EPS 0.38) in CY17 as compare to profit after tax PKR 19.115 million (EPS 0.19) in CY 16.

Summary of changes in the nature of group business interests

BIPL Securities Limited and Structured Venture (Private) Limited continue in their stated nature of business and have made no changes to the nature of business interests, nor to the class of business interests in which the Company has an interest.


Pattern of Shareholding

The pattern of shareholding as at December 31, 2017 along with disclosure required under the code of Corporate Governance and section 236 of the repealed Companies Ordinance, 1984 is annexed to the report.

On behalf of the Board of Directors



Director



Chief Executive Officer

Auditor's Report

To the Members



RSM Avais Hyder Liaquat Nauman
Chartered Accountants
407, Progressive Plaza, Beaumont Road
Karachi, 75530 - Pakistan
T: +92 (21) 35655975-6
F: +92 (21) 3565-5977
W: www.rsm-pakistan.pk

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising the consolidated balance sheet of **BIPL Securities Limited** (the Holding company) and **Structured Venture (Private) Limited**, its subsidiary company, (together referred to as Group) as at **December 31, 2017** and the related consolidated profit and loss account, consolidated cash flow statement and consolidated statement of changes in equity, together with the notes forming part thereof, (here-in after referred to as the 'financial statements') for the year then ended. We have also expressed separate opinion on the financial statements of the Holding company and its Subsidiary company. These financial statements are the responsibility of the Holding company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of **BIPL Securities Limited** and its subsidiary company as at **December 31, 2017** and the results of their operations for the year then ended.


Chartered Accountants
Karachi
Dated: **20 FEB 2018**

Engagement Partner: Adnan Zaman

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

BIPL SECURITIES LIMITED
CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2017

	Note	2017	2016
------(Rupees in '000)-----			
ASSETS			
Non-current assets			
Property and equipment	7	37,480	28,165
Intangible assets	8	5,562	4,710
Investment properties	9	5,066	5,356
Advance against purchase of property	10	-	-
Long-term Investments	11	510,700	728,586
Long-term loans and advances	12	481	203
Long-term deposits and prepayments	13	14,843	16,078
Deferred tax asset - net	14	35,721	40,201
		609,853	823,299
Current assets			
Short-term investments	15	152,027	72,499
Trade debts	16	117,271	197,436
Advances, deposits, prepayments and other receivables	17	445,808	573,624
Taxation - net		92,639	64,226
Cash and bank balances	18	498,382	646,311
		1,306,127	1,554,096
TOTAL ASSETS		1,915,980	2,377,395
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised Capital :			
200,000,000 (2016: 200,000,000) Ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid-up capital	19	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		325,065	518,881
Accumulated loss		(418,832)	(456,875)
		924,985	1,080,758
Non-current liabilities			
Long-term financing-secured	20	150,000	150,000
Current liabilities			
Trade and other payables	21	840,957	1,146,600
Accrued mark-up	22	38	37
		840,995	1,146,637
TOTAL EQUITY AND LIABILITIES		1,915,980	2,377,395
CONTINGENCIES AND COMMITMENTS	23		

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

BIPL SECURITIES LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017	2016
		------(Rupees in '000)-----	
Operating revenue	24	237,885	243,633
Net gain on investments			
Gain on sale of investments 'at fair value through profit or loss'- net	25	12,860	25,568
Gain on sale of 'available-for-sale' investment- net	11.1.1 & 11.1.2	64,725	-
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' - net	15.3	773	7,061
		78,358	32,629
Dividend income		659	3,676
Mark-up / profit on bank deposits and other receivables	26	55,461	48,954
		372,363	328,892
Operating and administrative expenses	27	(358,463)	(299,578)
Reversal of provision against doubtful debts-net	16.2	23,631	15
		(334,832)	(299,563)
Operating profit		37,531	29,329
Finance cost	28	(14,181)	(14,771)
		23,350	14,558
Other income - net	29	59,288	2,846
Profit before taxation		82,638	17,404
Taxation	30	(44,595)	1,711
Profit after taxation		38,043	19,115
Other comprehensive income for the year:			
Reclassification adjustment on disposal of 'available-for-sale' investments included in profit and loss account		(58,435)	-
Reversal of deferred tax liability related to component of other comprehensive income		21,913	-
Unrealised (loss) / gain arising during the year on re-measurement of 'available-for-sale' investments	11.1.5	(157,294)	124,640
		(193,816)	124,640
Total comprehensive (loss) / income for the year		(155,773)	143,755
		------(Rupees)-----	
Earnings per share - basic and diluted	31	0.38	0.19

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

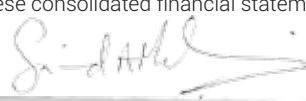
BIPL SECURITIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017	2016
------(Rupees in '000)-----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		82,638	17,404
Non-cash adjustments to reconcile profit before tax to net cash flows:			
Depreciation	27.2	11,004	14,431
Amortisation	8	1,058	784
Gain on sale of investments 'at fair value through profit or loss' - net		(12,860)	(25,568)
Gain on sale of 'available-for-sale' investments - net		(64,725)	-
Gain on sale of property and equipment		(67)	(250)
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' - net		(773)	(7,061)
Reversal of provision against doubtful debts-net		(23,631)	(15)
Finance cost		14,181	14,771
Dividend income		(659)	(3,676)
		<u>(76,472)</u>	<u>(6,584)</u>
		6,166	10,820
Working capital adjustments:			
Decrease / (Increase) in current assets			
Trade debts		103,796	(75,621)
Advances, deposits, prepayments and other receivables		126,739	(373,211)
		230,535	(448,832)
(Decrease) / Increase in current liabilities			
Trade and other payables		<u>(305,645)</u>	<u>604,796</u>
		(68,944)	166,784
Finance cost paid		(14,180)	(14,771)
Income tax paid		<u>(46,612)</u>	<u>(36,722)</u>
Net cash flows (used in) / generated from operating activities		<u>(129,736)</u>	<u>115,291</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Investments 'at fair value through profit or loss' - net		(65,895)	(11,339)
Purchase of property and equipment		(20,137)	(5,223)
Purchase of intangible assets		(1,910)	(1,417)
Proceeds from disposal of property and equipment		175	384
Dividend received		1,736	2,599
Net cash flows used in investing activities		<u>(86,031)</u>	<u>(14,996)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Long-term loans and advances		(278)	245
Long-term investment		66,882	-
Long-term deposits and prepayments		1,235	(3,410)
Dividend paid		2	-
Net cash flows generated from / (used in) financing activities		<u>67,841</u>	<u>(3,165)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(147,929)</u>	<u>97,130</u>
Cash and cash equivalents at the beginning of the year		646,311	549,181
Cash and cash equivalents at the end of the year	18	498,382	646,311

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

BIPL SECURITIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Share capital	General Reserve	Accumulated loss	Unrealised gain on re-measurement of 'available-for-sale' investments to fair value - net	Total
	----- (Rupees in '000) -----				
Balance as at January 01, 2016	1,000,000	18,752	(475,990)	394,241	937,003
Total comprehensive income for the year	-	-	19,115	124,640	143,755
Balance as at December 31, 2016	1,000,000	18,752	(456,875)	518,881	1,080,758
Total comprehensive loss for the year	-	-	38,043	(193,816)	(155,773)
Balance as at December 31, 2017	1,000,000	18,752	(418,832)	325,065	924,985

The annexed notes from 1 to 41 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

BIPL SECURITIES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. STATUS AND NATURE OF BUSINESS

The Group comprises of:

Holding Company

- BIPL Securities Limited

Subsidiary Company

- Structured Venture (Private) Limited (SVPL)

1.1 Holding company was incorporated in Pakistan on October 24, 2000 under the repealed Companies Ordinance, 1984 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.

The Group is a subsidiary of BankIslami Pakistan Limited (the Ultimate Parent Company) (BIPL) which holds 77.12% of the shares of the Group.

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, research and advisory services, consultancy and corporate finance services.

Subsidiary company was incorporated in Pakistan on June 25, 2010 under the repealed Companies Ordinance, 1984. The registered office of the Company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.

The subsidiary is wholly owned by BIPL Securities Limited.

The 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.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared under the historical cost convention except for investments which are carried at fair value as referred to in note 4.6 below.

3. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984 (effective through Circular 17 of 2017 issued by SECP, dated July 20, 2017).. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

The Companies Ordinance, 1984 has been repealed after the enactment of Companies Act, 2017. However as allowed by the SECP vide its Circular No.23 of 2017 dated October 04, 2017, these consolidated financial statements has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 New / Revised standards, Interpretations and Amendments

The Group has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

The Group has adopted the following revised standards, amendments and interpretations of IFRSs which became effective for the current year:

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 28 – Investments in Associates and Joint Ventures

The adoption of the above amendments to accounting standards and interpretations did not have any material effect on the financial statements.

In addition to the above standards and interpretations, certain improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Group expects that such improvements to the standards do not have any impact on the Group's financial statements for the year.

4.2 Basis of consolidation

The Financial Statements of the subsidiary are included in the consolidated financial statements from the date of the control commences until the date control ceases. In preparing consolidated financial statements, the financial statements 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.

4.3 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment, if any. Costs include the cost of replacing parts of property and equipment when that cost is incurred. Maintenance and normal repairs are charged to income as and when incurred. Depreciation is charged to income over the useful life of the asset on a systematic basis applying the straight line method at the rates specified in note 7 to the financial statements.

Property and equipment are assessed for impairment whenever there is an indication that the same are impaired. Depreciation is charged from the day of purchase and no depreciation is charged from the day of disposal.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The asset's residual values, useful lives and methods are reviewed and adjusted, if appropriate at each financial year end.

Gains and losses on disposals, if any, of assets are included in income currently.

4.4 Intangible assets

These are stated at cost less accumulated amortisation and accumulated impairment, if any. Amortisation is charged over the useful life of the asset on a systematic basis to income applying the straight line method at the rate specified in note 8 to the financial statements.

Intangible assets with indefinite useful lives are not amortised. These are annually tested for impairment to assess whether these are in excess of their recoverable amounts, and where the carrying amounts exceeds the estimated recoverable amounts, the carrying amounts are written down to the estimated recoverable amounts.

Intangible assets are assessed for impairment whenever there is an indication that the same are impaired. Costs associated with maintaining assets are recognized as an expense in the period in which these are incurred. Gains and losses on disposals, if any, of assets are included in income currently.

4.5 Investment properties

Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged at the rate specified in note 9. Subsequent expenditures, depreciation and gains or losses on disposals are accounted for in the same manner as property and equipment.

4.6 Financial assets

4.6.1 Investments

Investments are classified as either 'investments at fair value through profit or loss', 'held-to-maturity' investments or 'available-for-sale' investments, as appropriate.

When investments are recognised initially, these are measured at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases / sales of investments are recognised on the trade date, i.e. the date on which commitment to purchase / sale is made by the Group. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of securities within the time frame generally established by regulation or convention in the market place.

Investments at fair value through profit or loss

Investments classified as 'investments at fair value through profit or loss' are carried at fair value. Gain / loss on remeasurement of such investments to fair value is recognised in the profit and loss account.

Investments 'available-for-sale'

Investments classified as 'available-for-sale' are measured at fair value. Gains or losses on available-for-sale investments are recognised directly in equity until the investment is sold, derecognised or is determined to be impaired, at which time the cumulative gain or loss previously reported in

statement of comprehensive income is included in income. Upon impairment, gain / loss that which had been previously recognised directly in the statement of comprehensive income, is included in the profit and loss account for the year.

The fair value of those investments representing listed equity and other securities i.e. debt instruments, are determined on the basis of year-end prices obtained from stock exchange quotations.

