



QUARTER  
ENDED

MARCH  
2020



Condensed Interim  
Financial Information  
(Un - Audited)



# COMPANY INTRODUCTION

BIPL Securities Limited (BIPLS) is a full service brokerage house listed on the Pakistan Stock Exchange (PSX). We trace our history back to 1962 when we were incorporated as Khadim Ali Shah Bukhari. We were corporatized in Oct, 1991. The current sponsors took over in May, 2015 and we eventually become BIPLS on Nov 03, 2016. Over the 5 decades of our existence one thing that is constant is the drive for excellence and the desire to do the very best for our clients.

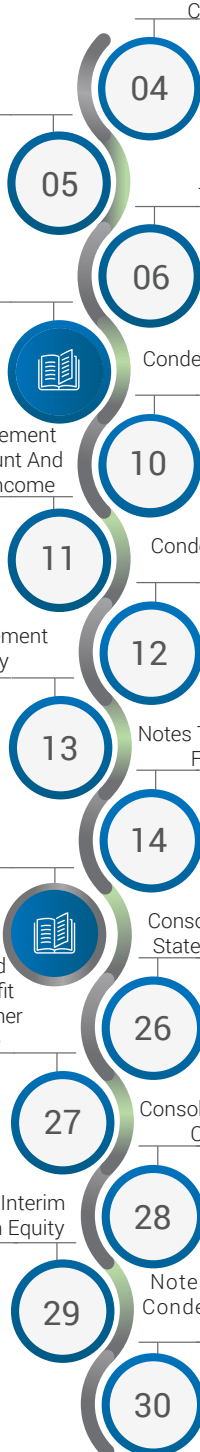
Everything we do, the sole reason for our existence, is to serve our clients across our many product platforms and to help them achieve their investment objectives consistently and in a transparent and ethical manner.

Our efforts in service excellence has been consistently recognized, appreciated and awarded by local and international agencies. We believe that as long as we remain client focused and work for the long term benefit of our clients, the company will continue to grow and all stakeholders will benefit and prosper.



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For Over 5 Decades

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# COMPANY INFORMATION

## BOARD OF DIRECTORS

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

## AUDIT COMMITTEE

Sikander Kasim - Chairman  
 Sohail Sikandar  
 Khurram Jamil

## HR & R COMMITTEE

Kamal Uddin Tipu - Chairman  
 Muhammad Uzair Sipra  
 Mudassar Aslam

## CHIEF EXECUTIVE OFFICER

Abdul Aziz Anis, CFA

## COMPANY SECRETARY

Arsalan Farooq

## CHIEF FINANCIAL OFFICER

Zafar Ahmed Khan

## STATUTORY / NCB AUDITOR

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

## CREDIT RATING AGENCY

JCR-VIS Credit Rating Company Limited

## BANKERS

Allied Bank Limited  
 Askari Bank Limited  
 Bank Al-Habib Limited  
 Bank Al-Falah Limited  
 BankIslami Pakistan Limited  
 Dubai Islamic Bank Pakistan Limited  
 Faysal Bank Limited  
 Habib Metropolitan Bank Limited  
 JS Bank Limited  
 MCB Bank Limited  
 Meezan Bank Limited

## LEGAL ADVISORS

Bawaney and Partners  
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 Advisor 3rd & 4th Floors, 68-C, Lane 13,  
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# DIRECTORS' REVIEW TO THE SHAREHOLDERS

On behalf of the Board of Directors of BIPL Securities Limited, we are pleased to present the unaudited financial statements of the Company for the quarter ended March 31, 2020.

## Economic Review

CY20 started off on a difficult note for the global economy as a major global pandemic, originating from China, broke out in 1QCY20. Global economic activity took a major hit as governments across the globe imposed lockdowns in order to contain the spread of the virus. As a consequence, world trade is expected to take a major hit where the WTO in a report published recently estimated that international commerce will contract by at least 13% this year. In a worst-case scenario, it could plummet by as much as 32%.

Pakistan reported its first case of COVID-19 on 26th Feb 2020 which jumped to over 1,800 by end 1QCY20. The country went in to a partial lockdown to contain the outbreak which has resulted in economic activity slowing down significantly. The timing of the outbreak is particularly unfortunate as the country was taking steps to come out of a downturn. However, slowdown in economic activity led by business lockdowns and falling demand has provided cushion to the State Bank of Pakistan to cut interest rates by 225bps in the month of Mar'20. Nonetheless, concerns on economic activity continue to remain based on the pandemic and its effects on business and industry.

## Equity Market Review

Though the quarter kicked off on a positive note as the KSE-100 index posted a major uptick at the start of Jan'20, however, the resurgence did not last much longer. Inflation numbers for the Jan'20 surprised the consensus on the higher side, initially raising fears of further hikes in discount rate. However, those expectations were quickly adjusted as crude oil started its downward plunge amid the pandemic outbreak. This resulted in major meltdown in global markets and an estimated USD1.8trn was wiped off the global wealth as a result. This had a trickle down impact on PSX as well and the KSE-100 index reported one of the worst performances in a given calendar month in Mar'20 where the benchmark index shed 23%MoM touching a low of 27,229 points. Given weak investor sentiments the index closed down 28% for the quarter as compared to its Dec 2019 close.

