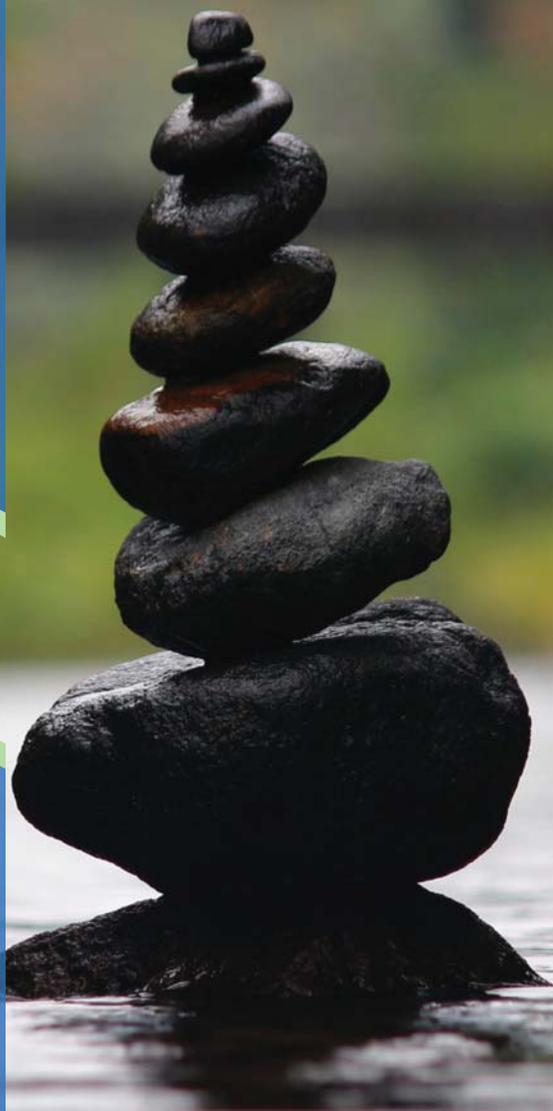


# Condensed Interim Financial Information (Un-Audited)

FOR THE  
NINE MONTHS ENDED  
SEPTEMBER 30, 2018



BIPL SECURITIES LIMITED





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# COMPANY INFORMATION

## BOARD OF DIRECTORS

Kamal Uddin Tipu – Chairman  
Sikander Kasim – Director  
Muhammad Hafeezuddin Asif – Director  
Saad Ahmed Madani – Director  
Khurram Jamil – Director  
Sohail Sikandar – Director  
Natasha Matin – Director

## AUDIT COMMITTEE

Sikander Kasim - Chairman  
Sohail Sikandar  
Syed Sameer Abbas Ali - Secretary

## HR & R COMMITTEE

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

## CHIEF EXECUTIVE OFFICER

Abdul Aziz Anis - CFA

## COMPANY SECRETARY

Arsalan Farooq

## CHIEF FINANCIAL OFFICER

Zafar Ahmed Khan

## AUDITORS

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

## CREDIT RATING

JCR-VIS Credit Rating Company Limited

## BANKERS

Allied Bank Limited  
Bank Al-Habib Limited  
Bank Al-Falah Limited  
Bank Islami Pakistan Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited

## LEGAL ADVISORS

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

## TAX ADVISOR

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

## REGISTERED OFFICE

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

## SHARE REGISTRAR

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1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi  
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Email: secretariat@thk.com.pk

# DIRECTORS' REVIEW TO THE MEMBERS

On behalf of the Board of Directors, we are pleased to place before you the unaudited standalone and consolidated condensed interim financial information of BIPL Securities Limited (BIPLS) for nine months ended September 30, 2018.

## ECONOMIC REVIEW

The country continues to be beset by tough economic challenges both on the external and local front. In this regard, the CAD during 2MFY18 has further ballooned by 10%YoY to USD2.7bn while the import cover has declined to less than 2 months. This has resulted in the currency depreciating by 1% in the open market towards the tail end of the quarter. However, for the quarter ended the currency has depreciated by ~6.4% QoQ owing to the aforementioned challenges.

The Central Bank (SBP) raised the benchmark interest rates by 175bps during 9MCY18. Continued struggles on external account, strong local demand and upturn in commodity cycle were cited as the key reasons for the hike in benchmark rates.

Inflation, which averaged below 4.0% mark during FY18, has picked up significantly in 3QCY18 and averaged 5.6% in the outgoing quarter. Also, with currency having depreciated by ~6% in the past quarter, the impact of which is yet to fully reflect in the local price index, gas rates rising by 10% - 143% and international oil prices remaining elevated, the inflation is expected to increase further from current levels by the end of FY19.

## EQUITY MARKET REVIEW

The KSE-100 Index performance remained dismal during 3QCY18, returning -2% over the said period with a cumulative return during CY18 so far standing at only 1.3%. With the PKR shedding ~13% of its value during 9MCY18, USD adjusted index return during the period currently stands slightly below -11%, making PSX one of the worst performing markets in the region.

Market participation remained dull during the 9MCY18 as reflected by 43% YoY and 31% YoY decline in All Share Average Daily Traded Value (ADTV) and All Share Average Daily Traded Volume (ADT), respectively, as confidence amongst investors remained weak.

Owing to deteriorating economic indicators, foreign investors continued their selling spree with net FIPI outflow clocking in at USD189mn during 3QCY18 alone and cumulating to net outflow of USD322mn during 9MCY18. With economic outlook remaining weak, we expect foreign investors to continue to be net sellers in the market until the country achieves some semblance of stability in its external account.

## OPERATING AND FINANCIAL PERFORMANCE

Details of financial performance for the nine months ended September 30, 2018 are as follows:

	Nine months ended September 30, 2018	
	2018	2017
	----- (Rupees in '000) -----	
Operating revenue	<b>140,767</b>	195,978
Mark-up / profit on bank deposits, investments & other receivables	<b>40,018</b>	38,988
Gain on sale of investments – net	<b>11,435</b>	74,845
Dividend income	<b>84</b>	303
Unrealized loss on investments –net	<b>(2,734)</b>	(1,768)
Other income	<b>8,183</b>	62,102
<b>Total income</b>	<b>197,753</b>	370,448
Operating and administrative expenses	<b>(231,919)</b>	(269,268)
Finance cost	<b>(10,972)</b>	(10,643)
<b>Total expenses</b>	<b>(242,891)</b>	(279,911)
<b>Net (loss) / profit (before impairment and taxation)</b>	<b>(45,138)</b>	90,537
Impairment on long term investment- Subsidiary	<b>(125)</b>	(73)
Taxation	<b>13,760</b>	(21,280)
<b>Net (loss) / profit after taxation</b>	<b>(31,503)</b>	69,184
	----- (Rupees) -----	
(Loss) / Earnings per share	<b>(0.32)</b>	0.69

The company's operating revenue has dropped due to poor equity market volumes. As mentioned earlier, for the first 9 months of the year volumes were down by 31% YoY as investors remained mostly on the sidelines due to poor economic and uncertain political conditions. In order to counter this, the company focused on keeping costs under control and was successful in reducing overall costs by 13% YoY.