4.6.2 Derivative

Derivative instruments held by the company primarily comprise of future contracts in the capital market. These are initially recognised at fair value and are subsequently remeasured at fair value. The fair value of future contracts is calculated as being the net difference between the contract price and the closing period reported on the primary exchange of the future contracts. Derivatives with positive market values (unrealised gains) are included in assets and derivatives with negative market values (unrealised losses) are included in liabilities in the balance sheet. The resultant gains and losses are included in the profit and loss account. Derivative financial instrument contracts entered into by the company do not meet the hedging criteria as defined by International Accounting Standard (IAS) '39: Financial Instruments: Recognition and Measurement'. Consequently hedge accounting is not being applied by the company.

4.6.3 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are carried at amortised cost using effective yield method, less impairment losses, if any.

4.7 Impairment

The carrying amount of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of that asset is estimated and impairment losses are recognized in the profit and loss account.

4.8 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Group lost control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised when these are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

4.9 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Group has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also accordingly offset.

4.10 Revenue recognition

- Brokerage income is recognised as and when such services are rendered.
- Financial advisory fees and other income is recognised on an accrual basis.
- Underwriting commission is recognised on accrual basis in accordance with the terms of the agreement.
- Capital gains and losses on sale of securities is recognised as and when transaction occurred.
- Mark-up income, return on bank deposits and balances are recognized on accrual basis.
- Dividend income is recorded when the right to receive the dividend is established.

4.11 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits, rebates and tax exemptions available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessment framed / finalised during the year.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences arising between tax bases of assets and liabilities and

their carrying amounts appearing in the consolidated financial statements. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the profit and loss account.

Deferred tax, if any, on revaluation of investments is recognised as an adjustment to surplus / (deficit) arising on revaluation.

4.12 Dividend distributions and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

4.13 Employees' benefits

Defined contribution plan

The Group operates a contributory provident fund for all its permanent employees and contributions are made monthly in accordance with the fund rules.

Employee compensated absences

The Group allows its management and non-management employees' to avail 30 days annual earned leave. The unutilized portion of the earned leave is neither accumulating nor encashable.

4.14 Cash and cash equivalents

Cash in hand and at banks is carried at cost. For the purposes of cash flow statement, cash and cash equivalents consist of cash in hand and bank balances. For the purposes of statement of cash flows, cash and cash equivalents are presented net of short term borrowings which are repayable on demand or in the short term and form an integral part of the Group's cash management.

4.15 Foreign currency transactions

Functional and presentation currency

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

Foreign currency translations

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing on the balance sheet date. Gains and losses on translation are taken into income currently. Non-monetary-items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.16 Provisions

Provisions are recognized when the Group has the legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

4.17 Trade and other receivables

Trade debts and other receivables are recognized at fair value and subsequently measured at carrying value. A provision for impairment in trade and other receivables 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.

4.18 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable costs, if any, and subsequently measured at carrying amount.

4.19 Ijarah

Ijarah in which a significant portion of the risks and rewards of ownership is retained by the Muj'ir and Ijarah agreement has been entered into are classified as Ijarah. Payments made under Ijarah are charged to profit and loss on a straight-line basis over the period of Ijarah.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates, judgments and assumptions that have significant effect on the consolidated financial statements are as follows:

	Note
Useful lives of assets and methods of depreciation and impairment	4.3 to 4.5, 7, 8 & 9
Classification of investments	4.6.1, 11 & 15
Provision for doubtful debts	4.16 & 16
Deferred taxation and taxation	4.11, 14 & 32

6. STANDARDS AND IFRIC INTERPRETATIONS THAT ARE NOT YET EFFECTIVE

The following revised relevant standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard, Interpretation or amendment	Effective date (annual periods beginning on or after)
IFRS 2 - Share-based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 40 - Investment Property - Amendments to clarify transfers or property to, or from, investment property	January 01, 2018

The Group expects that the adoption of the above standards and amendments would not impact the Group's financial statements in the year of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard, Interpretation or amendment	"IASB Effective date (annual periods beginning on or after)"
IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 - Regulatory Deferral Accounts	January 01, 2018
IFRS 15 - Revenue from Contracts with Customers	January 01, 2018
IFRS 16 - Leases	January 01, 2019
IFRS 17 - Insurance Contracts	January 01, 2021

7. PROPERTY AND EQUIPMENT

	2017				
	Office premises- lease hold	Furniture & fixtures	Computers & office equipment	Motor vehicles	Total
----- (Rupees in '000) -----					
Cost	39,780	23,887	83,075	5,245	151,987
Accumulated depreciation	(25,555)	(20,196)	(74,641)	(3,430)	(123,822)
Net book value at the beginning of the year	14,225	3,691	8,434	1,815	28,165
Changes during the year					
Additions during the year	511	916	18,710	-	20,137
Disposals during the year					
-Cost	-	(178)	(672)	-	(850)
-Depreciation	-	96	646	-	742
	-	(82)	(26)	-	(108)
Depreciation charge for the year	(1,575)	(1,405)	(7,296)	(438)	(10,714)
	(1,064)	(571)	11,388	(438)	9,315
Net book value at the end of the year	13,161	3,120	19,822	1,377	37,480
Analysis of net book value					
Cost	40,291	24,625	101,113	5,245	171,274
Accumulated depreciation	(27,130)	(21,505)	(81,291)	(3,868)	(133,794)
Net book value as at December 31, 2017	13,161	3,120	19,822	1,377	37,480
Depreciation rate (% per annum)	5	10	33.33	20	
	2016				
	Office premises- lease hold	Furniture & fixtures	Computers & office equipment	Motor vehicles	Total
----- (Rupees in '000) -----					
Cost	39,780	23,842	84,630	5,299	153,551
Accumulated depreciation	(23,975)	(18,161)	(71,207)	(2,991)	(116,334)
Net book value at the beginning of the year	15,805	5,681	13,423	2,308	37,217
Changes during the year					
Additions during the year	-	153	5,070	-	5,223
Disposals during the year					
-Cost	-	(108)	(6,625)	(54)	(6,787)
-Depreciation	-	31	6,579	43	6,653
	-	(77)	(46)	(11)	(134)
Depreciation charge for the year	(1,580)	(2,066)	(10,013)	(482)	(14,141)
	(1,580)	(1,990)	(4,989)	(493)	(9,052)
Net book value at the end of the year	14,225	3,691	8,434	1,815	28,165
Analysis of net book value					
Cost	39,780	23,887	83,075	5,245	151,987
Accumulated depreciation	(25,555)	(20,196)	(74,641)	(3,430)	(123,822)
Net book value as at December 31, 2016	14,225	3,691	8,434	1,815	28,165
Depreciation rate (% per annum)	5	10	33.33	20	

7.1 DISPOSAL OF PROPERTY AND EQUIPMENT

Particulars of property and equipment disposed off during the year are as follows:

	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	Particular of Buyers	Mode of disposal
----- (Rupees in '000) -----							
Book value more than Rs.50,000/-							
Furniture and fixtures	178	96	82	15	(67)	Various	Negotiation
Book value less than Rs.50,000/-							
Computer and office equipment	672	646	26	160	134	Various	Negotiation
December 31, 2017	850	742	108	175	67		
December 31, 2016	6,787	6,653	134	384	250		

8. INTANGIBLE ASSETS

2017

	Computer software	Membership of PMEX	Booths at PSX	License and trademark	TREC - PSX (Note 8.1 & 8.2)	Total
----- (Rupees in '000) -----						
Cost	11,279	750	950	-	1,350	14,329
Accumulated amortization	(9,619)	-	-	-	-	(9,619)
Net book value at the beginning of the year	1,660	750	950	-	1,350	4,710
Addition during the year	1,038	-	-	872	-	1,910
Amortization for the year	(1,058)	-	-	-	-	(1,058)
Net book value at the end of the year	1,640	750	950	872	1,350	5,562
Analysis of Net Book Value						
Cost	12,317	750	950	872	1,350	16,239
Accumulated amortization	(10,677)	-	-	-	-	(10,677)
Net book value as at December 31, 2017	1,640	750	950	872	1,350	5,562
Amortization rate (% per annum)	33.33	-	-	-	-	

2016

	Computer software	Membership of PMEX	Booths at PSX	License and trademark	TREC - PSX (Note 8.1 & 8.2)	Total
----- (Rupees in '000) -----						
Cost	9,862	750	950	-	1,350	12,912
Accumulated amortization	(8,835)	-	-	-	-	(8,835)
Net book value at the beginning of the year	1,027	750	950	-	1,350	4,077
Addition during the year	1,417	-	-	-	-	1,417
Amortization for the year	(784)	-	-	-	-	(784)
Net book value at the end of the year	1,660	750	950	-	1,350	4,710
Analysis of Net Book Value						
Cost	11,279	750	950	-	1,350	14,329
Accumulated amortization	(9,619)	-	-	-	-	(9,619)
Net book value as at 31 December 2016	1,660	750	950	-	1,350	4,710
Amortization rate (% per annum)	33.33	-	-	-	-	

8.1 Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (The Act), the ownership in a stock exchange had been segregated from right to trade on the exchange. Accordingly, the Holding company received equity shares of PSX and a Trading Right Entitlement Certificate (TREC) in lieu of its membership card of PSX. The Holding 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 the holding company had been allotted 4,007,383 shares of the face value of Rs 10/- each, 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 Act within two years from the date of Demutualization.

On December 29, 2016, the divestment committee of PSX formed for the purpose confirmed the sale of 40% equity stake of PSX shares as detailed in Note 10.2.1 to these financial statements.

The cost / book value of the PSX membership card amounted to Rs. 4.95 million as at December 31, 2012. In absence of an active market of the shares of PSX and TREC, the allocation of the carrying value of the membership card between the shares (financial asset) and TREC (an intangible asset) was made by the Holding Company on the basis of the face value of ordinary shares and the TREC value assigned by the PSX for minimum capital requirement purpose applicable to the stock exchange brokers.

8.2 The Holding Company has pledged / hypothecated its TREC in favor of PSX to meet the requirement of Base Minimum Capital (BMC) under clause 19.2 of the Risk Management Regulation of PSX Rule Book.

9. INVESTMENT PROPERTIES

Net book value as at the beginning of the year

	Note	2017	2016
----- (Rupees in '000) -----			
Cost		5,804	5,804
Accumulated depreciation		(448)	(158)
		5,356	5,646
Depreciation charge for the year		(290)	(290)
Net book value at the end of the year	9.1	5,066	5,356
Cost		5,804	5,804
Accumulated depreciation		(738)	(448)
Net book value at the end of the year		5,066	5,356
Depreciation rate (% per annum)		5	5

9.1 Investment properties of holding company comprise of Room No. 93, 94 and 95, First Floor, Pakistan Stock Exchange Building, off I.I. Chundrigar Road, Karachi. The said property is rented out to third party. The fair value of these properties in aggregate amounts to Rs. 24 million on the basis of valuation carried out by M/s. Akbani and Javed Associates on October 15, 2015. Under the rent agreement, the maintainance and other running expenses are to be paid by lessee.

10. ADVANCE AGAINST PURCHASE OF PROPERTY

Advance paid for purchase of land -at Korangi Housing Scheme

Less: Impaired	10.1	375,000 (375,000)	375,000 (375,000)
		-	-

10.1 The subsidiary company had given advance against purchase of property 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 last year, the Developer canceled provisional booking vide its letter dated June 15, 2015 and in response, the Group 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 Group against which, criminal and civil proceedings have already been initiated.

Considering the facts stated above, the history of this transaction and legal implications, the Group as a matter of prudence, has decided to fully provide this amount.

On request of the holding 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.