## Debt and Currency Market Review

Offshore money inflow that had ballooned to ~USD3.0bn in the local debt market has started to flow out of the country with USD1.8bn leaving by mid-April 2020. Consequently, the country's foreign exchange reserves stand at USD17.4bn, down 8% from the high of USD18.9bn that was recorded recently. Resultantly, the PKR has come under pressure and has lost significant ground against USD, standing at 167.5/USD at present (down 8%).

## Operating and Financial Performance

During the period ended March 31, 2020 the Company reported the following results:

	Quarter ended March 31	
	2020	Restated 2019
	----- (Rupees in '000) -----	
Operating revenue	71,371	47,493
Mark-up / profit on bank deposits, investments & other receivables	31,047	21,373
Gain on sale of investments - net	2,505	2,593
Unrealized gain on investments –net	449	499
Other income / (expense)	31	(341)
<b>Total income</b>	<b>105,403</b>	<b>71,617</b>
Operating and administrative expenses	(84,881)	(75,246)
Finance cost	(6,831)	(5,380)
<b>Total expenses</b>	<b>(91,712)</b>	<b>(80,626)</b>
<b>Net Profit / (loss) - before impairment and taxation</b>	<b>13,691</b>	<b>(9,009)</b>
Impairment on long term investment- Subsidiary	(42)	(38)
Taxation	(4,723)	(321)
<b>Net Profit / (loss) after tax</b>	<b>8,926</b>	<b>(9,368)</b>
<b>Earnings / (Loss) per share</b>	<b>0.09</b>	<b>(0.09)</b>

## Future Outlook

Due to the pandemic we expect economic activity to remain subdued for the remaining last quarter of FY20. This may mean that we can potentially see GDP growth for FY20 settling close to or below 1%. Equity market is expected to remain range bound to weak as investors remain cautious. Inflation is expected to fall further in the coming quarter due to falling commodity prices and weak demand. The upcoming Budget FY21 will shape investment outlook for the second half of CY20.

## Acknowledgement

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

On behalf of the Board of Directors

Karachi  
April 22, 2020



Director



Chief Executive Officer





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

FOR THE QUARTER ENDED  
MARCH 31, 2020

- Condensed Interim Statement Of Financial Position
- Condensed Interim Statement Of Profit And Loss Account And Other Comprehensive Income
- Condensed Interim Cash Flow Statement
- Condensed Interim Statement Of Changes In Equity
- Notes To The Condensed Interim Financial Information

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2020**

	Note	(Un-Audited) March 31, 2020	(Audited) December 31, 2019
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	50,721	52,409
Intangible assets		4,065	4,179
Long-term investments	6	213,372	361,377
Long-term loans and advances		597	568
Long-term deposits and prepayments		22,722	22,073
Deferred tax asset - net		68,864	70,159
		360,341	510,765
<b>Current assets</b>			
Short-term investments	7	9,514	-
Trade debts	8	103,711	150,756
Advances, deposits, prepayments and other receivables	9	228,555	872,120
Taxation - net		125,331	123,494
Cash and bank balances	10	840,238	238,825
		1,307,349	1,385,195
<b>TOTAL ASSETS</b>		<b>1,667,690</b>	<b>1,895,960</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorized capital</b>			
		2,000,000	2,000,000
Issued, subscribed and paid-up capital		1,000,000	1,000,000
General reserve		18,752	18,752
Unrealised (impairment loss) / gain on re-measurement of investment at 'fair value through other comprehensive income'		(4,557)	143,406
Accumulated loss		(399,837)	(408,763)
		614,358	753,395
<b>Non-current liabilities</b>			
Long-term financing-secured	11	150,000	150,000
Liability against asset subject to finance lease	12	8,541	9,889
		158,541	159,889
<b>Current liabilities</b>			
Trade and other payables	13	886,634	974,789
Current portion of liability against asset subject to finance lease	12	6,704	6,416
Unclaimed dividend		1,402	1,402
Accrued mark-up		51	69
		894,791	982,676
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,667,690</b>	<b>1,865,960</b>

**CONTINGENCIES AND COMMITMENTS**

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The annexed notes 1 to 20 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2020**