## FUTURE OUTLOOK

For the remaining part of CY18 we expect the equity market to remain range-bound to weak due to uncertain economic conditions, rising interest rates, tightening liquidity, weak currency and continued net foreign selling. Nonetheless, if the country manages to stabilize the external account position then this may serve as a trigger to somewhat improve investor confidence and hence help to stabilize the market and improve overall trading volumes.

Your company will continue to focus on keeping operating costs under control while ensuring that revenues continue to grow in line with overall market volumes and investor sentiments.

## ACKNOWLEDGEMENT

The Board of Directors appreciates the services rendered by Mr. Khawaja Ehrar ul Hassan, who has resigned from his Directorship of the company and wishes him well in his future endeavors. Furthermore, the Board of Directors welcomes the new incoming Director, Mr. Khurram Jamil, to fill up the casual vacancy in his place.

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

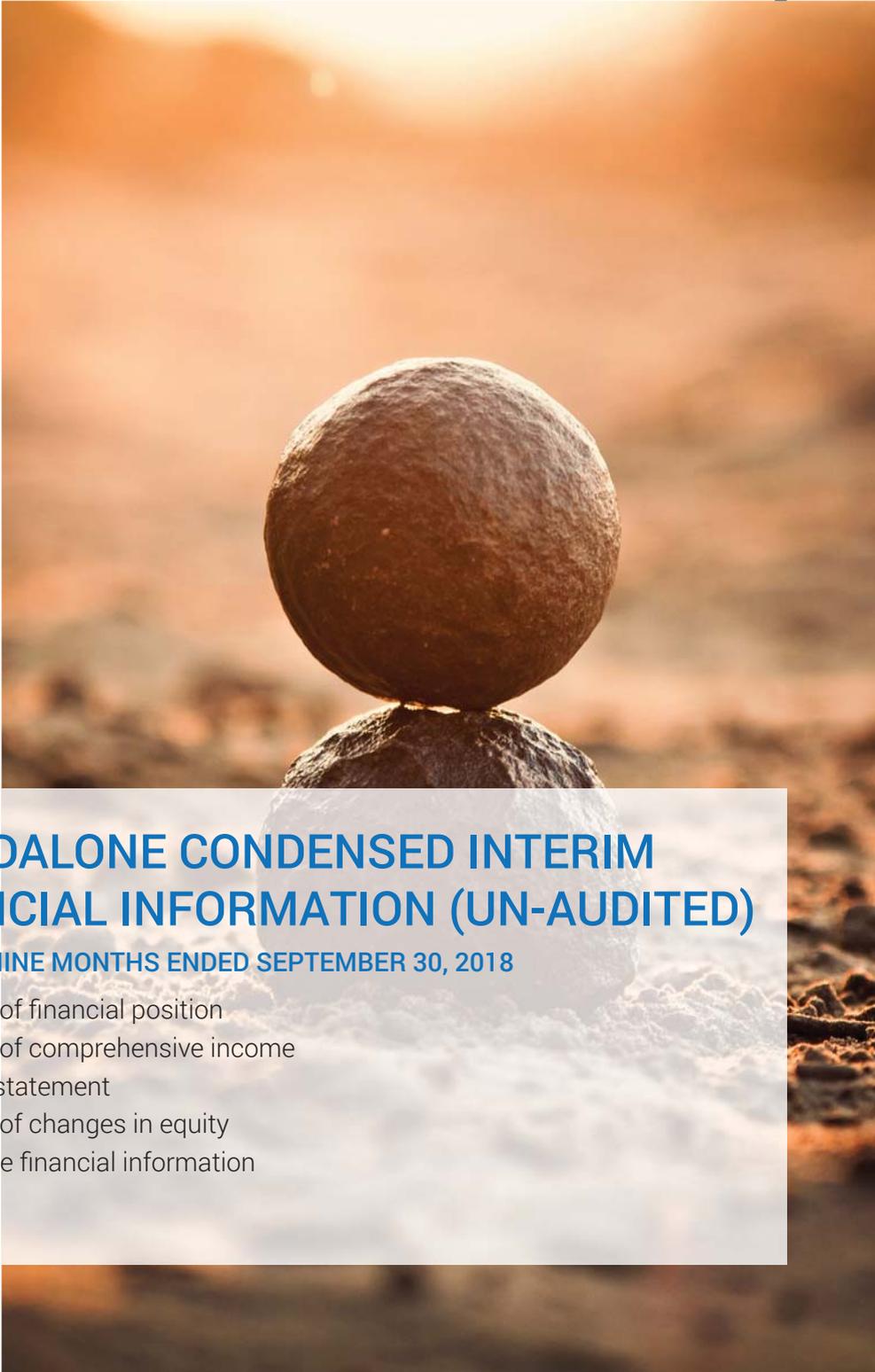


Chief Executive Officer



Director

Karachi, October 18, 2018



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

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018**

Statement of financial position

Statement of comprehensive income

Cash flow statement

Statement of changes in equity

Notes to the financial information

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

### AS AT SEPTEMBER 30, 2018

	(Un-audited)	(Audited)
Note	September 30, 2018	December 31, 2017

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

### ASSETS

#### Non-Current Assets

Property and equipment	4	35,781	37,480
Intangible assets		4,782	5,562
Investment properties	4.1	-	5,066
Long-term investments	5	561,578	512,211
Long-term loans and advances		384	481
Long-term deposits and prepayments		22,507	14,843
Deferred tax asset - net	15	67,185	35,721
		<b>692,217</b>	<b>611,364</b>

#### Current Assets

Short-term investments	6	88,559	152,027
Trade debts	7	96,952	117,271
Advances, deposits, prepayments and other receivables	8	302,877	445,805
Taxation - net		101,680	92,425
Cash and bank balances	9	475,568	496,966
		<b>1,065,636</b>	<b>1,304,494</b>

#### TOTAL ASSETS

	<b>1,757,853</b>	<b>1,915,858</b>
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### EQUITY AND LIABILITIES

#### Share Capital and Reserves

Authorized Capital		2,000,000	2,000,000
Issued, subscribed and paid-up capital		1,000,000	1,000,000
General reserve		18,752	18,752
Unrealised gain on re-measurement of 'available-for-sale' investments to fair value - net		374,557	325,065
Accumulated losses		(450,335)	(418,832)
		<b>942,974</b>	<b>924,985</b>

#### Non-Current Liabilities

Long-term financing	10	150,000	150,000
---------------------	----	---------	---------

#### Current Liabilities

Trade and other payables	11	664,840	840,835
Accrued mark-up		39	38
		<b>664,879</b>	<b>840,873</b>