11. LONG TERM INVESTMENTS

'Available-for-sale investments'

Note

2017

2016

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

11.1

510,700

728,586

11.1 Description of 'available-for-sale' investments

2017	2016		Note	2017		2016	
Number of shares		Name of the Investee Company		Cost	Carrying value	Cost	Carrying value
				----- (Rupees in '000) -----			
Quoted shares							
1,602,953	4,007,383	Pakistan Stock Exchange Limited	11.1.1 & 11.1.5	1,438	35,906	3,595	100,986
Unquoted shares							
3,370	3,370	Al Jomaih Power Limited	11.1.3 & 11.1.5	184,197	474,794	184,197	627,600
		New Horizon Exploration and Production Limited (Related Party)	11.1.4				
25,000,000	25,000,000	- Class 'A' ordinary shares		25,000	-	25,000	-
10,000,000	10,000,000	- Class 'B' ordinary shares		50,000	-	50,000	-
				75,000	-	75,000	-
		Less: Impairment		(75,000)	-	(75,000)	-
				-	-	-	-
				185,635	510,700	187,792	728,586

11.1.1 The holding 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 holding 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 thereunder. 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. Accordingly, the holding company revalued 4,007,383 of PSX after the discounting effect in the financial statement for the year ended December 31, 2016.

11.1.2 During the quarter ended March 31, 2017, the holding 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 Holding 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 holding company has pledged 1,602,953 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.

11.1.3 The holding company's investment in unquoted shares of Al Jomaih Power Limited are valued at its fair value as at December 31, 2017 based on the unaudited net asset value of the investee company.

11.1.4 During previous year, the management of the holding company carried out impairment testing of its investment in New Horizon Exploration and Production Limited (NHEPL), as required by IAS 36 - "Impairment of Assets". The recoverable amount of investment has been estimated using "Value in use" approach. In considering the impairment, various business assumptions for estimating cash flows have been 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 Group has fully impaired its investment in NHEPL and an impairment loss of Rs. 75 million has been recognised in these financial statements.

		2017	2016
------(Rupees in '000)-----			
11.1.5 Unrealized (loss) / gain on re-measurement of 'available-for-sale' investments - net			
Al Jomaih Power Limited	11.1.3	(152,806)	49,162
Pakistan Stock Exchange Limited	11.1.1 & 11.1.2	(41,010)	75,478
			124,640

12. LONG-TERM LOANS AND ADVANCES - Considered Good

Loans and advances to:

Employees		1,742	476
Executives		-	-
	12.1	1,742	476
Current maturity shown in current assets	17	(1,261)	(273)
		481	203

12.1 This represents loans and advances given to executives and employees of holding company for general purpose in accordance with their terms of employment. These loan and advances carry mark-up at the rate of 12% (2016: 12%) per annum and are recovered through deduction from salaries over varying periods upto a maximum period of 36 months. The loans and advances are secured against staff provident fund balance.

13. LONG-TERM DEPOSITS AND PREPAYMENTS

Deposits with:

- Pakistan Stock Exchange Limited (PSX)	13.1	5,512	10,364
- National Clearing Company of Pakistan Limited (NCCPL)		1,650	300
- Pakistan Mercantile Exchange Limited (PMEX)		2,500	2,500
- Central Depository Company of Pakistan Limited (CDC)		200	200
- Rent deposits		1,327	1,025
- Ijarah		2,107	-
- Others		1,421	1,563
		14,717	15,952
Prepayments		126	126
		14,843	16,078

13.1 This includes amount of Rs 5.5 million (2016: 10 million) as cash deposit with PSX by the holding company to fulfill the Base Minimum Capital (BMC) requirement in Compliance with clause 19.2 of the Risk Management Regulation of PSX Rule Book.

14. DEFERRED TAX ASSET - NET

Taxable temporary differences arising due			
-long term investment		-	(21,913)
Deductible temporary differences arising			
-carry forward of tax losses		27,643	23,899
-accelerated tax depreciation		164	1,627
-carry forward of alternate corporate tax		2,143	-
-provision for doubtful debts		5,771	36,588
		35,721	62,114
		35,721	40,201

15. SHORT-TERM INVESTMENTS

'At fair value through profit or loss' - held for trading

- Listed shares	15.1	152,027	72,499
- Term finance certificates	15.2	-	-
		152,027	72,499

15.1 Listed Shares

2017		2016			2017		2016	
Number of shares	Name of Investee Company		Note	Cost	Carrying value	Cost	Carrying value	
----- (Rupees in '000) -----								
-	7,500	Agriauto Industries Ltd.		-	-	1,998	2,685	
-	1,000	Abbot Laboratories Ltd.		-	-	925	957	
-	105,000	Avanceon Ltd.		-	-	3,729	3,659	
-	3,000	Bannu Woolen Mills Ltd.		-	-	204	216	
-	40,000	Dewan Cement Ltd.		-	-	1,593	1,562	
-	10,000	D.G. Khan Cement Company Ltd.		-	-	2,217	2,217	
-	14,900	Engro Corporation Ltd.		-	-	4,620	4,710	
1,161,000	75,000	Engro Fertilizers Ltd.		75,976	78,623	5,004	5,099	
-	40,000	Engro Polymer and Chemical Ltd.		-	-	627	738	
-	20,000	Fauji Fertilizer Company Ltd.		-	-	2,075	2,087	
427,500	-	Fauji Cement Company Ltd.		10,614	10,692	-	-	
-	3,800	Indus Motor Company Ltd.		-	-	5,117	6,135	
-	15,500	Ittehad Chemicals Ltd.		-	-	628	624	
3,290,000	-	K Electric Ltd.		22,043	20,760	-	-	
-	4,900	Kohat Cement Company Ltd.		-	-	1,313	1,429	
-	1,500	Lucky Cement Ltd.		-	-	1,110	1,299	
-	4,200	Mari Petroleum Company Ltd.		-	-	5,246	5,775	
-	39,500	Mughal Iron and Steel Industries Ltd.		-	-	3,254	3,482	
98,500	-	National Bank of Pakistan		4,622	4,783	-	-	
-	49,500	Nishat Power Ltd		-	-	2,776	3,172	
-	15,000	Oil and Gas Development Corporation Ltd.		-	-	2,310	2,480	
132,000	-	Pak Electron Ltd.		6,259	6,269	-	-	
175,000	-	Pakistan Stock Exchange Ltd.		4,868	3,920	-	-	
-	53,000	Pioneer Cement Ltd.		-	-	5,628	7,531	
-	2,050	Sanofi Aventis Pakistan Ltd.		-	-	3,818	5,856	
-	335,000	Shabbir Tiles and Ceramics Ltd.		-	-	4,058	3,739	
-	6,200	Shifa International Hospital Ltd.		-	-	1,849	1,906	
-	900,000	Summit Bank Ltd.		-	-	4,266	3,960	
-	30,000	Thatta Cement Company Ltd.		-	-	1,073	1,181	
911,500	-	TRG Pakistan Ltd.		26,873	26,980	-	-	
15.1.1				151,254	152,027	65,438	72,499	

15.1.1 This includes shares of holding company with carrying value of Rs .127.35 million (December 31, 2016: Rs.39.33 million) pledged with NCCPL against exposure margin..

15.2 Term Finance Certificates

2017		2016	2017				2016	
Number of certificates	Name of Investee Company	Note	Cost	Carrying value	Cost	Carrying value	Cost	Carrying value
----- (Rupees in '000) -----								
10,000	10,000	Pace Pakistan Limited (Face value Rs. 5,000/= each) Less: Impairment	15.2.1	45,369 (45,369)	- -	45,369 (45,369)	- -	- -
				-	-	-	-	-

15.2.1 The above TFCs of the Holding company are secured and carry mark-up at the rate of 6 months KIBOR +2% and was to be matured in February 15, 2017. These TFCs are currently rated as 'non-performing' by the Mutual Funds Association of Pakistan at the purchase cost of TFCs amounts to Rs. 45.37 million (2016: Rs. 45.37 million). During the previous years, the Holding company on the basis of prudence, has fully impaired the investment of Rs. 45.37 million.

		Note	2017	2016
(Rupees in '000)				
15.3	Unrealised gain on re-measurement of investments - net Listed shares	15.1	773	7,061

16. TRADE DEBTS

Receivable against purchase of marketable securities - net of provisions

Receivable from NCCPL

Inter-bank brokerage

Fees

16.1 Considered Good

Secured

Unsecured

Considered doubtful

Less: Provision for doubtful debts

16.2 Reconciliation of provisions against trade debts

Opening balance

Provision for the year

Reversal of provision during the year

16.2.1 Provision against doubtful debts of holding company has been made after considering the market value of listed shares amounting to Rs.0.22 million (December 31, 2016: Rs.18.32 million) held in custody by the holding company against respective customer accounts.

17. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances to:

Suppliers

Current portion of long-term loans and advances to employees and executives

Others

Deposits:

Exposure deposit with - NCCPL

Exposure deposit with PMEX

Others

Prepayments:

Rent

Insurance

Software development and maintenance

Others

Other receivables:

Dividends

Profit on bank deposits

Profit on exposure deposit with - NCCPL

Receivable against margin finance

Receivable from PSX against sale of shares

Receivable from related parties

Others

Note 2017 2016
------(Rupees in '000)-----

16.1	113,459	99,539
	75	92,878
	2,790	2,537
	947	2,482
	117,271	197,436

	102,581	56,195
	10,655	25,028
	113,236	81,223
	94,618	136,342
16.2	(94,395)	(118,026)
	113,459	99,539

16.2.1	118,026	118,041
	1,771	-
	(25,402)	(15)
	(23,631)	(15)
	94,395	118,026

12	2,086	2,219
	1,261	273
	-	40
	3,347	2,532

17.1	330,814	437,310
	5,400	2,982
	2,200	2,200
	338,414	442,492

	1,748	1,716
	1	244
	702	296
	2,072	1,810
	4,523	4,066

11.1.1	-	1,077
17.2	4,132	3,401
	533	1,352
	87,300	118,460
	4,488	-
	-	172
	3,071	72
	99,524	124,534
	445,808	573,624

17.1 This includes amounts deposited with the Honorable District and Sessions Court Karachi South for holding company in the form of Defense Saving Certificates (DSCs) having face value Rs. 2.1 million and cash Rs. 0.1 million. These DSCs carry yield of 7.34% per annum and will mature in August 2026 (2016: 7.34%).

17.2 Receivables from related parties comprises of:

My Solutions Corporation Ltd.

-	172
---	-----

18. CASH AND BANK BALANCES

	Note	2017	2016
		----- (Rupees in '000) -----	
Company accounts			
Current accounts		2,896	1,521
Saving accounts	18.1	81,279	2,247
		84,175	3,768
Client accounts			
Current accounts		12	154,500
Saving accounts	18.1	414,182	488,037
		414,194	642,537
	18.1 & 18.2	498,369	646,305
		13	6
Stamps in hand		498,382	646,311

18.1 These carry profit at rates ranging from 1.4% to 5.6% (2016: 2.5% to 5.15%) per annum.

18.2 This includes Rs 105.01 million (December 31, 2016: Rs 440.15 million) with BankIslami Pakistan Limited (the Ultimate Parent Company).

19. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	Note	2017	2016
		----- (Number of shares) -----	
89,867,900		89,867,900	Ordinary shares of Rs.10 each fully paid-up in cash
10,132,100		10,132,100	Ordinary shares of Rs.10 each fully paid-up as part of the scheme of arrangement
100,000,000		100,000,000	
		898,679	898,679
		101,321	101,321
		1,000,000	1,000,000

19.1 The Ultimate parent company holds 77,117,500 shares of the group as December 31, 2017 and December 31, 2016.

20. LONG-TERM FINANCING - SECURED

Loan from financial institution	20.1	150,000	150,000
---------------------------------	------	---------	---------

20.1 This represents long-term financing obtained by the holding company from the Parent Company (BIPL). The financing is secured by way of Exclusive Charge over all commercial properties of the holding company (Musharakah assets as disclosed in note 7 and 9). 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.