	Note	Quarter ended March 31	
		2020	Restated 2019
------(Rupees in '000)-----			
Operating revenue	15	71,371	47,493
<b>Net gain on investment</b>			
Gain on sale of investments 'at fair value through profit and loss' - net		2,505	2,593
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' -net		449	499
		2,954	3,092
Mark-up / profit on bank deposits and other receivables	16	31,047	21,373
		105,372	71,958
Operating and administrative expenses		(83,796)	(75,288)
Impairment on long-term investment - Subsidiary	6.1	(42)	(38)
(Provision) / reversal against doubtful debts-net	8.1	(1,085)	42
		(84,923)	(75,284)
<b>Operating profit / (loss)</b>		20,449	(3,326)
Finance cost		(6,831)	(5,380)
		13,618	(8,706)
Other income / (expense)		31	(341)
<b>Profit / (loss) before taxation</b>		13,649	(9,047)
<b>Taxation</b>			
Current - for the period		(3,428)	(1,106)
Deferred		(1,295)	785
		(4,723)	(321)
<b>Profit / (loss) after taxation</b>		8,926	(9,368)
<b>Other comprehensive income for the period:</b>			
Unrealised (loss) / gain arising during the period on re-measurement of investments at fair value through other comprehensive income - net		(147,963)	10,980
<b>Total comprehensive (loss) / income for the period</b>		<b>(139,037)</b>	1,612
------(Rupees)-----			
<b>Earnings / (loss) per share - basic and diluted</b>		<b>0.09</b>	(0.09)

The annexed notes 1 to 20 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2020**

	Quarter ended March 31	
	2020	Restated 2019
	------(Rupees in '000)-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	13,649	(9,047)
<b>Non-cash adjustments to reconcile profit / (loss) before tax to net cash flows:</b>		
Depreciation	4,329	3,117
Ammortisation	114	181
Gain on sale of investments' at fair value through profit and loss' - net	(2,505)	(2,593)
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' - net	(449)	(499)
Provision / (reversal) against doubtful debts-net	1,085	(42)
Impairment on long-term investment - Subsidiary	42	38
Finance cost	6,831	5,380
	<b>9,447</b>	<b>5,582</b>
	<b>23,096</b>	<b>(3,465)</b>
<b>Working capital adjustments:</b>		
<b>Decrease in current assets</b>		
Trade debts	45,960	46,039
Advances, deposits, prepayments and other receivables	643,565	91,226
	<b>689,525</b>	<b>137,265</b>
<b>Decrease in current liabilities</b>		
Trade and other payables	(88,214)	(16,889)
	<b>624,407</b>	<b>116,911</b>
Finance cost paid	(6,790)	(5,434)
Income tax paid	(5,265)	(6,620)
	<b>612,353</b>	<b>104,857</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments 'at fair value through profit or loss' - net	(6,560)	(69,775)
Purchase of property and equipment	(2,642)	(4,389)
Purchase of intangible assets	-	(81)
	<b>(9,202)</b>	<b>(74,245)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long-term loans and advances	(29)	11
Long-term deposits and prepayments	(649)	4,816
Liability against asset subject to finance lease	(1,060)	(2,075)
Repayment of short term financing	-	(100,000)
	<b>(1,738)</b>	<b>(97,248)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>601,413</b>	<b>(66,636)</b>
Cash and cash equivalents at the beginning of the period	238,825	546,138
Cash and cash equivalents at the end of the period	<b>840,238</b>	<b>479,502</b>

The annexed notes 1 to 20 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2020**

	Share Capital	General Reserve	Accumulated Loss	Unrealised gain / (impairment loss) on re-measurement of investment at 'fair value through other comprehensive income'	Total
	(Rupees in '000)				
<b>Balance as at January 01, 2019 (As previously reported)</b>	1,000,000	18,752	(445,791)	301,304	874,265
Reclassification of impairment loss due to intital application of IFRS-9	-	-	31,629	(31,629)	-
Adjustment of initial application of IFRS-9 (net of tax)	-	-	17,340	-	17,340
<b>Adjusted balance as at January 01, 2019</b>	<b>1,000,000</b>	<b>18,752</b>	<b>(396,822)</b>	<b>269,675</b>	<b>891,605</b>
Total comprehensive income for the period (restated)	-	-	(9,368)	10,980	1,612
<b>Adjusted Balance as at March 31, 2019</b>	<b>1,000,000</b>	<b>18,752</b>	<b>(406,190)</b>	<b>280,655</b>	<b>893,217</b>
Total comprehensive loss for the period	-	-	(2,573)	(137,249)	(139,822)
<b>Balance as at December 31, 2019</b>	<b>1,000,000</b>	<b>18,752</b>	<b>(408,763)</b>	<b>143,406</b>	<b>753,395</b>
Total comprehensive loss for the period	-	-	8,926	(147,963)	(139,037)
<b>Balance as at March 31, 2020</b>	<b>1,000,000</b>	<b>18,752</b>	<b>(399,837)</b>	<b>(4,557)</b>	<b>614,358</b>

The annexed notes 1 to 20 form an integral part of these Condensed Interim Financial Information.