#### TOTAL EQUITY AND LIABILITIES

	<b>1,757,853</b>	<b>1,915,858</b>
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#### CONTINGENCIES AND COMMITMENTS

12

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2018

	Note	Nine Months Ended		Quarter Ended	
		September 30		September 30	
		2018	2017	2018	2017
----- (Rupees in '000) -----					
Operating revenue	13	140,767	195,978	43,281	45,337
<b>Net gain on investment</b>					
Gain on sale of investments 'at fair value through profit and loss' - net		11,435	10,120	4,057	2,214
Gain on sale of 'available-for-sale' investments - net	5.2.2	-	64,725	-	-
Unrealised loss on re-measurement of investments 'at fair value through profit or loss' - net		(2,734)	(1,768)	(2,291)	(1,196)
		8,701	73,077	1,766	1,018
Dividend income		84	303	-	-
Mark-up / profit on bank deposits and other receivables	14	40,018	38,988	13,283	13,214
		189,570	308,346	58,330	59,569
Operating and administrative expenses		(231,958)	(269,272)	(78,173)	(81,637)
Impairment on long-term investment - Subsidiary	5.1	(125)	(73)	(42)	(16)
Reversal of provision against doubtful debts - net	7.3	39	4	1	-
		(232,044)	(269,341)	(78,214)	(81,653)
<b>Operating (loss) / profit</b>		(42,474)	39,005	(19,884)	(22,084)
Finance cost		(10,972)	(10,643)	(3,831)	(3,616)
		(53,446)	28,362	(23,715)	(25,700)
Other income		8,183	62,102	2,772	20,976
<b>(Loss) / profit before taxation</b>		(45,263)	90,464	(20,943)	(4,724)
<b>Taxation</b>					
Current - for the period		(17,704)	(12,018)	(1,794)	(8,589)
Deferred	15	31,464	(9,262)	4,466	1,321
		13,760	(21,280)	2,672	(7,268)
<b>(Loss) / profit after taxation</b>		(31,503)	69,184	(18,271)	(11,992)
<b>Other comprehensive income / (loss) for the period:</b>					
Reclassification adjustment on disposal of 'available-for-sale' investment included in profit and loss account - net		-	(58,435)	-	-
Reversal of deferred tax liability related to component of other comprehensive income		-	21,913	-	-
Unrealized gain / (loss) arising during the period on re-measurement of 'available-for-sale' investments - net		49,492	993	6,096	(1,247)
		49,492	(35,529)	6,096	(1,247)
<b>Total comprehensive income / (loss) for the period</b>		17,989	33,655	(12,175)	(13,239)
----- (Rupees) -----					
(Loss) / Earnings per share - basic and diluted		(0.32)	0.69	(0.18)	(0.12)

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



Chief Executive Officer



Director



Chief Financial Officer

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

Nine Months Ended September 30,	
2018	2017
----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
(Loss) / profit before taxation	(45,263)      90,464
<b>Non-cash adjustments to reconcile profit / (loss) before tax to net cash flows:</b>	
Depreciation	8,874      8,706
Amortisation	780      750
Gain on sale of investments 'at fair value through profit and loss' - net	(11,435)      (10,120)
Gain on sale of 'available-for-sale' investments - net	-      (64,725)
Gain on sale of property and equipment	(1,370)      (56)
Unrealised loss on re-measurement of investments 'at fair value through profit or loss' - net	2,734      1,768
Impairment on long-term investment - Subsidiary	125      73
Reversal of provision against doubtful debts-net	(39)      (4)
Finance cost	10,972      10,643
Dividend income	(84)      (303)
	<b>10,557      (53,268)</b>
	<b>(34,706)      37,196</b>
<b>Working capital adjustments:</b>	
<b>Decrease in current assets</b>	
Trade debts	20,358      133,593
Advances, deposits, prepayments and other receivables	142,928      270,129
	<b>163,286      403,722</b>
<b>Decrease in current liabilities</b>	
Trade and other payables	(175,995)      (408,224)
	<b>(47,415)      32,694</b>
Finance cost paid	(10,973)      (10,643)
Income tax paid	(26,959)      (38,334)
	<b>(85,347)      (16,283)</b>
<b>Net cash flows used in operating activities</b>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Investments 'at fair value through profit or loss' - net	72,169      (25,146)
Purchase of property and equipment	(2,609)      (7,404)
Purchase of intangible assets	-      (3,406)
Proceeds from disposal of property and equipment	1,872      164
Dividend received	84      1,357
	<b>71,516      (34,435)</b>
<b>Net cash flow generated from / (used in) investing activities</b>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Long-term loans and advances	97      (32)
Long-term deposits and prepayments	(7,664)      6,771
Long-term investment	-      66,882
Dividend paid	-      (1)
	<b>(7,567)      73,620</b>
<b>Net cash flows (used in) / generated from financing activities</b>	
<b>Net (decrease) / increase in cash and cash equivalents</b>	
Cash and cash equivalents at the beginning of the period	496,966      644,614
Cash and cash equivalents at the end of the period	<b>475,568      667,516</b>

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



Chief Executive Officer



Director



Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	Share Capital	General Reserve	Accumulated (loss) / profit	Unrealised gain / (loss) on re-measurement of 'available-for-sale' investments to fair value - net	Total
----- (Rupees in '000') -----					
<b>Balances as at January 01, 2017</b>	1,000,000	18,752	(456,875)	518,881	1,080,758
Total comprehensive income for the period	-	-	69,184	(35,529)	33,655
<b>Balance as at September 30, 2017</b>	1,000,000	18,752	(387,691)	483,352	1,114,413
Total comprehensive loss for the period	-	-	(31,141)	(158,287)	(189,428)
<b>Balance as at December 31, 2017</b>	1,000,000	18,752	(418,832)	325,065	924,985
Total comprehensive income for the period	-	-	(31,503)	49,492	17,989
<b>Balance as at September 30, 2018</b>	1,000,000	18,752	(450,335)	374,557	942,974

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



Chief Executive Officer



Director



Chief Financial Officer

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

### 1. STATUS AND NATURE OF BUSINESS

- 1.1 BIPL Securities Limited (the Company) was incorporated in Pakistan on October 24, 2000 under the Companies Ordinance, 1984 (now Companies Act, 2017) and commenced its operations effective January 1, 2003, on the transfer of assets and liabilities of the securities segment of the then Khadim Ali Shah Bukhari and Company Limited under a Scheme of Arrangement approved by the High Court of Sindh. The shares of the Company are listed on the Pakistan Stock Exchange Limited (PSX). The registered office of the Company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.
- 1.2 The Company is a subsidiary of BankIslami Pakistan Limited (BIPL) - (the Parent Company), which holds 77.12% shares of the Company.
- 1.3 The Company is a TREC holder of the Pakistan Stock Exchange Limited (PSX) and Corporate member of Pakistan Mercantile Exchange Limited (PMEX) and is principally engaged in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research, advisory services, consultancy and corporate finance services.
- 1.4 These are separate condensed Interim Financial Information of the Company in which investment in subsidiary is reported on the basis of direct equity interest and is not consolidated.
- 1.5 These condensed Interim Financial Information have been prepared under the historical cost convention except for investments which are carried at fair value.