21. TRADE AND OTHER PAYABLES

Trade creditors	739,644	977,164
Payable to NCCPL	51,959	35,966
Accrued expenses	42,786	107,387
Withholding tax	3,070	22,998
Unclaimed dividends	1,404	1,402
Others	2,094	1,683
	840,957	1,146,600

22. ACCRUED MARK-UP

- BankIslami Pakistan Limited -the Parent Company	38	37
---	----	----

23. CONTINGENCIES AND COMMITMENTS

Contingencies:

The Income Tax authorities Substituted Section 5A of Income Tax Ordinance 2001 through Finance Act 2017 which requires holding company to be subjected to additional tax of 7.5% of the accounting profit before tax if it fails to distribute at least 40 % of profit after tax within six months of the end of tax year through cash or bonus. However, the holding company has filed an appeal before the Honorable High Court of Sindh at Karachi. The Honorable High Court of Sindh has granted Stay orders in favour of the holding company and the proceedings thereof are pending till date. The management is confident that the eventual outcome of the matters will be decided in favour of the holding company. Accordingly, no provisions has been made in these consolidated financial statements.

Commitments:

23.1 Net future sale transactions of equity securities entered into by the Company in respect of which the settlement is outstanding	125,503	-
--	---------	---

23.2 The Holding 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	3,895	-
Later than one year but not later than 5 years	9,988	-
	13,883	-

24. OPERATING REVENUE

	Note	2017	2016
----- (Rupees in '000) -----			
Brokerage		230,531	239,065
Subscription research income		2,816	1,874
Financial advisory fee		1,442	500
Custody services		3,096	2,194
		237,885	243,633

25. GAIN ON SALE OF INVESTMENTS 'AT FAIR VALUE THROUGH PROFIT OR LOSS' - NET

Listed shares		12,815	21,979
Debt Securities		45	3,589
		12,860	25,568

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

Profit on bank deposits		35,918	36,458
Margin finance income		19,384	12,432
Others		159	64
		55,461	48,954

27. OPERATING AND ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	27.1	219,869	161,301
Staff training and development		1,574	522
Rent, rates and taxes		9,899	10,956
Insurance charges		819	991
Depreciation	27.2	11,004	14,431
Amortization of intangible assets	8	1,058	784
Repairs and maintenance		9,418	1,606
Power and utilities		13,387	13,456
Communication		14,867	12,773
Trading costs		17,319	14,798
Information technology related cost		10,236	7,897
Fees and subscription		7,586	5,122
Director fee		1,740	1,680
Printing and stationery		4,273	3,416
Papers and periodicals		98	102
Advertisement and business promotion		2,092	379
Sales and marketing		2,193	1,273
Travelling and conveyance		4,262	2,998
Entertainment		1,505	716
Brokerage expense		1,513	5,188
Legal and professional charges		5,816	4,366
Consultancy charges		3,290	682
Auditor's remuneration	27.3	1,653	977
Stamp charges		3	5
Donations	27.4	180	-
Workers' welfare fund		1,018	1,825
Kitchen expenses		2,176	1,826
Profit - paid to clients	27.5	6,943	28,894
Ijara Rentals		1,878	-
Others		794	614
		358,463	299,578

27.1 Salaries, allowances and benefits include holding company's contribution to provident fund amounting to Rs 6.4 million (2016: Rs. 5.8 million).

27.2 Depreciation

Property and equipment	7	10,714	14,141
Investment properties	9	290	290
		11,004	14,431

	Note	2017	2016
----- (Rupees In '000) -----			
27.3 Auditor's Remuneration			
Statutory audit fee		608	595
Half-yearly review fee and other certifications		957	319
Out of pocket expenses		88	63
		1,653	977

27.4 Donation were not made to any donee fund in which any director of the Group or his spouse had any interest.

27.5 This relates to share of client in mark-up income earned against their unutilised fund balances in pls bank accounts of BIPL Securities Limited Client account as per the notice no. KSE/N-1479 dated March 17, 2015 of Pakistan Stock Exchange Limited. The gross markup earned is recorded as profit on bank deposits and client share is charged as expense.

28. FINANCE COST

Mark-up on:

Short term borrowing (the Parent Company)	-	173
Long-term financing (the Parent Company)	13,765	13,887
Bank charges	416	711
	14,181	14,771

29. OTHER INCOME

Gain on disposal of property and equipment	7.1	67	250
Rental income		1,815	2,108
Staff loan		82	147
Reversal of liability	29.1	59,403	-
UIN fee rebate -PMEX		16	-
Unrealized loss on settlement of future transaction		(2,095)	341
		59,288	2,846

29.1 This includes reversal of tax liability of Rs 19.21 million and reversal of profit payable to clients of Rs 40.19 million by holding company

30. TAXATION

Current			
- for the year		19,143	9,852
- for prior year		(941)	(580)
Deferred		26,393	(10,983)
		44,595	(1,711)

30.1 Relationship between tax expense and accounting profit / (loss) Profit before taxation

	82,638	17,404
Tax at the rate of 30% (2016: 31%)	24,791	5,395
Tax effects of:		
Tax effect of inadmissible items	25,272	11,443
Income taxed at reduced rates	(23,582)	(9,196)
Income tax under Final Tax Regime	(12,485)	(5,383)
Tax effect of unused tax credits	30,509	-
Change in tax rate	(621)	(2,043)
Prior year taxation	941	580
Others	(230)	(2,507)
	44,595	(1,711)

31. EARNINGS PER SHARE-BASIC AND DILUTED

31.1 Basic Earning Per Share

Profit after taxation attributable to ordinary shareholders (Rupees '000')	38,043	19,115
Weighted average number of ordinary shares('000')	100,000	100,000
Earnings per share (Rupees).	0.38	0.19

31.2 Diluted Earning Per Share

Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2017 and December 31, 2016 which could have any effect on the earnings per share.

32. REMUNERATION OF DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Group are as follows:

	2017			2016		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees in '000)					
Managerial remuneration	13,509	-	90,679	11,963	-	85,606
Fee (note 32.2)	-	1,740	-	-	1,680	-
Travelling and boarding	-	342	-	-	51	-
Contribution to provident fund	510	-	3,368	460	-	3,145
	14,019	2,082	94,047	12,423	1,731	88,751
Number of persons	1	3	41	2	4	59

32.1 Certain executives of the holding company are provided company maintained cars and cellular phones.

32.2 The fee was paid to the Independent Directors of the holding company for attending the Board of Directors meeting, Audit Committee and HR & R committee meetings of the holding company.

32.3 As per the requirement under Regulation 5(4) of Research Analyst Regulation 2015, following are the details of Research Analyst employed by the holding company

	2017	2016
	(Rupees in '000)	
Managerial remuneration	5,899	10,470

All Research Analyst reports to Head of Research who in turn reports to the Chief Executive Officer of the holding company.

33. RELATED PARTY TRANSACTIONS

The related parties of the Group 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 December 31, 2017 and December 31, 2016 and transactions with related parties during the year ended December 31, 2017 and December 31, 2016 are as follows:

	2017				
	Parent Company	Subsidiary / associates	Key management personnel	Others	Total
	(Rupees in '000)				
BALANCES					
Accrued mark-up	38	-	-	-	38
Bank balances	105,001	-	-	-	105,001
Long-term deposits	2,107	-	-	-	2,107
Ijara rental payable	542	-	-	-	542
Long-term financing - secured	150,000	-	-	-	150,000
Profit receivable on bank deposit	608	-	-	-	608
Prepaid rent	106	-	-	-	106
Provident fund payable	-	-	26	-	26
Receivable against expenses	500	-	-	-	500
Trade debts	23	26	5	-	54
Trade payables	-	-	1,059	-	1,059

	2016				
	Parent Company	Subsidiary / associates	Key management personnel	Others	Total
	(Rupees in '000)				
BALANCES					
Accrued mark-up	37	-	-	-	37
Bank balances	441,851	-	-	-	441,851
Long-term financing - secured	150,000	-	-	-	150,000
Long-term deposits	-	142	-	-	142
Profit receivable on bank deposit	1,546	-	-	-	1,546
Receivable against expenses	-	172	-	-	172
Prepaid rent	108	-	-	-	108
Provident fund payable	-	-	-	11	11
Trade debts	22	18	191	-	231
Trade payables	-	-	1,946	-	1,946

	2017				
	Parent Company	Subsidiary / associates	Key management personnel	Others	Total
	(Rupees in '000)				
TRANSACTIONS					
Income					
Brokerage income earned	1,193	-	520	-	1,713
Custody services	5	8	1	-	14
Mark-up on staff loan	-	-	19	-	19
Financial Advisory Income	442	-	-	-	442
Profit on bank deposits	11,888	-	-	-	11,888
Expenses					
Bank charges	134	-	-	-	134
Charge in respect of contributory plan	-	-	-	6,427	6,427
Mark-up expense	13,765	-	-	-	13,765
Ijarah expense	1,878	-	-	-	1,878
Reimbursement of expenses	-	22	-	-	22
Rent expense	1,284	-	-	-	1,284
Other transactions					
Loans disbursed	-	-	590	-	590
Loans repayment	-	314	564	-	879
Purchase of property and equipment	3,224	-	-	-	3,224

Particulars relating to remuneration of Chief Executive Officer, Directors and Executives who are key management personnel are disclosed in note 32.

	2016				Total
	Parent Company	Subsidiary / associates	Key management personnel	Others	
	(Rupees in '000)				
TRANSACTIONS					
Income					
Brokerage income earned	363	-	775	-	1,138
Custody services	6	8	30	-	44
Mark-up on staff loan	-	-	49	-	49
Profit on bank deposits	21,276	-	-	-	21,276
Expenses					
Bank charges	515	-	-	-	515
Charge in respect of contributory plan	-	-	-	5,805	5,805
Mark-up expense	14,060	-	-	-	14,060
Reimbursement of expenses	978	2	-	-	980
Rent expense	1,100	-	-	-	1,100
Other transactions					
Loans disbursed	-	-	1,000	-	1,000
Loans repayment	-	-	1,725	-	1,725
Purchase of property and equipment	-	124	-	-	124

34. PROVIDENT FUND RELATED DISCLOSURE

The following information is based on latest un-audited financial statements of the Fund:

	Note	2017	2016
		(Rupees in '000)	
Size of the fund - Total assets		47,144	69,528
Cost of investments made		52,148	55,598
Percentage of investments made		106.44%	91.54%
Fair value of investments	34.1	50,180	63,648

34.1 Break-up value of fair value of investments are:

	2017		2016	
	(Rs. in '000)	%	(Rs. in '000)	%
Government securities	-	0.00%	40,818	64.13%
Term deposits / saving accounts	49,988	99.62%	22,529	35.40%
Listed shares	192	0.38%	301	0.47%
	50,180	100.00%	63,648	100.00%

The investments out of provident fund of holding company have been made in accordance with the provisions of section 227 of the repealed Companies Ordinance, 1984 and the rules formulated for this purpose. The above figures are unaudited.

35. NUMBER OF EMPLOYEES

The average and total number of employees during the year end as at December 31, 2017 and December 31, 2016 respectively are as follows:

	2017	2016
	----(Number of employees)----	
Average number of employees during the year	145	136
Total number of employees as at year end	156	134

36. FINANCIAL INSTRUMENTS

Financial Risk Factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest/mark-up rate risk and price risk). The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Group's financial assets and liabilities are limited. The Group consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Group risk management framework. All treasury related transactions are carried out within the parameters of these policies.