Chief Executive Officer



Director



Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2020**

**1. STATUS AND NATURE OF BUSINESS**

- 1.1 BIPL Securities Limited (the Company) was incorporated in Pakistan on October 24, 2000 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and commenced its operations effective January 1, 2003, on the transfer of assets and liabilities of the securities segment of the then Khadim Ali Shah Bukhari and Company Limited under a Scheme of Arrangement approved by the High Court of Sindh. The shares of the Company are listed on the Pakistan Stock Exchange Limited (PSX). The registered office of the Company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.
- 1.2 The Company is a subsidiary of BankIslami Pakistan Limited (BIPL) - (the Parent Company), which holds 77.12% shares of the Company.  
The parent company has released public information on April 24, 2019 pertaining to BIPL Securities Limited, (in which board of parent had authorized the bank to explore and evaluate the strategic option including divestment of shares held in BIPL Securities Limited.
- 1.3 The Company is a TREC holder of the Pakistan Stock Exchange Limited (PSX) and Corporate member of Pakistan Mercantile Exchange Limited (PMEX) and is principally engaged in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research and advisory services.
- 1.4 These are separate condensed Interim Financial Information of the Company in which investment in subsidiary is reported on the basis of direct equity interest and is not consolidated.

**2. BASIS OF PREPARATION**

- 2.1 These unconsolidated condensed interim financial information of the Company for the period ended March 31, 2020 have been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of the Companies Act, 2017 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements differ, the provisions of the Companies Act, 2017 and the said directives have been followed.
- 2.2 These unconsolidated condensed interim financial information do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Company's Annual Financial Statements for the year ended December 31, 2019.
- 2.3 These unconsolidated condensed interim financial information are un-audited.
- 2.4 Changes in accounting standards, interpretations and pronouncements
- a) **Standards, interpretations and amendments to published approved accounting standards that are effective**  
There are certain new standards, interpretations and amendments to the approved accounting standards and new interpretations which are mandatory for accounting periods beginning on or after January 1, 2020, but they do not have any significant effect on the Company's reporting and are therefore, not disclosed in these unconsolidated condensed interim financial statements.
- b) **Standards, interpretations and amendments to published approved accounting standards that are not yet effective**  
There are certain new standards, interpretations, amendments to the approved accounting standards and new interpretations that will not be mandatory for accounting periods beginning on or after January 1, 2020, therefore, not disclosed in these unconsolidated condensed interim financial statements.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial information are consistent with those of the previous financial year.

**3.1 EFFECT ON CORRESPONDING PERIOD ON ACCOUNT OF ADOPTING IFRS 16 - 'LEASES' DURING LAST YEAR:**

During the year 2019, the Company adopted accounting standard IFRS 16 - 'Leases' applicable on lease contracts where the Company acting in capacity of lessee. The Company had adopted modified retrospective approach for transition to IFRS 16 and applied practical expedients as allowed under IFRS 16. The changes due to adoption of IFRS 16 were first reported in the Company's financial statement for the nine months ended September 30, 2019 with an effective date of January 01, 2019.

The impact of the initial application of IFRS 16 on the corresponding period are summarized below: (Un-audited)

	For the quarter ended March 31, 2019
Increase in finance cost	176
Decrease in operating expenses - rent expense	(939)
Increase in operating expenses - depreciation on right-of-use-assets	912
Increase in loss after tax	(149)

#### 4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial information requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectation of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended December 31, 2019.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2019.

#### 5 PROPERTY AND EQUIPMENT

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

	Note	(Un-audited) March 31, 2020	(Audited) December 31, 2019
----- (Rupees in '000) -----			
Owned Assets	5.1	34,812	34,247
Right of use Assets	5.2	15,909	18,162
		<b>50,721</b>	<b>52,409</b>

##### 5.1 OPERATING FIXED ASSETS

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

	Quarter ended (Un-audited)		Year ended (Audited)	
	March 31, 2020		December 31, 2019	
	Additions Cost	Disposals Cost	Additions Cost	Disposals Cost
----- (Rupees in '000) -----				
Office Premises-leasehold	2,201	-	-	-
Furniture and fixtures	-	-	418	-
Computers and office equipment	441	-	1,992	(1,265)
Vehicles	-	-	5,321	(5,321)
	<b>2,642</b>	<b>-</b>	<b>7,731</b>	<b>(6,586)</b>

##### 5.2 RIGHT-OF-USE- ASSETS

	(Un-audited) March 31, 2020	(Audited) December 31, 2019
----- (Rupees in '000) -----		
Opening balance	18,162	-
Additions during the period/year	-	24,968
Depreciation for the period/year	(2,253)	(6,806)
Closing balance	<b>15,909</b>	<b>18,162</b>

#### 6. LONG-TERM INVESTMENTS

Subsidiary company- Structured Venture (Private) Limited (SVPL)	6.1	665	707
Investments at fair value through other comprehensive income	6.2	212,707	360,670
		<b>213,372</b>	<b>361,377</b>

	(Un-audited) March 31, 2020	(Audited) December 31, 2019
--	--------------------------------	--------------------------------

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

## 6.1 Subsidiary Company

Cost	488,581	488,581
Less: Provision for impairment	(487,916)	(487,874)
	<b>665</b>	<b>707</b>

The net assets of SVPL have reduced due to full impairment of investment of Rs. 81.567 million in an associated company New Horizon Exploration and Production Limited (NHEPL), and provision against advance for purchase of land of Rs. 375 million.