### 2. STATEMENT OF COMPLIANCE

- 2.1 These condensed Interim Financial Information for the nine months ended September 30, 2018 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 2.2 These condensed Interim Financial Information do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the company's annual financial statements for the year ended December 31, 2017.
- 2.3 These condensed Interim Financial Information are un-audited.

### 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed Interim Financial Information are consistent with those of the previous financial year except as follows:

#### New, amended and revised standards and interpretations of International Financial Reporting Standards (IFRSs).

The Company has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current period:

**IFRS 2:** Share - based Payments - Classification and Measurement of Share - based Payments Transactions (Amendments)

**IAS 40:** Investment Property - Amendments to clarify transfers or property to, or from, investment property

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the condensed Interim Financial Information.

### 4. PROPERTY AND EQUIPMENT

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

	Note	Nine Months Ended (Un-audited)		Year Ended (Audited)	
		September 30, 2018		December 31, 2017	
		Additions / Transfers Cost	Disposals Cost	Additions Cost	Disposals Cost
----- (Rupees in '000) -----					
Office premises-leasehold	4.1	5,804	-	511	-
Furniture and fixtures		363	-	916	(178)
Computers and office equipment		2,246	(750)	18,710	(672)
Vehicles		-	(2,509)	-	-
		8,413	(3,259)	20,137	(850)

4.1 As at March 31, 2018, company had transferred its investment property having net book value of Rs.4.99 million.

## 5. LONG-TERM INVESTMENTS

	Note	(Un-audited)	(Audited)
		September 30, 2018	December 31, 2017
----- (Rupees in '000') -----			
Subsidiary company- Structured Venture (Private) Limited (SVPL)	5.1	1,386	1,511
'Available-for-sale' investments	5.2	560,192	510,700
		<b>561,578</b>	512,211
<b>5.1 Subsidiary Company</b>			
Cost		488,581	488,581
Less: Provision for impairment		(487,195)	(487,070)
		<b>1,386</b>	1,511

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. On the recommendation/ approval of SECP, NAB has initiated enquiry into the matter.

During the period, the Company has recognized further impairment as the net assets of SVPL has decreased due to operating losses.

### 5.2 'Available-for-sale' investments

#### Name of the Investee Company

##### Quoted shares

Pakistan Stock Exchange Limited	5.2.1 & 5.2.2	25,920	35,906
---------------------------------	---------------	--------	--------

##### Unquoted shares

Al Jomaih Power Limited	5.2.3	534,272	474,794
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New Horizon Exploration and Production Limited - (Related Party)

- Class 'A' ordinary shares		31,629	31,629
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Less: impairment		(31,629)	(31,629)
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	5.2.4	-	-
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		<b>560,192</b>	510,700
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**5.2.1** This represents 1,602,953 shares having a market value of Rs. 16.17 per share as at September 30, 2018 (December 31, 2017: Rs. 22.40 per share).

The Company's entitlement in respect of PSX's shares was determined on the basis of valuation of assets and liabilities of PSX as approved by the SECP and 4,007,383 shares of the face value of Rs 10/- each were allotted to the Company, out of which 2,404,430 shares were kept in the blocked account and the divestment of the same was to be made in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 [the Act] within two years from the date of promulgation of the Act. On December 22, 2016, the Divestment Committee of PSX accepted the highest bid price of Rs. 28 per share from Chinese Consortium to divest 40% equity stake held by the existing shareholders of PSX, which were kept in the blocked account as mentioned above, under the Act 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 was retained for a period of one year to settle any outstanding liabilities of PSX, the amount has been subsequently received.

**5.2.2** During the quarter ended March 31, 2017, the company 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 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 the Act. The shares of PSX was 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. On June 13, 2018, PSX had released 521,759 blocked shares as were required under above mentioned regulations and had kept remaining 1,081,194 shares as blocked which will be released in June 2020.

Further, the company has pledged 1,081,194 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.

**5.2.3** The Company's investment in unquoted shares of Al Jomaih Power Limited are valued at its fair value based on the net assets value of the investee company as at December 31, 2017. The changes in fair value is due to upward valuation of foreign currency.

**5.2.4** In year 2015, the management carried out impairment testing of its investment in New Horizon Exploration and Production Limited (NHEPL), as required by relevant accounting standards as applicable in Pakistan. Based on such analysis, the Company fully impaired its investment in NHEPL and an impairment loss of Rs. 31.63 million was recognised up to 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.

**6. 'SHORT-TERM INVESTMENTS**

**At fair value through profit or loss**

Note

	(Un-audited)	(Audited)
	September 30, 2018	December 31, 2017
----- (Rupees in '000) -----		
- Listed Shares	<b>88,559</b>	152,027
- Term Finance Certificates	-	-
	<b>88,559</b>	152,027

**6.1** This includes shares with carrying value of Rs. 88.56 million (December 31, 2017: Rs. 127.35 million) which have been pledged with NCCPL against exposure margin.

**6.2 Term Finance Certificates**

'Pace Pakistan Limited (Face value of 10,000 certificates at Rs. 5,000/- each)

Cost

Less: impairment

6.2.1

<b>45,369</b>	45,369
<b>(45,369)</b>	(45,369)
-	-

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

## 7. TRADE DEBTS

	Note	(Un-audited)	(Audited)
		September 30, 2018	December 31, 2017
----- (Rupees in '000) -----			
Receivable against purchase of marketable securities - net of provisions	7.2	77,675	113,459
Receivable from NCCPL		15,173	75
Inter-bank brokerage		3,693	2,790
Fees		411	947
		<b>96,952</b>	<b>117,271</b>

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

### 7.2 Considered Good

Secured		24,954	59,661
Unsecured		9,479	10,655
		<b>34,433</b>	<b>70,316</b>
<b>Considered doubtful</b>		<b>137,598</b>	<b>137,538</b>
Less: provision for doubtful debts	7.3	(94,356)	(94,395)
		<b>77,675</b>	<b>113,459</b>

### 7.3 Reconciliation of provisions against trade debts

Opening balance		94,395	118,026
Provision for the period / year		-	1,771
Reversal of provision during the period / year		(39)	(25,402)
		<b>(39)</b>	<b>(23,631)</b>
	7.3.1	<b>94,356</b>	<b>94,395</b>

7.3.1 Provision against doubtful debts has been made after considering the market value of listed shares amounting to Rs. 43.24 million (December 31, 2017: Rs. 43.14 million) held in custody by the Company against respective customer accounts.