36.1 Market risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group's market risk comprises of three types of risk: foreign exchange or currency risk and interest/markup rate risk and equity price risk. The market risks associated with the Group's business activities are discussed as under:

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of the financial instruments. As of the balance sheet date, the Group is exposed to such risk mainly in respect of bank balances and long term financing. Effective interest rates on such instruments are disclosed in respective notes to the financial statements.

Management of the Group estimates that 1% increase in the market interest rate, with all other factors remaining constant, would increase the Group's total comprehensive income by Rs. 3.45 million (2016: Rs. 3.40 million) and a 1% decrease would result in decrease in the Group's total comprehensive income by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of change in foreign exchange rates relates only to the investment in Al Jomaih Power Limited maintained in US dollars amounting to Rs. 474.8 million (2016: Rs. 627.2 million) [US dollars 4.3 million (2016: US dollars 6 million)].

Management of the Group estimates that 10% increase in the exchange rate between US dollars and Pak Rupees will increase the comprehensive income of the Group by Rs. 47.48 million (2016: Rs. 62.76 million) and 10% decrease in the exchange rate would result in decrease in comprehensive income of the Group by the same amount. However, in practice, the actual results may differ from the sensitivity analysis.

(iii) Equity price risk

Equity price risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The Group is exposed to price risk because of investments held by the Group and classified on the balance sheet as investments at fair value through profit or loss and available-for-sale investments. The management believes that 10% increase or decrease in the value of investments 'at fair value through profit and loss', with all other factors remaining constant would result in increase or decrease of the Group's profit by Rs. 15.20 (2016: Rs. 7.25 million) and 10% of such increase or decrease would result in increase or decrease of unrealized gain on revaluation of available-for-sale investments by Rs. 3.59 million (2016: Nil).

36.2 Liquidity risk

Liquidity risk is the risk that an enterprise may encounter difficulty in raising funds to meet commitments associated with financial instruments. The Group manages liquidity risk by following internal guidelines of the Group executive committee such as monitoring maturities of financial assets and financial liabilities and investing in liquid financial assets.

On the reporting date, the Company has cash and bank balance Rs. 498.38 million (2015:Rs. 646.31 million) unutilized credit lines Rs. 1,150 million (2016: Rs. Nil) and liquid assets in the form of short term securities Rs.152.02 million (2016: 72.49 million).

The following are the contractual maturities of financial liabilities, including estimated interest payments:

The table below summaries the maturity profile of the Group's financial liabilities:

	2017				Total
	On Demand	Upto three months	More than three months and upto one year	More than one year	
	(Rupees in '000)				
Long-term financing - secured	-	-	-	150,000	150,000
Trade and other payables	836,483	-	-	-	836,483
Accrued mark-up	38	-	-	-	38
	836,521	-	-	150,000	986,521

	2016				Total
	On Demand	Upto three months	More than three months and upto one year	More than one year	
	----- (Rupees in '000) -----				
Long term financing - secured	-	-	-	150,000	150,000
Trade and other payables	1,122,200	-	-	-	1,122,200
Accrued mark-up	37	-	-	-	37
	1,122,237	-	-	150,000	1,272,237

36.3 Credit risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continuously assessing the credit worthiness of counter parties. The Group seeks to minimise the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The table below analyses the Group's maximum exposure to credit risk:

	Note	2017 ----- (Rupees in '000) -----	2016 ----- (Rupees in '000) -----
Trade debts	36.3.1	211,666	315,462
Bank balances (see note 36.3.2)		496,953	646,305
Long-term loans and advances		1,742	476
Long-term deposits and prepayments		14,843	16,078
Advances, deposits, prepayments and other receivables		444,547	573,351
		1,169,752	1,551,673

36.3.1 The aging analysis of trade debts are as follows:

	2017		2016	
	Gross	Impairment	Gross	Impairment
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Not past due	64,287	-	163,989	-
Past due 15 day - 30 days	474	-	3,875	-
Past due 31 days - 180 days	4,371	-	5,606	-
Past due 181 days - 1 year	2,457	-	2,742	-
More than one year	140,077	(94,395)	139,249	(118,026)
	211,666	(94,395)	315,462	(118,026)

36.3.2 The analysis below summarises the credit quality of the Group's bank balances with banks / financial institutions:

	2017	2016
Rating (short-term) of Banks and Financial Institutions*		
A1	105,001	441,851
A1+	264,487	111,553
A-1	128,882	92,901
	498,369	646,305

*Rating of banks performed by PACRA & JCR-VIS.

36.4 Financial instruments by categories

	As at December 31, 2017				Total
	Asset at amortized cost	Asset at fair value through profit and loss	Loans and receivables	Other Financial Assets	
	----- (Rupees in '000) -----				
Financial assets as per balance sheet					
Long term investment	-	-	-	510,700	510,700
Long term deposits	-	-	-	14,717	14,717
Long term loans an advances	-	-	481	-	481
Short term investments	-	152,027	-	-	152,027
Trade debts	-	-	117,271	-	117,271
Advances, deposits and other receivables	-	-	441,285	-	441,285
Cash and bank balances	-	-	-	498,382	498,382
	-	152,027	559,037	1,023,799	1,734,863

Financial liabilities as per balance sheet

As at December 31, 2017

	Financial liabilities at amortized cost
	Rupees in '000
Long term financing - secured	150,000
Trade and other payables	836,483
Accrued mark-up	38
	986,521

Financial instruments by categories

As at December 31, 2016

Financial assets as per balance sheet	Asset at amortized cost	Asset at fair value through profit and loss	Loans and receivables	Other Financial Assets	Total
			(Rupees in '000)		
Long term investment	-	-	-	728,586	728,586
Long term deposits	-	-	-	-	-
Long term loans and advances	-	-	203	-	203
Short term investments	-	72,499	-	-	72,499
Trade debts	-	-	197,436	-	197,436
Advances, deposits and other receivables	-	-	569,558	-	569,558
Cash and bank balances	-	-	-	646,311	646,311
	-	72,499	767,197	1,374,897	2,214,593

As at December 31, 2016

Financial liabilities as per balance sheet

Financial
liabilities at
amortized cost

Rupees in '000

Long term financing-secured	150,000
Trade and other payables	1,122,200
Accrued mark-up	37
	1,272,237

37. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital include :

- Reinforcing Group's ability to continue as a going concern in order to provide returns to all its stakeholders with their corresponding risk profiles;
- Maintaining a strong capital base - resulting in enhancement of Group's business operations.

In order to maintain the balance of its capital structure, the Group may consider adjusting its dividend payouts, controlling non-developmental cash outflows and issuing fresh debt or capital instruments.

The Group monitors capital on the basis of the gearing ratio and its related profitability ratios. Gearing is calculated as debt divided by debt plus equity. Debt represents redeemable capital and other long-term borrowings, if any, as shown in the balance sheet. Equity represents paid-up capital of the Group, general reserve and unappropriated profit and loss.

Net capital requirements of the Group are set and regulated by PSX. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities. The Group manages its net capital requirements by assessing its capital structure against required capital level on a regular basis.

38. FAIR VALUE OF FINANCIAL INSTRUMENT

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying value and fair value estimates. The carrying values of all the financial assets and liabilities reflected in the financial statements approximate their fair values.

Under the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

38.1 Financial Assets Fair Value Hierarchy

All financial instruments carried at fair value are categorised in three categories defined as follows:

Level 1 - quoted prices in active markets for identical assets.

Level 2 - other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 - techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

As at December 31, 2017 the Group held the following financial instruments measured at fair value:

2017				
Total	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				
'Available-for-sale' investments	474,794	-	-	474,794
Investment 'at fair value through profit and loss' - held for trading	187,933	187,933	-	-
	662,727	187,933	-	474,794
2016				
Total	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				
'Available-for-sale' investments	728,586	-	-	728,586
Investment 'at fair value through profit and loss' - held for trading	72,499	72,499	-	-
	801,085	72,499	-	728,586

38.1.1 The reconciliation from the beginning to ending balances for assets measured at fair value using level 3 valuation technique is given below :

	2017	2016
	----- (Rupees in '000) -----	
Opening balance	728,586	578,438
Unrealised gain on 'available-for-sale' investments	(152,806)	150,148
Investments transferred to Level 1 due to availability of active market	(100,986)	-
Provision for impairment	-	-
Closing balance	474,794	728,586

39. OTHER DISCLOSURES UNDER REGULATION 34(2) OF THE SECURITIES BROKER (LICENSING AND OPERATIONS) REGULATION 2016:

The disclosures under the regulation 34(2), other than disclosed elsewhere in these consolidated annual financial statements are as follows:

39.1 Person holding more than 5% of shares

	2017	2016	2017	2016
	% of Holding		No. of shares	
M/s. BankIslami Pakistan Limited	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.53%	6.53%	6,532,500	6,525,000
Mr. Mohammad Aslam Motiwala	7.31%	6.66%	7,314,500	6,664,500

39.2 During the year, Mrs. Noor Jehan Bano and Mr. Mohammed Aslam Motiwala acquired 7,500 and 650,000/- shares respectively of the holding company.

39.3 As at December 31, 2017, the value of customer shares maintained with the holding company pledged with financial institution is Rs.71.72 million (December 31, 2016: Rs. 34.27 million).

39.4 As at December 31, 2017, the value of customer shares maintained with the holding company sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs.13,169 million (December 31, 2016: Rs. 13,257 million).

40. DATE OF AUTHORISATION

These financial statements have been authorised for issue by the Board of Directors of the Group on **February 20, 2018**

41. GENERAL

41.1 Corresponding figures have been rearranged and reclassified, wherever necessary, to facilitate comparison except for the following:

		2016
Transfer from component	Transfer to component	(Rupees in '000)
Trade debts (Receivable against purchase of marketable securities - net of provisions)	Trade debts (Receivable from NCCPL)	92,878
Trade and other payable (creditor)	Trade and other payable (payable to NCCPL)	35,966

41.2 Figures have been rounded off to the nearest thousand.



Chief Executive Officer



Director



Chief Financial Officer

PATTERN OF SHAREHOLDING

No. Of Shareholders	Shareholding		Shares Held	Percentage
	From	To		
681	1	100	8911	0.0089
3513	101	500	774372	0.7744
251	501	1000	198592	0.1986
184	1001	5000	446934	0.4469
30	5001	10000	230611	0.2306
12	10001	15000	149400	0.1494
6	15001	20000	107900	0.1079
3	20001	25000	72000	0.0720
2	30001	35000	64500	0.0645
2	40001	45000	85500	0.0855
3	45001	50000	143500	0.1435
1	55001	60000	56500	0.0565
1	60001	65000	62521	0.0625
1	65001	70000	65232	0.0652
2	70001	75000	147000	0.1470
1	75001	80000	75918	0.0759
1	80001	85000	82500	0.0825
1	85001	90000	87609	0.0876
1	105001	110000	110000	0.1100
1	130001	135000	131000	0.1310
1	395001	400000	400000	0.4000
1	495001	500000	500000	0.5000
1	565001	570000	569000	0.5690
1	770001	775000	775000	0.7750
1	810001	815000	814500	0.8145
1	995001	1000000	1000000	1.0000
1	1120001	1125000	1121500	1.1215
1	2720001	2725000	2723500	2.7235
2	6495001	6500000	13000000	13.0000
1	75995001	76000000	75996000	75.9960
4708			100000000	100.0000