SVPL had given advance against purchase of property of Rs. 375 million which was being developed as a Housing Scheme (the 'Project') by M/s. Noor Developer (Private) Limited (the 'Developer'), the majority shareholder of which is Mr. Arif Ali Shah Bukhari. This amount includes development charges of Rs. 75 million paid to the Developer. The Developer had communicated in the previous years that the Project was pending final approval from the Cantonment Board Korangi Creek (CBKC) for last few years due to modification and revision required by the CBKC in the Project.

During the year 2015, the Developer cancelled provisional booking vide its letter dated June 15, 2015 and in response, SVPL has filed legal suit for specific performance, declaration, injunction, partition and damages in the Sindh High Court.

In addition to the above, as per CBKC letter to Military Lands & Cantonments dated July 04, 2011, the land on which provisional booking was made is not eligible for the type of allotment made to SVPL as per sale agreement dated November 10, 2010 between SVPL and the Developer. Further, the development work on the Project, as communicated by the Developer vide their letter dated December 28, 2013, has also not been undertaken.

Moreover, verification from the Registrar of Housing Society has revealed that no record exists for the said Project, namely Noor Town, situated at survey number 288, 289 and 290 at Deh Korangi Township Karachi. Prima facie a fraud was committed with the Company against which, criminal and civil proceedings have already been initiated.

Considering the facts stated above, the history of this transaction and legal implications, SVPL as a matter of prudence, has fully provided this amount. Hence, the Company's investment in SVPL stands impaired.

On request of the Company for complaints against Criminal Acts of M/s. Noor Developers (Private) Limited, SECP vide its letter dated September 27, 2017, has informed that appropriate steps have been taken as to referring the matter to National Accountability Bureau (NAB) under Section 41-B of Securities and Exchange Commission of Pakistan (Amendment) Act, 2016. On the recommendation/ approval of SECP, NAB has initiated enquiry into the matter.

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

## 6.2 Investments at fair value through other comprehensive income

### Name of the Investee Company

#### Quoted shares

Pakistan Stock Exchange Limited	6.2.1	12,663	20,005
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#### Unquoted shares

Al Jomaih Power Limited	6.2.2	200,044	340,665
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New Horizon Exploration and Production Limited - Class 'A' ordinary shares		31,629	31,629
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Less: impairment	6.2.3	(31,629)	(31,629)
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		<b>212,707</b>	<b>360,670</b>
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Note

(Un-audited)  
March 31, 2020

(Audited)  
December 31, 2019

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

- 6.2.1 This represents 1,602,953 shares having a market value of Rs 7.90 per share as at March 31, 2020 (December 31, 2019: 12.48 per share).
- 6.2.2 The Company's investment in unquoted shares of Al Jomaih Power Limited are valued at its fair value based on the net assets value of the investee company as at March 31, 2020.
- 6.2.3 In year 2015, the management recorded impairment of its investment in New Horizon Exploration and Production Limited (NHEPL) in accordance with IAS-36 which was again tested for impairment as required by IFRS 9 adopted by the company on January 01, 2019. The recoverable amount of investment was estimated using "Value in use" approach. In considering the impairment, various business assumptions for estimating cash flows were used, which includes but are not limited to, historical performance of the investment, development and production activity in NHEPL's working interests, recoverability of future cash flows from the investment etc. Based on such analysis, the Company fully impaired its investment in NHEPL and an impairment loss of Rs. 31.63 million was recognised upto year 2016. As of reporting date there is no change in management assumption of recoverability of this investment, accordingly no impairment loss has been reversed.

Note	(Un-audited) March 31, 2020	(Audited) December 31, 2019
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## 7. SHORT-TERM INVESTMENTS

### At fair value through profit or loss'

	Note	(Un-audited) March 31, 2020	(Audited) December 31, 2019
-Listed shares	7.1	9,514	-
-Term Finance Certificates	7.2	-	-
		<b>9,514</b>	<b>-</b>

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

### 7.2 Term Finance Certificates

	March 31, 2020	December 30, 2019		
<b>Number of certificates</b>	<b>4,000</b>	<b>6,000</b>	<b>Name of Investee Company</b>	
	-	(2,000)	Pace Pakistan Ltd.	
	<b>4,000</b>	<b>4,000</b>	(Face value Rs. 5,000/- each)	
			Opening	18,147
			Less: sold	(9,074)
			Closing	<b>18,147</b>
			Less: impairment	(18,147)
				<b>-</b>

#### 7.2.1 Impairment

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

## 8. TRADE DEBTS

Receivable against purchase of marketable securities	98,282	90,454
Receivable from NCCPL	96	54,060
Inter-bank brokerage	5,333	6,242
	<b>103,711</b>	<b>150,756</b>
Considered doubtful	70,204	69,119
	<b>173,915</b>	<b>219,875</b>
Less: provision for doubtful debts	(70,204)	(69,119)
	<b>103,711</b>	<b>150,756</b>

(Un-audited)  
March 31, 2020(Audited)  
December 31, 2019

(Rupees in '000)

**8.1 Reconciliation of provisions against trade debts**

Opening balance	69,119	96,618
Provision for the period/year	2,236	1,106
Impact of IFRS 9	-	(27,540)
Reversal for the period/year	(1,151)	(1,065)
	1,085	(27,499)
	<b>70,204</b>	<b>69,119</b>