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

Not past due		41,341	64,287
Past due 15 day - 30 days		1,081	474
Past due 31 days - 180 days		4,241	4,371
Past due 181 days - 1 year		3,237	2,457
More than one year-net of provision		47,052	45,682
		<b>96,952</b>	<b>117,271</b>

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

Note	(Un-audited)	(Audited)
	September 30, 2018	December 31, 2017
----- (Rupees in '000') -----		
<b>Advances to:</b>		
- Suppliers	3,791	2,086
- Current portion of long-term loans and advances to employees and executives	680	1,261
	<b>4,471</b>	<b>3,347</b>
<b>Deposits:</b>		
- Exposure deposit with NCCPL	167,262	330,814
- Exposure deposit with PMEX	3,011	5,400
- Others	2,100	2,200
	<b>172,373</b>	<b>338,414</b>
<b>Prepayments:</b>		
- Rent	1,610	1,748
- Insurance	1,111	1
- Software development and maintenance	808	702
- Others	1,333	2,072
	<b>4,862</b>	<b>4,523</b>
<b>Other receivables:</b>		
- Profit on bank deposits	3,123	4,129
- Profit on exposure deposit with NCCPL	827	533
- Receivable against margin finance	107,461	87,300
- Unrealized gain on revaluation of future equity transaction	2,949	-
- Receivable from PSX against sale of shares	-	4,488
- Others	6,811	3,071
	<b>121,171</b>	<b>99,521</b>
	<b>302,877</b>	<b>445,805</b>

## 9. CASH AND BANK BALANCES

### Cash at bank in:

#### Company accounts

- Current accounts	2,412	2,896
- Saving accounts	20,208	79,863
	<b>22,620</b>	<b>82,759</b>

#### Client accounts

- Current accounts	9	12
- Saving accounts	452,761	414,182
	<b>452,770</b>	<b>414,194</b>

	<b>475,390</b>	<b>496,953</b>
Cash in hand	168	-
Stamps in hand	10	13
	<b>475,568</b>	<b>496,966</b>

9.1 These carry profit at the rates ranging from 2.6% to 7% (December 31, 2017: 1.4% to 5.6%) per annum.

9.2 This includes Rs. 77.21 million (December 31, 2017: Rs. 103.59 million) with BankIslami Pakistan Limited, the Parent Company.

## 10. LONG TERM FINANCING

	Note	(Un-audited)	(Audited)
		September 30, 2018	December 31, 2017
----- (Rupees in '000) -----			
Loan from financial institution	10.1	150,000	150,000

10.1 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). 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.

## 11. TRADE AND OTHER PAYABLES

Trade creditors	565,532	739,644
Payable to NCCPL	62,085	51,959
Accrued expenses	30,620	42,664
Withholding tax	2,966	3,070
Unclaimed dividend	1,404	1,404
Others	2,233	2,094
	<b>664,840</b>	<b>840,835</b>

## 12. CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

There is no change in the status of contingencies as disclosed in the published annual financial statements for the year ended December 31, 2017.

### 12.2 Commitments

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

92,232	125,503
--------	---------

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	3,796	3,895
Later than one year but not later than five years	7,161	9,988
	<b>10,957</b>	<b>13,883</b>

## 13. OPERATING REVENUE

	(Un-audited) Nine Months Ended		(Un-audited) Quarter Ended	
	September 30,		September 30,	
	2018	2017	2018	2017
----- (Rupees in '000) -----				
Brokerage	134,780	189,527	42,377	44,591
Subscription research income	3,501	2,750	72	62
Financial advisory fee	-	1,443	-	-
Custody services	2,486	2,258	832	684
	<b>140,767</b>	<b>195,978</b>	<b>43,281</b>	<b>45,337</b>

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

Profit on bank deposits	29,857	27,239	9,793	9,256
Margin finance income	10,035	11,632	3,446	3,917
Others	126	117	44	41
	<b>40,018</b>	<b>38,988</b>	<b>13,283</b>	<b>13,214</b>

## 15. TAXATION

Pursuant to the amendment in Income Tax laws through Finance Act 2018, company's equity brokerage income which was previously taxable under FTR will now be taxable under NTR. As a result the company had recorded deferred tax asset on deductible differences which were previously not adjustable under FTR.

## 16. RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of BankIslami Pakistan Limited (the Parent Company), associated undertakings (including companies under common directorship), employee benefit plans and its key management personnel. The balances with related parties as at September 30, 2018 and December 31, 2017 and transactions with related parties during the period ended September 30, 2018 and September 30, 2017 are as follows:

-----As at September 30, 2018 (Un-audited)-----					
Parent Company	Subsidiary/ Associates	Directors	Other Key Management Personnel	Others	Total
----- (Rupees in '000) -----					
<b>BALANCES</b>					
Accrued mark-up	39	-	-	-	39
Bank balances	77,214	-	-	-	77,214
Ijarah deposits	2,107	-	-	-	2,107
Ijarah rental payable	1,279	-	-	-	1,279
Long-term financing	150,000	-	-	-	150,000
Profit receivable on bank deposit	505	-	-	-	505
Rent payable	210	-	-	-	210
Trade debts	138	-	2	-	140
Trade payables	-	2	8	-	10
Provident fund contribution payable	-	-	-	1,117	1,117

-----As at December 31, 2017 (Audited)-----					
Parent Company	Subsidiary/ Associates	Directors	Other Key Management Personnel	Others	Total
----- (Rupees in '000) -----					
<b>BALANCES</b>					
Accrued mark-up	38	-	-	-	38
Bank balances	103,585	-	-	-	103,585
Ijarah deposits	2,107	-	-	-	2,107
Ijarah rental payable	542	-	-	-	542
Long-term financing	150,000	-	-	-	150,000
Profit receivable on bank deposit	605	-	-	-	605
Prepaid rent	106	-	-	-	106
Loan / Advance Receivable	-	-	26	-	26
Receivable against financial advisory	500	-	-	-	500
Trade debts	23	26	2	3	54
Trade payables	-	-	-	1,059	1,059

-----Nine months ended September 30, 2018 (Un-audited)-----					
Parent Company	Subsidiary/ Associates	Directors	Other Key Management Personnel	Others	Total

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

**TRANSACTIONS****Income**

Brokerage income earned	672	11	-	50	-	733
Custody services-net	4	1	2	-	-	7
Markup income	-	-	-	8	-	8
Profit on bank deposits	7,005	-	-	-	-	7,005

**Expenses**

Bank charges	79	-	-	-	-	79
Charge in respect of contributory plan	-	-	-	-	4,710	4,710
Mark-up expense	10,697	-	-	-	-	10,697
Remuneration to key management personnel	-	-	840	17,558	-	18,398
Reimbursement of expenses	-	2	-	-	-	2
Ijarah rental	2,791	-	-	-	-	2,791
Rent expense	946	-	-	-	-	946