Shareholders' Category	Number of Shareholders	Number of Shares Held	Percentage
DIRECTORS, CEO & CHILDREN	6	7625	0.0076
ASSOCIATED COMPANIES	3	435000	0.4350
BANKS, DFI & NBFIs	2	77117500	77.1175
GENERAL PUBLIC (LOCAL)	4668	21796847	21.7968
GENERAL PUBLIC (FOREIGN)	18	18927	0.0189
OTHERS	11	624101	0.6241
	4708	100000000	100.0000

PATTERN OF SHAREHOLDING ADDITIONAL INFORMATION

Description	Number of Shareholders	Number of Shares Held
Associated Companies and Related Parties		
Bankislami Pakistan Limited	2	77,117,500
Bankislami Pakistan Limited-Employee Provident Fund Trust	1	400,000
KASB Funds PS -Employees Provident Fund Trust	1	3,000
KASB Securities Limited -Employees Provident Fund Trust	1	32,000
	5	77,552,500
Directors		
Sikander Kasim	1	5,000
Kamal Uddin Tipu	1	500
Saad Ahmed Madani	1	500
Khawaja Ehrar Ul Hassan	1	625
Sohail Sikandar	1	500
Natasha Matin	1	500
	6	7,625
Individuals	4,686	21,815,774
Others	11	624,101

ڈائریکٹرز کی رپورٹ برائے ممبران

ہم بی آئی پی ایل BIPL ہیکورٹیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 31 دسمبر 2017 کے اختتام پزیر سال کی تصدیق شدہ (Audited) مالیاتی گوشوارے آپ کی خدمت میں پیش کر رہے ہیں۔

معاشی جائزہ

کلینڈر سال 17 کے دوران میں میکرو اکنامکس کے اشاریے زیادہ تر حوصلہ افزا رہے جیسا کہ ملک کی جی ڈی پی گروتھ کی شرح عشرے میں سب سے زیادہ رہی اور مالی سال 17 میں 5.2% تک پہنچ گئی۔ یہ شاندار اضافہ ایسی صورتحال میں حاصل ہوا جب کہ مالی سال 17 کے دوران میں افراط زر 4.1% کی سطح پر قائم رہا۔ ترقی کی رفتار اور مناسب افراط زر مالی سال 18 کی پہلی ششماہی اور مالی سال 17 کی دوسری ششماہی میں بھی اسی طرح رہی جب کہ ملک میں جی ڈی پی گروتھ کی شرح 5.8% اضافہ کی رفتار پر قائم رہی۔ مجموعی طور پر اس اضافہ میں LSM کا بڑا حصہ تھا جس کی وجہ سے مالی سال 18 کے پہلے پانچ ماہ میں اضافہ کی شرح 7.2% رہی جب کہ اس کے مقابلے میں مالی سال 17 میں یہ شرح 4.8% تھی اور اس طرح پورے صنعتی شعبہ میں اس اضافہ کا اثر پڑا۔ زرعی اور خدمات کے شعبہ جات میں اہم اضافہ کی توقع ہے اور امید ہے کہ مالی سال 18 میں یہ دونوں شعبہ سال بہ سال بہتر اضافہ حاصل کریں گے۔

تاہم کاروباری فضا میں اتار چڑھاؤ کا سلسلہ جاری رہا کیونکہ ملک کے طویل عرصے سے جاری مسائل کی وجہ سے تجارت میں عدم توازن کی کیفیت برقرار رہی اور ان مسائل نے ایک مرتبہ پھر سر اٹھانا شروع کر دیا۔ مالی سال 17 میں ملکی خالص برآمدات اور ترسیل زر میں سال بہ سال بالترتیب 1% اور 3% کمی آئی جب کہ سال بہ سال درآمدات میں 13% اضافہ ہوا جو باوجود بنیادی اثر کے جس میں کرنٹ اکاؤنٹ کا مجموعی خسارہ 12.4 بلین یو ایس ڈالر (جی ڈی پی کا 4.0%) رہا جو پہلے 4.8 بلین یو ایس ڈالر (جی ڈی پی کا 1.2%) تھا۔ مالی سال 18 کی پہلی ششماہی میں برآمدات میں معمولی بحالی آئی تاہم مجموعی طور پر CAD کا رجحان قابل تشویش تھا اور درآمدات میں اضافہ کی شرح برآمدات سے زیادہ رہی۔

مالیاتی پہلو کے سلسلے میں حکومت مالی خسارہ پر قابو پانے میں ناکام رہی جو جی ڈی پی کا 5.8% رہا جو کہ حکومت کے 4.0% سالانہ سے زیادہ تھا۔ اس کی بنیادی وجہ ٹیکس کی وصولی میں نہایت سست روی اور اس کے ساتھ اخراجات میں لا پرواہی ہے۔

ایکویٹی مارکیٹ کا جائزہ

کلینڈر سال 17 کی سب سے بڑی خبر MSCI کا فرٹنیر سے ایمرجنگ مارکیٹ انڈیکس کے درجہ میں شامل کرنا تھا۔ سال کے شروع سے اس وقت تک مارکیٹ کی کارکردگی مثبت رہی اور اس عرصہ میں انڈیکس 5.8% کی حد تک بحال ہو گیا جب کہ اس مدت کے دوران میں اوسط تجارتی قدر 116 بلین یو ایس ڈالر رہی۔ تاہم انڈیکس نہایت دباؤ حالت میں رہا جس کی وجہ سیاسی گہما گہمی اور معاشی فرنٹ پر تشویش کے آثار نمایاں رہے۔

اس کے بعد کے عرصہ میں انڈیکس کی کارکردگی کمزور رہی اور کلینڈر سال 17 میں انڈیکس 17% کی سطح پر واپس آ گیا۔ مارکیٹ میں اس غیر معمولی اصلاح کے بعد ٹریڈنگ ملٹیپلر جو مئی 17 میں 11.5x کی حد تک بڑھ چکے تھے، اب طویل عرصہ کے انڈیکس اوسط ملٹیپلر 8.2x کے اوسط تک گر گئے ہیں اس طرح PSX کو اس خطہ میں بے حد پرکشش قدر کی مارکیٹ کی حیثیت حاصل ہو گئی ہے۔

قرضہ اور کرنسی مارکیٹ کا جائزہ

کلینڈر سال 17 میں ملک بین الاقوامی بونڈ مارکیٹ میں داخل ہوا اور ملک کی بڑھتی ہوئی CAD کو فنڈ فراہم کرنے کیلئے صکوک اور یورو بونڈز کے نیلام کے ذریعہ 2.5 بلین یو ایس ڈالر کا قرضہ لیا گیا۔ ان پر اوسطاً 6.3% منافع پیش کیا گیا جو سرمایہ کاروں کیلئے بہت پرکشش تھا جس کا اندازہ اس سے ہوتا ہے کہ کل 8.0 بلین یو ایس ڈالر کی بولیاں موصول ہوئیں۔ ملکی سطح پر قلیل مدت کے بلوں کیلئے حکومت کے بونڈز کی بہت زیادہ طلب رہی جب کہ بینکوں کو طویل مدت کے بونڈز میں لوگوں کی عدم دلچسپی رہی۔ اس کی توضیح مارکیٹ کے شرکاء کی جانب سے رفتہ رفتہ اضافہ کی توقع سے کی جاسکتی ہے جو بہر حال جنوری 18 میں حقیقت میں ظاہر ہو گیا جب SBP کی جانب سے ڈسکاؤنٹ کی شرح میں 25 bps کا اضافہ کر دیا جس سے CAD پر دباؤ بڑھ گیا اور اس کے نتیجے میں کرنسی (دسمبر 17 میں یو ایس ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں 4.7%) کی قدر کمی واقع ہوئی۔ CAD پر آگے بھی دباؤ کی حالت میں رہنے کی امید ہے اور ہماری رائے میں کرنسی کی قدر میں مزید کمی ہوگی جس سے افراط زر میں اضافہ ہوگا۔ ان وجوہات کی بناء پر ہم توقع کرتے ہیں کہ کلینڈر سال 18 میں ڈسکاؤنٹ ریٹ میں 100bps تک اضافہ ہو سکتا ہے۔

کاروباری عمل اور مالیاتی کارکردگی

مالی سال 31 دسمبر 2017 کے دوران میں کمپنی کی رپورٹ کی مالیاتی کارکردگی کی تفصیلات مندرجہ ذیل ہیں:

مالی سال 31 دسمبر

2016	2017	
000 پاکستانی روپے	000 پاکستانی روپے	
243,633	237,885	کاروباری عمل کی آمدنی
48,907	55,420	بینک ڈپازٹس، سرمایہ کاری اور دیگر قابل وصول رقم پر مارک اپ / منافع
25,568	77,585	سرمایہ کاری کی فروخت پر منافع۔ خالص
3,676	659	ڈیویڈنڈ انکم
7,061	773	سرمایہ کاری پر غیر تعین شدہ منافع۔ خالص

2,846	59,288	دیگر آمدنی
331,691	431,610	کل آمدنی
(299,309)	(358,080)	آپریٹنگ اور انتظامی اخراجات
15	23,631	مشکوٰۃ قرضہ جات کی وصولی کا پروویژن - خالص
(14,771)	(14,181)	مالیاتی لاگت
(314,065)	(348,630)	کل اخراجات
17,626	82,980	خالص منافع (قبل از امپیرمنٹ اور ٹیکس)
(222)	(342)	طویل المدت سرمایہ کاری - سبسڈیری کی امپیرمنٹ
1,711	(44,595)	ٹیکس
19,115	38,043	خالص منافع، بعد از ٹیکس
0.19	0.38	فی شیئر آمدنی

کارپوریٹ گورننس

ڈائریکٹر تصدیق کرتے ہیں کہ مجموعی اور مالیاتی رپورٹنگ فریم ورک میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے درج ذیل کوڈ آف کارپوریٹ گورننس کی پیروی کی گئی ہے۔

- کمپنی کے حساب کتاب اور کھاتوں کو درست طور پر مرتب کیا گیا ہے۔
- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی بیانیوں (Financial Statements) میں کمپنی کے معاملات، آپریشنز کے نتائج، نقد قومات کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفاف طور پر پیش کیا گیا ہے۔
- مالیاتی اسٹیٹمنٹ اور حسابات کے تخمینہ کی تیاری میں ہر جگہ مناسب اکاؤنٹنگ پالیسی کو، جیسا کہ مالیاتی اسٹیٹمنٹس کے نوٹس 4.2 تا 4.18 میں مکمل وضاحت سے پیش کیا گیا ہے، درست طور پر استعمال کیا گیا ہے، اور حسابات کے تخمینوں میں معقولیت اور دانائی پر مبنی فیصلے کئے گئے ہیں۔

- مالیاتی اسٹیٹمنٹ، پاکستان میں لاگو منظور شدہ حسابات کے معیارات منسوخ شدہ کمپنیز آرڈیننس 1984 اور کمیشن کی جاری کردہ ہدایات کے مطابق تیار کئے گئے ہیں جو مالیاتی اسٹیٹمنٹس کے نوٹ 4.1 میں بھی درج ہیں۔

- اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے محفوظ ہے اور اس کے نفاذ اور نگرانی کا کام موثر طریقے سے کیا گیا ہے۔
- کمپنی مالی طور پر مستحکم ہے اور سرگرم عمل ہے نیز اس کے موجودہ صلاحیت میں کام جاری رکھنے میں کسی قسم کا شبہ نہیں ہے۔
- لسٹنگ ریگولیشنز میں تفصیلاً درج کارپوریٹ گورننس کے بہترین اصولوں سے کوئی حقیقی انحراف نہیں کیا گیا۔
- کمپنی کے بورڈ آف ڈائریکٹرز میں ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کی تعداد میں توازن ہے اور لسٹنگ ریگولیشنز کے مطابق دو ڈائریکٹرز خود مختار ڈائریکٹر کے معیار پر پورا اترتے ہیں۔