**8.2 The aging analysis of trade debts are as follows:**

Not past due	18,373	70,453
Past due 15 days - 30 days	4,021	1,789
Past due 31 days - 180 days	6,582	4,860
Past due 181 days - 1 year	1,696	1,355
More than one year-net of provision	73,039	72,299
	<b>103,711</b>	<b>150,756</b>

**9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES****Advances to:**

-Suppliers	130	-
-Current portion of long-term loans and advances	1,416	1,495
	<b>1,546</b>	<b>1,495</b>

**Deposits:**

-Exposure deposit with -NCCPL	165,880	771,751
-Exposure deposit with -PMEX	4,863	3,128
-Others	2,100	2,100
	172,843	776,979
-Impact of expected credit loss	(2,100)	(2,100)
	<b>170,743</b>	<b>774,879</b>

**Prepayments:**

-Rent	2,298	-
-Insurance	2,489	1,581
-Software development and maintenance	841	376
-Others	1,782	2,222
	<b>7,410</b>	<b>4,179</b>

**Other receivables:**

-Profit on bank deposits	6,221	4,843
-Profit on exposure deposit with -NCCPL	3,380	5,797
-Receivable against margin finance	35,043	76,221
-Others	5,527	6,021
	50,171	92,882
-Impact of expected credit loss	(1,315)	(1,315)
	<b>48,856</b>	<b>91,567</b>
	<b>228,555</b>	<b>872,120</b>

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

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

## 10. CASH AND BANK BALANCES

### Cash at bank in:

#### Company accounts

- Current accounts
- Saving accounts

	1,584	1,339
10.1	164,084	130,838
	165,668	132,177

#### Client accounts

- Current accounts
- Saving accounts

	151	1
10.1	674,238	106,641
	674,389	106,642

10.2	840,057	238,819
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Cash in hand

172

Stamps in hand

9

840,238

238,825

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

10.2 This includes Rs. 490.96 million (December 31, 2019: Rs. 213.14 million) with BankIslami Pakistan Limited, the Parent Company.

## 11. LONG-TERM FINANCING - SECURED

Loan from financial institution	11.1	150,000	150,000
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11.1 This represents long-term financing obtained from the Parent Company (BIPL) on December 31, 2015. The financing is secured by way of Exclusive Charge over DM Assets along with equitable mortgage over all other commercial properties of the Company. The financing was payable as a bullet payment in December 2020. BIPL is entitled to rental payments for use of musharakah assets. Rental payments are calculated to provide return equal to 3 months KIBOR + 3% per annum payable on quarterly basis from March 2016 till the date of bullet payment. The said financing has been rescheduled according to which company will pay off the financing as a bullet payment in December 2023, keeping other terms and conditions same.

## 12. LIABILITY AGAINST ASSET SUBJECT TO FINANCE LEASE

Opening balance	16,305	-
Additions during the period/year	-	24,968
Payments made during the period/year	(1,060)	(8,663)
	15,245	16,305
Transferred to current maturity	(6,704)	(6,416)
Closing balance	8,541	9,889

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

	As at March 31, 2020		As at December 31, 2019	
	Principal	Finance cost	Principal	Finance cost
Not later than one year	6,704	1,774	6,416	2,010
Later than one year but not later than five years	8,541	653	9,889	1,020
	15,245	2,427	16,305	3,030

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

	(Un-audited) March 31, 2020	(Audited) December 31, 2019
----- (Rupees in '000) -----		
Trade creditors	806,395	929,209
Payable to NCCPL	42,438	168
Accrued expenses	31,599	39,012
Withholding tax	2,570	2,754
Finance cost payable under IFRS 16	875	816
Others	2,757	2,830
	<b>886,634</b>	<b>974,789</b>

### 13. TRADE AND OTHER PAYABLES

### 14. CONTINGENCIES AND COMMITMENTS

#### 14.1 Contingencies

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

#### 14.2 Commitments

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

	<b>9,374</b>	-
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The Company has entered into Ijarah arrangements for vehicles with Bankislami Pakistan Limited. The aggregate amount of commitments against these arrangements are as follows:

Not later than one year

	2,587	2,587
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Later than one year but not later than five years

	1,469	2,144
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	<b>4,056</b>	<b>4,701</b>
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### 15. OPERATING REVENUE

Brokerage

	70,436	46,548
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Subscription research income

	178	200
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Custody services

	757	745
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	<b>71,371</b>	<b>47,493</b>
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### 16. MARKUP / PROFIT ON BANK DEPOSITS, AND OTHER RECEIVABLES

Profit on bank deposits

	28,139	17,438
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Margin finance income

	2,861	3,891
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Others

	47	44
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	<b>31,047</b>	<b>21,373</b>
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	(Un-audited) March 31, 2020	2019
----- (Rupees in '000) -----		