-----Nine months ended September 30, 2017 (Un-audited)-----					
Parent Company	Subsidiary/ Associates	Directors	Other Key Management Personnel	Others	Total

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

**TRANSACTIONS****Income**

Brokerage income earned	927	-	-	493	-	1,420
Custody services-net	4	6	-	5	-	15
Financial advisory income	442	-	-	-	-	442
Markup income	-	-	-	5	-	5
Profit on bank deposits	9,895	-	-	-	-	9,895

**Expenses**

Bank charges	118	-	-	-	-	118
Charge in respect of contributory plan	-	-	-	-	4,757	4,757
Ijarah rental	1,178	-	-	-	-	1,178
Mark-up expense	10,309	-	-	-	-	10,309
Reimbursement of expenses	-	22	-	-	-	22
Remuneration to key management personnel	-	-	1,320	18,232	-	19,552
Rent expense	972	-	-	-	-	972

**Other transactions**

Loan disbursed - net	-	-	-	33	-	33
Repayment of advances / deposits	-	314	-	-	-	314
Purchase of property and equipment	3,224	-	-	-	-	3,224

## 17. OTHER DISCLOSURES UNDER REGULATION 34(2) OF SECURITIES BROKERS (LICENSING AND OPERATIONS) REGULATIONS 2016:

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

17.1 Persons holding more than 5% of shares	% of holding		Number of shares	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
M/s. BankIslami Pakistan Limited	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.54%	6.53%	6,535,500	6,532,500
Mr. Mohammad Aslam Motiwala	7.31%	7.31%	7,314,500	7,314,500

17.2 During the period Mrs. Noor Jehan Bano acquired 3,000/- shares of the company.

17.3 As at September 30, 2018 the value of customer shares maintained with the Company pledged with financial institutions is Rs. 87.99 million (December 31, 2017: Rs. 71.72 million).

17.4 As at September 30, 2018 value of customers shares maintained in the Company's Sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs. 13,728 million (December 31, 2017: Rs. 13,169 million).

## 18. DATE OF AUTHORISATION

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Company on October 18, 2018.

## 19. GENERAL

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

		December 31, 2017
		---- (Rupees in '000) ----
<b>Transfer from Component</b>	<b>Transfer to Component</b>	
Trade Debts (Secured)	Trade Debts (Considered Doubtful)	<b>42,920</b>

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



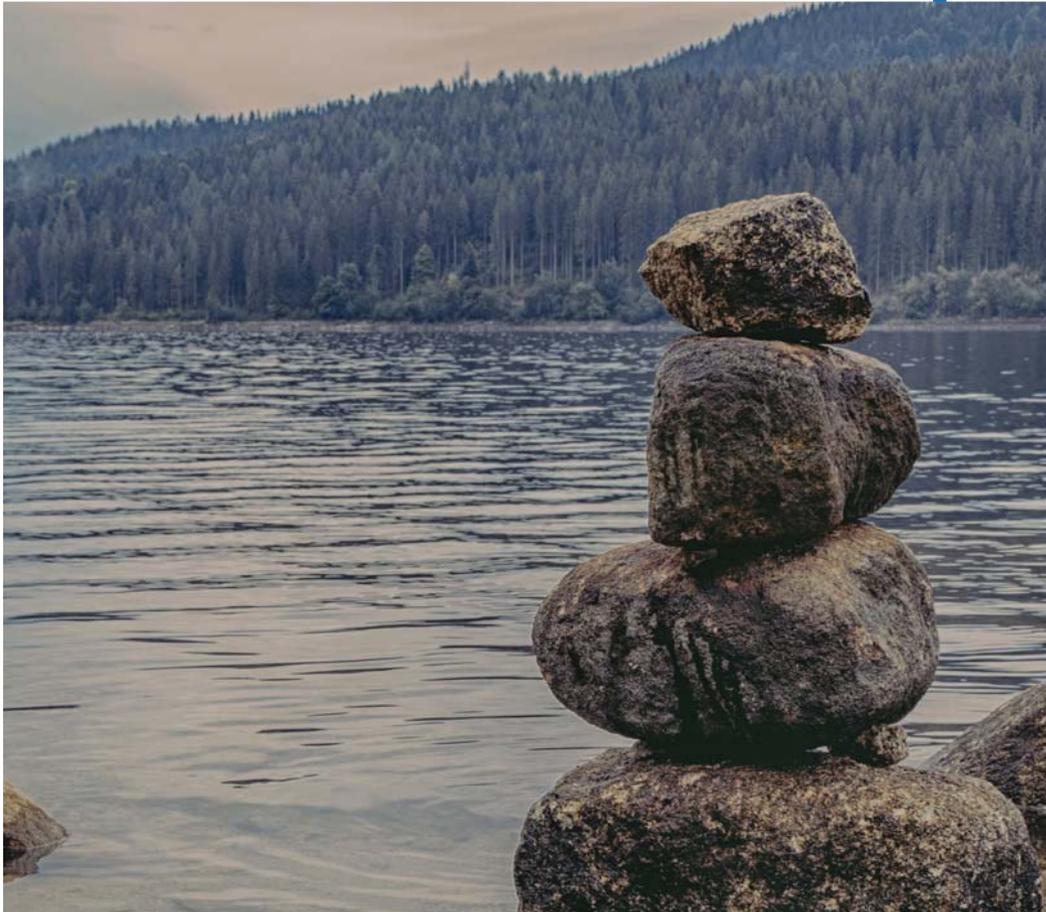
Chief Executive Officer



Director



Chief Financial Officer



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

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018**

Statement of financial position  
Statement of comprehensive income  
Cash flow statement  
Statement of changes in equity  
Notes to the financial information

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2018

(Un-audited)	(Audited)
September 30, 2018	December 31, 2017

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

### ASSETS

#### Non-Current Assets

Property and equipment	35,781	37,480
Intangible assets	4,782	5,562
Investment properties	-	5,066
Advance against purchase of property	-	-
Long-term investments	560,192	510,700
Long-term loans and advances	384	481
Long-term deposits and prepayments	22,507	14,843
Deferred tax asset - net	67,185	35,721
	<b>690,831</b>	<b>609,853</b>

#### Current Assets

Short-term investments	88,559	152,027
Trade debts	96,952	117,271
Advances, deposits, prepayments and other receivables	302,880	445,808
Taxation - net	101,896	92,639
Cash and bank balances	476,943	498,382
	<b>1,067,230</b>	<b>1,306,127</b>

### TOTAL ASSETS

**1,758,061**      **1,915,980**

### EQUITY AND LIABILITIES

#### Share Capital and Reserves

Authorized Capital	2,000,000	2,000,000
Issued, subscribed and paid-up capital	1,000,000	1,000,000
General reserve	18,752	18,752
Unrealised gain on re-measurement of 'available-for-sale' investments to fair value - net	374,557	325,065
Accumulated losses	(450,335)	(418,832)
	<b>942,974</b>	<b>924,985</b>

#### Non-Current Liabilities

Long-term financing	150,000	150,000
---------------------	---------	---------

#### Current Liabilities

Trade and other payables	665,048	840,957
Accrued mark-up	39	38
	<b>665,087</b>	<b>840,995</b>

### TOTAL EQUITY AND LIABILITIES

**1,758,061**      **1,915,980**

### CONTINGENCIES AND COMMITMENTS

The annexed notes 1 to 7 form an integral part of these Consolidated Condensed Interim Financial Information.