- ایگزیکٹو ڈائریکٹرز کی تعداد منتخب ڈائریکٹرز کی تعداد کے ایک تہائی سے زیادہ نہیں ہے۔ بورڈ آف ڈائریکٹرز کے امتزاج کی تفصیلات صفحہ نمبر 14-16 پر درج ہیں۔

- بورڈ آف ڈائریکٹرز نے یہ اطمینان کر لیا ہے کہ ڈائریکٹرز کی ذمہ داریوں، اختیارات اور کاموں کے ضوابط کا پورا پورا خیال رکھا گیا ہے اور ان پر باقاعدگی سے عمل درآمد کیا جاتا ہے۔ اس کے علاوہ کمپنی سیکرٹری، سی ایف او اور ہیڈ آف انٹرنل آڈٹ کا تقرر کوڈ کی شرائط کے مطابق کیا گیا ہے۔

- گزشتہ سالوں کی بنیادی آپریننگ اور مالیاتی معلومات صفحہ نمبر 25 پر درج ہیں۔
- 31 دسمبر 2017 پر آپ کی کمپنی کے ذمہ ٹیکس، ڈیوٹیز، محصولات اور چارجز کی مد میں کوئی واجبات نہیں ہیں سوائے ان کے جو مالیاتی اسٹیٹمنٹس میں ظاہر کئے گئے ہیں۔
- متعلقہ پارٹی کے لین دین کی تفصیلات آڈٹ کمیٹی کو پیش کی گئی ہیں اور ان کی سفارشات درج کی گئی ہیں۔
- کمپنی اپنے اہل ملازمین کے لئے منظور شدہ کنٹریبیوٹری پراویڈنٹ فنڈ کا انتظام کرتی ہے۔ غیر آڈٹ شدہ مالیاتی اسٹیٹمنٹ برائے سال 31 دسمبر 2017 کے مطابق انویسٹمنٹ کا تخمینہ تقریباً 50.18 ملین پاکستانی روپے ہے۔
- بیلنس شیٹ اور ڈائریکٹرز کی رپورٹ کے درمیان کوئی حقیقی تبدیلیاں اور وعدے نہیں کئے ہیں جو آپ کی کمپنی کی مالیاتی حیثیت پر اثر انداز ہوں۔

مجموعی سماجی ذمہ داریاں

- کمیونٹی کے بارے میں ذمہ داریاں: BIPLS ایک اچھے اجتماعی سماجی شہری ہونے کے ناطے ان افراد کا خاص خیال رکھتی ہے جن سے ان کا کاروبار وابستہ ہے اور ایسی تمام کمیونٹیز کے ساتھ تعاون کرتی ہے۔ BIPLS پورے ادارے میں کمیونٹی کے اقدامات کیلئے تعاون جاری رکھے گی جو ہر ایک کمیونٹی کے لئے مناسب ترین ہو۔

- ماحولیات کے بارے میں ذمہ داریاں: BIPLS وسیع معنی میں ماحول کے تحفظ کا خیال رکھتی ہے اور اس سلسلے میں اپنا ذمہ دارانہ کردار ادا کرتے ہوئے اپنی عمارت اور زمین پر وسائل اور خاص طور پر انرجی کے استعمال میں احتیاط کو مد نظر رکھتی ہے۔

BIPLS اپنے اخلاقی اور کاروباری امور کی انجام دہی میں مجموعی سماجی ذمہ داریوں (CSR) کو ہمیشہ پیش نظر رکھتی ہے۔ اس سلسلے میں کمیونٹی اور اسٹیک ہولڈرز کی ضرورتوں کا خاص طور پر خیال رکھا جاتا ہے اور کمپنی کی پالیسیوں، ضابطہ اخلاق اور کاروباری اہداف کے مطابق ان سے تعاون کیا جاتا ہے۔

2017 میں CSR کی سرگرمیوں کا مختصر احوال درج ذیل ہے:

- ضابطوں کی پابندی: کمپنی اور اس کے ملازمین نے ٹیکسوں کی صورت میں قومی خزانے میں 60.25 ملین پاکستانی روپے جمع کرائے۔
- افراد/افراد کی وسائل: کمپنی ملازمین کی پیشہ ورانہ صلاحیتوں کو اجاگر کرنے اور جسمانی، ذہنی اور جذباتی صحت کیلئے پالیسی پر عمل پیرا ہے اس سلسلے میں:

< کمپنی نے سٹیزن فاؤنڈیشن (ٹی سی ایف) کی ایک کلاس کو چھ ماہ کیلئے 30,000 روپے ماہانہ فراہم کئے۔

< ٹی سی ایف کے بچے کی امداد کیلئے مخصوص ملازمین کی ماہانہ تنخواہ سے ایک مقررہ رقم فراہم کی گئی۔

- افراد کی وسائل (HR) کے معیار میں بہتری کیلئے ان ہاؤس اور بیرونی تربیتی پروگراموں کا اہتمام کیا گیا۔ مثلاً:

- افرادی قوت کی گروپ کے طور پر سرگرمی جو ادارے کے اہداف کو حاصل کرنے اور ان کو موثر بنانے کیلئے بحث و مباحثہ اور ٹیم ورک کی تشکیل شامل تھی۔

- "مسائل کے حل اور فیصلہ کرنے کی صلاحیت" کی تربیت

- OICCI ویمن ایمپاورمنٹ میں شمولیت

- "رضا کارانہ طور پر خون کا عطیہ" انڈس ہسپتال کو دیا گیا

دی بورڈ

بورڈ خود مختار ڈائریکٹرز اور چارن ان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ بہترین گورننس کے معمولات کے مطابق چیئر مین اور چیف ایگزیکٹو کے عہدے علیحدہ علیحدہ رکھے گئے ہیں اور چیئر مین کا انتخاب نان ایگزیکٹو ڈائریکٹرز میں سے کیا گیا ہے۔ بورڈ نے ایک علیحدہ آڈٹ کمیٹی اور ایک ایچ آر اینڈ ریمو ریشن کمیٹی قائم کی ہے جو بورڈ کے کاموں میں ان کی مدد کرتی ہیں۔ بہترین طریقوں کے مطابق بورڈ اور آڈٹ کمیٹی کا چیئر مین ایک ہی فرد نہیں ہے۔ اس کے علاوہ ڈائریکٹرز میں سے کسی کو بھی سات سے زیادہ لسٹڈ کمپنیوں بشمول لسٹڈ کمپنیوں کی ان لسٹڈ بلی کمپنیوں میں منتخب یا نامزد نہیں کیا جاتا۔

سال 2017 میں بورڈ آف ڈائریکٹرز کی سات میٹنگز ہوئیں۔ کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق میٹنگ سے کم از کم سات دن قبل تحریری نوٹس دیا گیا سوائے کسی نمایاں مسئلے پر ہنگامی میٹنگ کیلئے، جن کی تفصیل کوڈ میں موجود ہے، جو بورڈ اور آڈٹ کمیٹی کی اطلاع، اس پر غور اور فیصلہ کیلئے بلائی گئی۔ ان میٹنگ کے منٹس بشمول اختلافی آرا کا باقاعدہ ریکارڈ رکھا گیا ہے۔

بورڈ میٹنگز میں ڈائریکٹرز کی حاضری درج ذیل کے مطابق رہی:

ڈائریکٹرز کے نام	2017 کے دوران ہونے والے اجلاسوں میں مدعو کئے گئے	2017 کے دوران ہونے والے اجلاسوں میں شرکت کی۔
کمال الدین ٹیپو۔ چیئرمین *	7	7
سعد احمد مدنی	7	6
خواجہ احرار الحسن	7	5
نشاہ متین	7	6
سہیل سکندر	7	7
سکندر قاسم	7	7
انور احمد شیخ۔ چیف ایگزیکٹو آفیسر	7	7
ڈائریکٹرز کے نام	2017 کے دوران ہونے والے اجلاسوں میں مدعو کئے گئے	2017** کے دوران ہونے والے اجلاسوں میں شرکت کی۔

بورڈ ممبرز ریٹائرڈ / مستعفی (2017 کے دوران)

منصور الرحمن خان۔ چیئرمین	6	6
انور احمد شیخ، چیف ایگزیکٹو آفیسر	7	7

* بورڈ آف ڈائریکٹرز کے اجلاس منعقدہ 19 دسمبر 2017 میں بطور چیئرمین نامزد کئے گئے۔

** تمام غیر حاضریوں کیلئے بورڈ کی جانب سے چھٹی منظور کی گئی۔

ڈائریکٹرز نے 2017 کے دوران میں بورڈ آف ڈائریکٹرز کی تشکیل میں تبدیلی کے بارے میں آگاہ کیا:

- جناب منصور الرحمن خان ڈائریکٹر / چیئرمین BIPL سیکورٹیز لمیٹڈ نے 12 دسمبر 2017 کو اپنے عہدے سے استعفیٰ دیا۔ اس طرح خالی ہونے والی عارضی اسامی معینہ مدت کے دوران میں پُر کی جائے گی۔ ان کے متبادل جناب کمال الدین ٹیپو کو بورڈ کا چیئرمین منتخب کیا گیا۔ بورڈ نے نئے چیئرمین بورڈ کا استقبال کیا اور رخصت ہونے والے چیئرمین کی خدمات کو سراہا۔

آڈٹ کمیٹی

کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق آڈٹ کمیٹی تمام تر نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ کمیٹی کے اجلاسوں میں ڈائریکٹرز کی حاضری درج ذیل کے مطابق رہی:

کمیٹی ممبرز کے نام	2017 کے دوران ہونیوالے اجلاس	2017** کے دوران اجلاسوں میں شرکت
سکندر قاسم۔ چیئر مین *	-	-
سہیل سکندر	5	5
خواجہ احرار الحسن	5	4
کمیٹی ممبرز کے نام	2017 کے دوران ہونیوالے اجلاس	2017** کے دوران اجلاسوں میں شرکت
2017 میں ریٹائرڈ/ مستعفی ہونے والے کمیٹی ممبرز		
منصور الرحمن خان	5	5

* بورڈ آف ڈائریکٹرز کے اجلاس منعقدہ 19 دسمبر 2017 میں بطور چیئر مین نامزد کئے گئے۔

** تمام غیر حاضریوں کے لئے کمیٹی کی جانب سے چھٹی منظور کی گئی۔

انسانی وسائل اور اجرتی کمیٹی

انسانی وسائل اور اجرتی کمیٹی تمام تر نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ کمیٹی کے اجلاسوں میں ڈائریکٹروں کی حاضری درج ذیل رہی:

کمیٹی ممبرز کے نام	2017 کے دوران ہونے	2017** کے دوران ہونیوالے
کمال الدین ٹیپو۔ چیئر مین *	-	-
سعد احمد مدنی	4	3
فتاحہ متین	4	2
کمیٹی ممبرز کے نام	2017 کے دوران ہونے	2017** کے دوران ہونیوالے
2017 میں ریٹائرڈ/ مستعفی ہونے والے کمیٹی ممبرز		
منصور الرحمن خان۔ چیئر مین	4	4

* بورڈ آف ڈائریکٹرز کے اجلاس منعقدہ 19 دسمبر 2017 میں بطور چیئر مین نامزد کئے گئے۔