## 17. RELATED PARTY TRANSACTIONS

The related parties of the Company comprise of BankIslami Pakistan Limited (the Parent Company), associated undertakings (including companies under common directorship), directors, employee benefit plans and its key management personnel. The balances with related parties as at March 31, 2020 and December 31, 2019 and transactions with related parties during the period ended March 31, 2020 and March 31, 2019 are as follows:

	As at March 31, 2020 (Un-audited)					
	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
	----- (Rupees in '000) -----					
<b>BALANCES</b>						
Accrued mark-up	51	-	-	-	-	51
Bank balances	490,958	-	-	-	-	490,958
Ijarah deposits	1,462	-	-	-	-	1,462
Ijarah rental payable	615	-	-	-	-	615
Long-term financing - secured	150,000	-	-	-	-	150,000
Profit receivable on bank deposit	3,123	-	-	-	-	3,123
Liability against asset subject to finance lease	2,347	-	-	-	-	2,347
Trade debts	104	5	3	-	-	112
Trade payables	-	-	-	162	-	162
	As at December 31, 2019 (Audited)					
	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
	----- (Rupees in '000) -----					
<b>BALANCES</b>						
Accrued mark-up	69	-	-	-	-	69
Bank balances	213,148	-	-	-	-	213,148
Ijarah deposits	1,462	-	-	-	-	1,462
Ijarah rental payable	595	-	-	-	-	595
Long-term financing - secured	150,000	-	-	-	-	150,000
Profit receivable on bank deposit	1,976	-	-	-	-	1,976
Liability against asset subject to finance lease	2,780	-	-	-	-	2,780
Trade debts	253	-	29	-	-	282
Trade payables	-	-	-	1,015	-	1,015

## Quarter ended March 31, 2020 (Un-audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
<b>TRANSACTIONS</b>						
<b>Income</b>						
Brokerage income earned	101	-	-	8	-	109
Custody services-net	1	1	-	-	-	2
Profit on bank deposits	7,310	-	-	-	-	7,310
<b>Expenses</b>						
Bank charges	15	-	-	-	-	15
Charge in respect of contributory plan	-	-	-	110	927	1,037
Mark-up expense	6,171	-	-	-	-	6,171
Meeting fee	-	-	480	-	-	480
Remuneration to key management personnel	-	-	-	4,255	-	4,255
Ijarah expense	647	-	-	-	-	647
<b>Other transaction</b>						
Rent paid	331	-	-	-	-	331

## Quarter ended March 31, 2019 (Un-audited)

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

## 18. 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 interim financial information are as follows:

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

	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
	% of Holding		No. of Shares	
M/s. BankIslami Pakistan Limited	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.54%	6.54%	6,535,500	6,535,500
Mr. Mohammad Aslam Motiwala	8.25%	7.31%	8,249,000	7,452,500

18.2 During the quarter ended March 31, 2020 Mr. Aslam Motiwala acquired 796,500/- shares of the company.

18.3 As at March 31, 2020 the value of customer shares maintained with the Company pledged with financial institutions is Rs 128.95 million (December 31, 2019: Rs 206.56 million).

18.4 As at March 31, 2020 value of customers shares maintained in the Company's Sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs 9,724 million (December 31, 2019: Rs 14,269 million).

## 19. DATE OF AUTHORISATION

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Company on April 22, 2020.

## 20. GENERAL

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



Chief Executive Officer



Director



Chief Financial Officer





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

FOR THE QUARTER ENDED  
MARCH 31, 2020

- Consolidated Condensed Interim Statement Of Financial Position
- Consolidated Condensed Interim Statement Of Profit And Loss Account And Other Comprehensive Income
- Consolidated Condensed Interim Cash Flow Statement
- Consolidated Condensed Interim Statement Of Changes In Equity
- Notes To The Consolidated Condensed Interim Financial Information

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2020**

	(Un-Audited) March 31, 2020	(Audited) December 31, 2019
------(Rupees in '000)-----		
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property and equipment	50,721	52,409
Intangible assets	4,065	4,179
Long-term investments	212,707	360,670
Long-term loans and advances	597	568
Long-term deposits and prepayments	22,722	22,073
Deferred tax asset - net	68,864	70,159
	359,676	510,057
<b>Current assets</b>		
Short-term investments	9,514	-
Trade debts	103,711	150,756
Advances, deposits, prepayments and other receivables	228,582	872,173
Taxation - net	125,554	123,716
Cash and bank balances	841,121	239,702
	1,308,482	1,386,347
<b>TOTAL ASSETS</b>	<b>1, 668,158</b>	<b>1,896,404</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
<b>Authorized capital</b>		
	2,000,000	2,000,000
Issued, subscribed and paid-up capital	1,000,000	1,000,000
General reserve	18,752	18,752
Unrealised (impairment loss) / gain on re-measurement of investment at 'fair value through other comprehensive income'	(47,928)	100,035
Accumulated loss	(356,466)	(365,392)
	614,358	753,395
<b>Non-current liabilities</b>		
Long-term financing-secured	150,000	150,000
Liability against asset subject to finance lease	8,541	9,889
	158,541	159,889
<b>Current liabilities</b>		
Trade and other payables	887,102	975,233
Current portion of liability against asset subject to finance lease	6,704	6,416
Unclaimed dividend	1,402	1,402
Accrued mark-up	51	69
	895,259	983,120
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,668,158</b>	<b>1,896,404</b>