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

	Nine Months Ended		Quarter Ended	
	September 30		September 30	
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
Operating revenue	140,767	195,978	43,281	45,337
<b>Net gain on investment</b>				
Gain on sale of investments 'at fair value through profit and loss' - net	11,435	10,120	4,057	2,214
Gain on sale of 'available-for-sale' investments - net	-	64,725	-	-
Unrealised loss on re-measurement of investments 'at fair value through profit or loss' - net	(2,734)	(1,768)	(2,291)	(1,196)
	8,701	73,077	1,766	1,018
Dividend income	84	303	-	-
Mark-up / profit on bank deposits and other receivables	40,045	39,020	13,292	13,225
	189,597	308,378	58,339	59,580
Operating and administrative expenses	(232,110)	(269,377)	(78,224)	(81,664)
Reversal of provision against doubtful debts-net	39	4	1	-
	(232,071)	(269,373)	(78,223)	(81,664)
<b>Operating (loss) / profit</b>	(42,474)	39,005	(19,884)	(22,084)
Finance cost	(10,972)	(10,643)	(3,831)	(3,616)
	(53,446)	28,362	(23,715)	(25,700)
Other income	8,183	62,102	2,772	20,976
<b>(Loss) / profit before taxation</b>	(45,263)	90,464	(20,943)	(4,724)
<b>Taxation</b>				
Current - for the period	(17,704)	(12,018)	(1,794)	(8,589)
Deferred	31,464	(9,262)	4,466	1,321
	13,760	(21,280)	2,672	(7,268)
<b>(Loss) / profit after taxation</b>	(31,503)	69,184	(18,271)	(11,992)
<b>Other comprehensive income / (loss) for the period:</b>				
Reclassification adjustment on disposal of 'available-for-sale' investment included in profit and loss account - net	-	(58,435)	-	-
Reversal of deferred tax liability related to component of other comprehensive income	-	21,913	-	-
Unrealized gain / (loss) arising during the period on re-measurement of 'available-for-sale' investments - net	49,492	993	6,096	(1,247)
	49,492	(35,529)	6,096	(1,247)
<b>Total comprehensive income / (loss) for the period</b>	17,989	33,655	(12,175)	(13,239)
	----- (Rupees) -----			
(Loss) / Earnings per share - basic and diluted	(0.32)	0.69	(0.18)	(0.12)

The annexed notes 1 to 7 form an integral part of these Consolidated Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

## CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

Nine Months Ended September 30,	
2018	2017
----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
(Loss) / profit before taxation	(45,263)      90,464
<b>Non-cash adjustments to reconcile profit / (loss) before tax to net cash flows:</b>	
Depreciation	8,874      8,706
Amortisation	780      750
Gain on sale of investments 'at fair value through profit and loss' - net	(11,435)      (10,120)
Gain on sale of 'available-for-sale' investments - net	-      (64,725)
Gain on sale of property and equipment	(1,370)      (56)
Unrealised loss on re-measurement of investments 'at fair value through profit or loss' - net	2,734      1,768
Reversal of provision against doubtful debts-net	(39)      (4)
Finance cost	10,972      10,643
Dividend income	(84)      (303)
	<b>10,432      (53,341)</b>
	<b>(34,831)      37,123</b>
<b>Working capital adjustments:</b>	
<b>Decrease in current assets</b>	
Trade debts	20,358      133,593
Advances, deposits, prepayments and other receivables	142,928      270,129
	<b>163,286      403,722</b>
<b>Decrease in current liabilities</b>	
Trade and other payables	(175,909)      (408,226)
	<b>(47,454)      32,618</b>
Finance cost paid	(10,973)      (10,643)
Income tax paid	(26,962)      (38,337)
	<b>(85,389)      (16,362)</b>
	<b>(21,503)      16,260</b>
	<b>14,757      32,518</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Investments 'at fair value through profit or loss' - net	72,169      (25,146)
Purchase of property and equipment	(2,609)      (7,404)
Purchase of intangible assets	-      (3,406)
Proceeds from disposal of property and equipment	1,872      164
Dividend received	84      1,357
	<b>71,517      (34,435)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Long-term loans and advances	97      (32)
Long-term deposits and prepayments	(7,664)      6,771
Long-term investment	-      66,882
Dividend paid	-      (1)
	<b>(7,567)      73,620</b>
	<b>(21,439)      22,823</b>
	<b>498,382      646,311</b>
	<b>476,943      669,134</b>

The annexed notes 1 to 7 form an integral part of these Consolidated Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018**

	Share Capital	General Reserve	Accumulated (loss) / profit	Unrealised gain / (loss) on re-measurement of 'available-for-sale' investments to fair value - net	Total
	----- (Rupees in '000') -----				
<b>Balances as at January 01, 2017</b>	1,000,000	18,752	(456,875)	518,881	1,080,758
Total comprehensive income for the period	-	-	69,184	(35,529)	33,655
<b>Balance as at September 30, 2017</b>	1,000,000	18,752	(387,691)	483,352	1,114,413
Total comprehensive loss for the period	-	-	(31,141)	(158,287)	(189,428)
<b>Balance as at December 31, 2017</b>	1,000,000	18,752	(418,832)	325,065	924,985
Total comprehensive income for the period	-	-	(31,503)	49,492	17,989
<b>Balance as at September 30, 2018</b>	1,000,000	18,752	(450,335)	374,557	942,974

The annexed notes 1 to 7 form an integral part of these Consolidated Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018

### 1. STATUS AND NATURE OF BUSINESS

The Group comprises of:

**Holding Company**

- BIPL Securities Limited

**Subsidiary Company**

- Structured Venture (Private) Limited

- 1.1 BIPL Securities Limited (the Company) was incorporated in Pakistan on October 24, 2000 under the Companies Ordinance, 1984 (now Companies Act, 2017) and commenced its operations effective January 01, 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 Group is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.
- 1.2 The Holding Company is a subsidiary of BankIslami Pakistan Limited (the Ultimate Parent Company) which holds 77.12% of the shares of the Group.
- 1.3 The Holding Company is a TREC holder of the Pakistan Stock Exchange Limited (PSX) and Corporate member of Pakistan Mercantile Exchange Limited (PMEX) and is principally engaged in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research, advisory services, consultancy and corporate finance services.
- 1.4 Structured Venture (Private) Limited (the subsidiary) was incorporated in Pakistan on June 25, 2010 under the Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.
- 1.5 The subsidiary is wholly owned by BIPL Securities Limited.
- 1.6 The subsidiary's core objective is to capitalize on opportunities across different asset classes, including but not limited to, commodities, structured products, real estate etc. In addition, the subsidiary can, subject to regulatory approvals, invest / participate in selected local and foreign business ventures.
- 1.7 These consolidated condensed Interim Financial Information have been prepared under the historical cost convention except for investments which are carried at fair value.

