

BIPL SECURITIES LIMITED  
Net Capital Balance Statement-PSX  
For the Year ended 30<sup>th</sup> June 2017

**INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE**

To the Chief Executive Officer of BIPL Securities Limited

**Opinion**

We have audited the accompanying Statement of Net Capital Balance of BIPL Securities Limited and notes to the Statement of Net Capital Balance as at June 30, 2017 (together 'the statement').

In our opinion, the financial information in the statement of Net Capital Balance of BIPL Securities Limited as at June 30, 2017 is prepared, in all material respects, in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) issued by the Securities and Exchange Commission of Pakistan (SECP).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the statement section of our report. We are independent of the Securities Broker in accordance with the ethical requirements that are relevant to our audit of the statement in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter – Basis of Accounting and Restriction on Distribution**

We draw attention to Note 1 to the statement, which describes the basis of accounting. The statement is prepared to assist BIPL Securities Limited to meet the requirements of the SECP, Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL). As a result, the statement may not be suitable for another purpose. Our report is intended solely for BIPL Securities Limited, SECP, PSX and NCCPL and should not be distributed to parties other than BIPL Securities Limited or the SECP, PSX or NCCPL. Our opinion is not modified in respect of this matter.

**Responsibilities of Management and Those Charged with Governance for the statement**

Management is responsible for the preparation of the statement in accordance with SEC Rules 1971 and Regulations, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance is responsible for overseeing the Securities Broker's financial reporting process.

#### Auditor's Responsibility for the Audit of the statement

Our objectives are to obtain reasonable assurance about whether the statement is free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Securities Broker's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

  
Chartered Accountants  
Karachi  
Dated: 12 SEP 2017

BIPL SECURITIES LIMITED  
STATEMENT OF NET CAPITAL BALANCE FOR PSX  
AS ON JUNE 30, 2017

	Note	Rupees	%	Rupees
<b>CURRENT ASSETS</b>				
Cash in hand				39,174
Cash at banks				
Bank Balances pertaining to brokerage house				131,315,502
Bank Balances pertaining to Clients				447,938,722
	2			579,254,224
Exposure deposits with National Clearing Company of Pakistan				377,369,065
<b>Trade receivables</b>				
Book value				489,104,003
Less: Overdue for more than 14 days				(156,467,759)
	3			332,636,244
<b>Investments</b>				
Listed securities	4	10,226,495	15%	8,692,521
Securities purchased for clients	5			28,848,611
<b>Total Current Assets</b>				<u>1,326,839,839</u>
<b>CURRENT LIABILITIES</b>				
<b>Trade payables</b>				
Book value				859,342,502
Less: Overdue for more than 30 days				(273,355,938)
	6			585,986,564
Other liabilities	7			383,214,774
<b>Total Current Liabilities</b>				<u>969,201,338</u>
<b>NET CAPITAL BALANCE</b>				<u><u>357,638,501</u></u>
<b>APPORTIONMENT:</b>				
Allocation of Pakistan Stock Exchange Limited				<u>317,638,501</u>
Allocation of National Clearing Company of Pakistan Limited- For BATS				<u>20,000,000</u>
Allocation of Pakistan Mercantile Exchange Limited				<u>20,000,000</u>

  
CHIEF EXECUTIVE OFFICER



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**BIPL SECURITIES LIMITED**  
**NOTES TO THE STATEMENT OF NET CAPITAL BALANCE**  
**AS AT JUNE 30, 2017**

**1. STATEMENT OF COMPLIANCE**

The financial information has been prepared in conformity with the accounting policies of BIPL Securities Limited, requirements of the Second Schedule of Securities Brokers (Licensing and Operations) Regulations 2016 read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 issued by the Securities and Exchange Commission of Pakistan.

**Rupees**  
**June 30, 2017**

**2. CASH AT BANKS**

Bank balance pertaining to:

- The Brokerage House	131,315,502
- Clients	447,938,722
	<b>579,254,224</b>

**3. TRADE RECEIVABLES**

Trade debts are valued at cost less bad and doubtful debts and debts outstanding for more than 14 days.

Total Receivables as per financial statements	225,457,930
- Provisions	118,022,179
- Other receivable margin finance	147,507,368
	<b>265,529,547</b>
Total receivables - Gross	<b>490,987,477</b>
Less: Receivables other than equity brokerage	(1,883,474)
Gross debtors - Equity brokerage	<b>489,104,003</b>
Outstanding for more than 14 days	(156,467,759)
Balance generated within 14 days and / or not yet due	<b>332,636,244</b>

**4. INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER**

These have been valued at market price less 15% discount.

**5. SECURITIES PURCHASED FOR CLIENT**

Value of trade receivable outstanding for more than 14 days are included in the computation of net capital balance to the extent of outstanding amount or value of securities, whichever is less.



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**6. TRADE PAYABLES**

This represents balance payable against trading of shares less trade payable balances overdue for more than 30 days which has been included in other liabilities.

**7. OTHER LIABILITIES**

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

	<b>Rupees</b> <b>June 30, 2017</b>
- Trade payables overdue more than 30 days	273,355,938
- Accrued expenses	83,717,830
- Withholding tax	22,707,348
- Unclaimed dividends	1,401,294
- Others	1,994,926
- Accrued mark-up	37,438
	<u><u>383,214,774</u></u>

**8. DATE OF ISSUANCE**

This statement is being issued on 12 SEP 2017.

  
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CHIEF EXECUTIVE OFFICER



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