** تمام غیر حاضریوں کے عوض کمیٹی کی جانب سے چھٹی منظور کی گئی۔

مالیاتی ذمہ داریاں

کمپنی کی انتظامیہ مالیاتی اسٹیٹمنٹس بشمول متعلقہ نوٹس تیار کرنے کی ذمہ دار ہے۔ بورڈ آف ڈائریکٹرز کی منظوری سے قبل آڈٹ کمیٹی ان مالیاتی اسٹیٹمنٹس کی جانچ کرتی ہے۔

آڈٹ کمیٹی کاروبار سے متعلق خدشات کی مانیٹرنگ کرنے، ان سے نمٹنے اور اندرونی کنٹرول کے ذریعہ ان کے خاتمے کیلئے بورڈ کی مدد کرتی ہے۔ کمیٹی کوڈ آف کارپوریٹ گورننس میں درج شرائط اور بورڈ کی منظور کردہ ٹرمز آف ریفرنس کے مطابق کام کرتی ہے۔ کمیٹی تین نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے اور سال میں پانچ مرتبہ اس کی میٹنگ ہوتی ہیں۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی افرادی وسائل کے انتظامات بشمول ان کے انتخاب، جانچ اور اہم انتظامی عملے کی سہولت کیلئے بورڈ کی مدد کرتی ہے۔

بیرونی آڈیٹرز کا تقرر

بیرونی آڈیٹرز میسرز اولیس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس اپنی مدت کی تکمیل پر ریٹائر ہو گئے ہیں۔ آڈٹ کمیٹی کی سفارشات پر بورڈ نے مالی سال 2018 کیلئے میسرز اولیس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی تائید کرتا ہے۔

شیر ہولڈنگ

شیر ہولڈنگ کا پیٹرن بمطابق 31 دسمبر 2017 صفحہ نمبر 99 پر درج ہے۔ کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور کمپنی سکریٹری کی جانب سے اطلاع کے مطابق ان کے اور ان کے شریک حیات اور چھوٹے بچوں کی جانب سے کمپنی کے شیئرز کے لین دین کی معلومات بھی اس میں شامل ہیں۔

ڈیویڈنڈز

ادارے کی توسیع و ترقی کیلئے مجموعی لیکویڈیٹی کے سلسلے میں بورڈ نے منافع کو فی الحال اپنے پاس رکھنے کا فیصلہ کیا ہے اور رواں سال میں کوئی ڈیویڈنڈ ادا نہیں کیا جائے گا۔

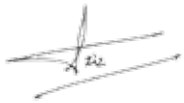
مستقبل کا منظر نامہ

معیشت کیلئے کلینڈر سال 18 میں بھی چیلنجز کا سامنا رہے گا جب کہ بڑھتے ہوئے تجارتی عدم توازن کے باعث بیرونی اکاؤنٹس میں مزید دباؤ جاری رہے گا جس کی وجہ سے مستقبل میں روپے کی قدر میں بھی کمی ہونے کا امکان ہے اور اس کے نتیجے میں افراط زر میں بھی اضافہ ہو سکتا ہے۔ اس سلسلے میں ڈسکاؤنٹ ریٹ میں 100bps کے مجموعی اضافہ ہونے کا امکان ہے۔ مزید برآں عام انتخابات تک سیاسی صورتحال میں بھی ابہام کی کیفیت جاری رہے گی جس سے سرمایہ کاروں کے جذبات میں بھی دھیمپن رہے گا

تاہم ہمیں توقع ہے کہ انتخابات کے بعد ایکویٹی مارکیٹ کی کارکردگی بہتر ہوگی جب پرکشش ویلویٹس کے سبب سرمایہ کاروں کا اعتماد بحال ہوگا۔

اعتراف

آپ کی کمپنی BIPL سیکورٹیز لمیٹڈ کے زبورڈ آف ڈائریکٹرز اپنے تمام اسٹیک ہولڈرز اور کمپنی کے ملازمین کا شکریہ ادا کرتا ہے جنہوں نے کمپنی کی ترقی کیلئے کاوشیں اور اپنا تعاون پیش کیا۔



چیف ایگزیکٹو آفیسر: عبدالعزیز انیس



ڈائریکٹر: ساد احمد مدنی

منجانب بورڈ آف ڈائریکٹر

کراچی 20 فروری 2018

ڈائریکٹر کی مالیاتی دستاویز پر رپورٹ Consolidated

بورڈ آف ڈائریکٹرز BIPL سیکورٹیز لمیٹڈ اور اس کی کل ملکیتی ذیلی کمپنی اسٹرکچرڈ وٹنچر (پرائیویٹ) لمیٹڈ کے مجموعی مالیاتی اسٹیٹمنٹس کے 31 دسمبر 2017 کو اختتام پزیر کی Consolidated رپورٹ پیش کرتا ہے۔

گروپ کے زیرِ جائزہ مجموعی مالیاتی اسٹیٹمنٹس کے 31 دسمبر 2017 کو اختتام پزیر کی Consolidated رپورٹ کا خلاصہ درج ذیل ہے:

2016	2017	
----- (000 روپے) -----		
17,404	82,638	قبل از ٹیکس منافع
1,711	(44,595)	ٹیکس
19,115	38,043	بعد از ٹیکس منافع
--	--	سال کے دوران میں ادا شدہ ڈیویڈنڈ
(475,990)	(456,875)	غیر مرتب شدہ نقصان گزشتہ سے پیوستہ
(456,875)	(418,832)	مجموعی نقصان
----- (روپے) -----		
0.19	0.38	فی شیئر آمدنی

ایکویٹی میں تبدیلی کا خلاصہ

کلینڈر سال 17 میں گروپ کا بعد از ٹیکس منافع 38.043 ملین پاکستانی روپے (فی شیئر آمدنی 0.38 روپے) رہا جب کہ کلینڈر سال 16 میں بعد از ٹیکس منافع 19.115 ملین پاکستانی روپے (فی شیئر آمدنی 0.19 روپے) تھا۔

گروپ بزنس کے مفادات کی نوعیت میں تبدیلی کا خلاصہ

BIPL سیکورٹیز لمیٹڈ اور اسٹرکچرڈ وٹنچر (پرائیویٹ) لمیٹڈ نے اپنی بنیادی نوعیت کی کاروباری سرگرمیوں میں مصروف عمل ہے اور ان کے کاروباری مفادات کی نوعیت میں کوئی تبدیلی نہیں ہوئی اور نہ ہی کاروبار کے درجہ میں۔

شیئر ہولڈنگ پیٹرن

شیئر ہولڈنگ کے بمطابق 31 دسمبر 2017 مع کوڈ آف کارپوریٹ گورننس اور کالعدم کمپنیز آرڈیننس 1984 کے سیکشن 236 کے تحت مطلوبہ ڈسکلوژر رپورٹ کے ساتھ منسلک ہے۔



چیف ایگزیکٹو آفیسر: عبدالعزیز انیس



ڈائریکٹر: ساد احمد مدنی

کراچی 20 فروری 2018

FORM OF PROXY
EIGHTEENTH ANNUAL GENERAL MEETING



The Company Secretary
BIPL Securities Limited
5th Floor, Trade Centre,
I.I. Chundrigar Road, Karachi,
Pakistan.

I / We _____ S/o, D/o, W/o _____ Holding CNIC #

Resident of _____

being member(s) of BIPL Securities Limited holding _____

ordinary shares hereby appoint Name _____ S/o, D/o, W/o _____

Holding CNIC # or failing him/her Name _____ S/o, D/o, W/o _____

who is/are also member(s) of BIPL Securities Limited as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held at ICAP Building, Chartered Accountants Avenue Clifton, Karachi on Friday, April 06, 2018 at 10:00 am and/or any adjournment thereof.

Signed this _____ day of _____ 2018

Witnesses

1. _____

2. _____

Shareholder Folio No.

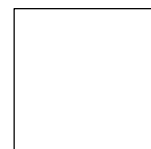
or

CDC Participant I.D.No.

&

Sub Account No.

Signature on
Ten Rupees
Revenue Stamp



The Signature should agree with the
specimen registered with the
Company's Registrar

NOTES

- The Member is requested:
 - to affix Revenue Stamp of Rs.10 at the place indicated above;
 - to sign across the Revenue Stamp in the same Style of Signature as is registered with the Company's Registrar; and
 - to write down his folio number.
- This proxy form, duly complete and signed, must be received at the office of our Registrar not later than 48 hours before time of the meeting
- No person shall act as a proxy unless he/she himself/herself is a member of the Company, except that a Corporate body may appoint a person who is not a member.
- CDC shareholders or their proxies should bring their original Computerised National Identity Card or Passport along with the Participant's ID Number and their Account number to facilitate their identification.

پراکسی فارم

اٹھارواں سالانہ اجلاس عام

کمپنی سیکریٹری

بی آئی پی ایل سیکورٹیز لمیٹڈ 5th فلور، ٹریڈ سینٹر

آئی آئی چندریگر روڈ، کراچی پاکستان

میں مسمیٰ / مسماۃ _____ ولد / زوجہ _____ شناختی کارڈ نمبر _____
_____ سکشن _____ بحیثیت ممبر بی آئی پی ایل سیکورٹیز لمیٹڈ شیئر ملکیت _____ نام _____
_____ ولد / زوجہ _____ شناختی کارڈ نمبر _____ مقرر کرتے ہیں یا نام _____
_____ ولد / زوجہ _____

جو خود بھی بی آئی پی ایل سیکورٹیز کا ممبر ہے کو بطور مختار پراکسی مقرر کرتا کرتی ہوں تاکہ وہ میری جگہ اور میری طرف سے کمپنی کے اٹھارویں سالانہ اجلاس عام جو مورخہ 6 اپریل 2018 بروز جمعہ صبح 10:00 بجے بمقام ICAP بلڈنگ چارٹرڈ اکاؤنٹنٹس ایوینیو، کلفٹن، کراچی میں منعقد ہوگا، اس میں اور اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

مورخہ _____ ۸۱۰۲ کو میرے / ہمارے دستخط سے جاری ہوا۔

گواہان _____
_____ 1. سی ڈی سی شراکت دار شناخت نمبر _____
_____ 2. سب اکاؤنٹ نمبر _____

10 روپے کے ریونیو اسٹمپ پر دستخط



ایسے دستخط کرے جیسے کمپنی کے رجسٹرار کے پاس درج ہے

نوٹ

1. ممبرز سے درخواست ہے کہ

(a) اوپر دی گئی جگہ پر 10 روپے والا ریونیو اسٹمپ چسپاں کریں۔

(b) ریونیو اسٹمپ پر ایسے دستخط کرے جیسے کمپنی کے رجسٹرار کے پاس درج ہے۔

(c) نیچے اپنا فوٹو نمبر درج کرے۔

2. اس پراکسی فارم کو مکمل پُر کر کے اپنے دستخط کریں اور رجسٹرار کے دفتر اجلاس سے 48 گھنٹے قبل لازمی پہنچ جانا چاہیے۔

3. کوئی بھی شخص پراکسی مقرر نہیں ہو سکتا جب تک کہ وہ خود کمپنی کا ممبر نہ ہو۔ علاوہ کسی ادارے کے جس نے کسی شخص کو مقرر کیا ہو۔

4. سی ڈی سی شیئر ہولڈر یا ان کے پراکسی کو کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ مع آئی ڈی نمبر اور اس کا اکاؤنٹ نمبر شناخت کیلئے ساتھ لانا لازمی ہے۔



**A dedicated team
that caters to the diverse
needs of equity investors
around the globe**

BIPL Direct

www.bipldirect.com | +92 21 111 222 001



BIPL Securities Limited

5th floor, Trade Centre, I.I. Chundrigar Road, Karachi,
UAN: +92 21 111 222 000
Fax: +92 21 3263 0202
E Mail: biplho@biplsec.com URL: www.biplsec.com