### 2. STATEMENT OF COMPLIANCE

These consolidated condensed interim financial information for the nine months ended September 30, 2018 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These consolidated condensed interim Financial Information do not include all the information and disclosures required in Annual Financial Statements and should be read in conjunction with the group's annual financial statements for the year ended December 31, 2017.

These consolidated condensed Interim Financial Information are un-audited.

### 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed Interim Financial Information are consistent with those of the previous financial year except as follows:

**New, amended and revised standards and interpretations of International Financial Reporting Standards (IFRSs).**

The Group has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current period:

IFRS 2 Share - based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)

IAS 40 Investment Property - Amendments to clarify transfers of property to, or from, investment property

The adoption of the above amendments to accounting standards and interpretations did not have any effect on the consolidated condensed Interim Financial Information.

#### 4. BASIS OF CONSOLIDATION

The Financial Information of the subsidiary are included in the consolidated condensed Interim Financial Information from the date the control commences until the date the control ceases. In preparing consolidated condensed Interim Financial Information, the Financial Information of the Holding Company and Subsidiary are consolidated on a line by line basis by adding together the like items of assets, liabilities, income and expenses. Significant intercompany transactions have been eliminated.

#### 5. RELATED PARTY TRANSACTIONS

The related parties of the Group comprise of BankIslami Pakistan Limited (the Ultimate Parent Company), associated undertakings (including companies under common directorship), employee benefit plans and its key management personnel. The balances with related parties as at September 30, 2018 and December 31, 2017 and transactions with related parties during the period ended September 30, 2018 and September 30, 2017 are as follows:

----- As at September 30, 2018 (Un-audited) -----					
Parent Company	Subsidiary/ Associates	Directors	Other Key Management Personnel	Others	Total

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

##### BALANCES

Accrued mark-up	39	-	-	-	39
Bank balances	78,567	-	-	-	78,567
Ijarah deposits	2,107	-	-	-	2,107
Ijarah rental payable	1,279	-	-	-	1,279
Long-term financing	150,000	-	-	-	150,000
Profit receivable on bank deposit	508	-	-	-	508
Rent payable	210	-	-	-	210
Trade debts	138	-	2	-	140
Trade payables	-	2	8	-	10
Provident fund contribution payable	-	-	-	1,117	1,117

----- As at December 31, 2017 (Audited) -----					
Parent Company	Subsidiary/ Associates	Directors	Other Key Management Personnel	Others	Total

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

##### BALANCES

Accrued mark-up	38	-	-	-	38
Bank balances	105,001	-	-	-	105,001
Ijarah deposits	2,107	-	-	-	2,107
Ijarah rental payable	542	-	-	-	542
Long-term financing	150,000	-	-	-	150,000
Profit receivable on bank deposit	608	-	-	-	608
Prepaid rent	106	-	-	-	106
Loan / Advance Receivable	-	-	26	-	26
Receivable against financial advisory	500	-	-	-	500
Trade debts	23	26	2	3	54
Trade payables	-	-	-	1,059	1,059

-----Nine months ended September 30, 2018 (Un-audited)-----					
Parent Company	Subsidiary/ Associates	Directors	Other Key Management Personnel	Others	Total

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

## TRANSACTIONS

### Income

Brokerage income earned	672	11	-	50	-	733
Custody services - net	4	1	2	-	-	7
Markup Income	-	-	-	8	-	8
Profit on bank deposits	7,032	-	-	-	-	7,032

### Expenses

Bank charges	79	-	-	-	-	79
Charge in respect of contributory plan	-	-	-	-	4,710	4,710
Mark-up expense	10,697	-	-	-	-	10,697
Remuneration to key management personnel	-	-	840	17,558	-	18,398
Ijarah rental	2,791	-	-	-	-	2,791
Rent expense	946	-	-	-	-	946

-----Nine months ended September 30, 2017 (Un-audited)-----					
Parent Company	Subsidiary/ Associates	Directors	Other Key Management Personnel	Others	Total

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

## TRANSACTIONS

### Income

Brokerage income earned	927	-	-	493	-	1,420
Custody services	4	6	-	5	-	15
Financial advisory income	442	-	-	-	-	442
Markup income	-	-	-	5	-	5
Profit on bank deposits	9,927	-	-	-	-	9,927

### Expenses

Bank charges	118	-	-	-	-	118
Charge in respect of contributory plan	-	-	-	-	4,757	4,757
Ijarah rental	1,178	-	-	-	-	1,178
Mark-up expense	10,309	-	-	-	-	10,309
Reimbursement of expenses	-	22	-	-	-	22
Remuneration to management personnel	-	-	1,320	18,232	-	19,552
Rent expense	972	-	-	-	-	972

### Other transactions

Loans disbursed	-	-	-	33	-	33
Repayment of advances/deposits	-	314	-	-	-	314
Purchase of property and equipments	3,224	-	-	-	-	3,224

## 6. DATE OF AUTHORISATION

These Consolidated Condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Holding Company on October 18, 2018.

## 7. GENERAL

7.1 Corresponding figures have been re-arranged and reclassified, wherever necessary, to facilitate comparison. However, there are no material reclassifications to report.

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



Chief Executive Officer



Director



Chief Financial Officer

## BRANCH NETWORK

### ISLAMABAD

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UAN : 051-111-222-000

### PESHAWAR

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Phone : 091-5276025-27

### LAHORE

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Phone : 041-32614408-9, 041-32614410,  
041-32634408

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Town Hall Road. Rahim Yar Khan.  
Phone : 068-5873252 & 54

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Phone : 021-34980763-4 & 66

### SIALKOT

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Phone : 052-3256035-37

### PAKISTAN STOCK EXCHANGE OFFICE - KARACHI

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### MULTAN

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Abdali Road, Multan.  
Phone : 061-4780300-02 , 061-4500273-76

### GUJRANWALA

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GDA Trust Plaza, Gujranwala.  
Phone : 055-3822501-04

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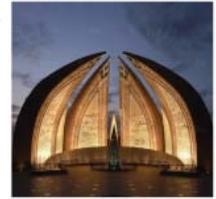
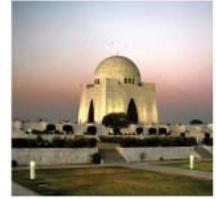
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