**CONTINGENCIES AND COMMITMENTS**

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



Chief Executive Officer



Director



Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2020**

	Quarter ended March 31	
	2020	Restated 2019
	----- (Rupees in '000) -----	
Operating revenue	71,371	47,493
<b>Net gain on investment</b>		
Gain on sale of investments 'at fair value through profit and loss' - net	2,505	2,593
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' -net	449	499
	2,954	3,092
Mark-up / profit on bank deposits and other receivables	31,054	21,383
	105,379	71,968
Operating and administrative expenses	(83,845)	(75,336)
(Provision) / reversal against doubtful debts-net	(1,085)	42
	(84,930)	(75,294)
<b>Operating profit / (loss)</b>	20,449	(3,326)
Finance cost	(6,831)	(5,380)
	13,618	(8,706)
Other income / (expense)	31	(341)
<b>Profit / (loss) before taxation</b>	13,649	(9,047)
<b>Taxation</b>		
Current - for the period	(3,428)	(1,106)
Deferred	(1,295)	785
	(4,723)	(321)
<b>Profit / (loss) after taxation</b>	8,926	(9,368)
<b>Other comprehensive income for the period:</b>		
Unrealised (loss) / gain arising during the period on re-measurement of investments at fair value through other comprehensive income - net	(147,963)	10,980
<b>Total comprehensive (loss) / income for the period</b>	<b>(139,037)</b>	<b>1,612</b>
	----- (Rupees) -----	
<b>Earnings / (loss) per share - basic and diluted</b>	<b>0.09</b>	<b>(0.09)</b>

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



Chief Executive Officer



Director



Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2020**

Quarter ended March 31

	2020	Restated 2019
	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	13,649	(9,047)
<b>Non-cash adjustments to reconcile profit / (loss) before tax to net cash flows:</b>		
Depreciation	4,329	3,117
Ammortisation	114	181
Gain on sale of investments' at fair value through profit and loss' - net	(2,505)	(2,593)
Unrealised gain on re-measurement of investments 'at fair value through profit or loss' - net	(449)	(499)
Provision / (reversal) against doubtful debts-net	1,085	(42)
Finance cost	6,831	5,380
	9,405	5,544
	23,054	(3,503)
<b>Working capital adjustments:</b>		
<b>Decrease in current assets</b>		
Trade debts	45,960	46,039
Advances, deposits, prepayments and other receivables	643,591	91,227
	689,551	137,266
<b>Decrease in current liabilities</b>		
Trade and other payables	(88,190)	(16,901)
	624,415	116,862
Finance cost paid	(6,790)	(5,434)
Income tax paid	(5,266)	(6,621)
	612,359	104,807
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investments 'at fair value through profit or loss' - net	(6,560)	(69,775)
Purchase of property and equipment	(2,642)	(4,389)
Purchase of intangible assets	-	(81)
	(9,202)	(74,245)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long-term loans and advances	(29)	11
Long-term deposits and prepayments	(649)	4,816
Liability against asset subject to finance lease	(1,060)	(2,075)
Repayment of short term financing	-	(100,000)
	(1,738)	(97,248)
<b>Net cash flows used in financing activities</b>		
<b>Net increase / (decrease) in cash and cash equivalents</b>	601,419	(66,686)
Cash and cash equivalents at the beginning of the period	239,702	547,522
Cash and cash equivalents at the end of the period	841,121	480,836

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



Chief Executive Officer



Director



Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2020**

	Share Capital	General Reserve	Accumulated Loss	Unrealised gain / (impairment loss) on re-measurement of investment at 'fair value through other comprehensive income'	Total
	(Rupees in '000)				
<b>Balance as at January 01, 2019 (As previously reported)</b>	1,000,000	18,752	(445,791)	301,304	874,265
Reclassification of impairment loss due to initial application of IFRS-9	-	-	75,000	(75,000)	-
Adjustment of initial application of IFRS-9 (net of tax)	-	-	17,340	-	17,340
<b>Adjusted balance as at January 01, 2019</b>	<b>1,000,000</b>	<b>18,752</b>	<b>(353,451)</b>	<b>226,304</b>	<b>891,605</b>
Total comprehensive income for the period (restated)	-	-	(9,368)	10,980	1,612
<b>Adjusted Balance as at March 31, 2019</b>	<b>1,000,000</b>	<b>18,752</b>	<b>(362,819)</b>	<b>237,284</b>	<b>893,217</b>
Total comprehensive loss for the period	-	-	(2,573)	(137,249)	(139,822)
<b>Balance as at December 31, 2019</b>	<b>1,000,000</b>	<b>18,752</b>	<b>(365,392)</b>	<b>100,035</b>	<b>753,395</b>
Total comprehensive loss for the period	-	-	8,926	(147,963)	(139,037)
<b>Balance as at March 31, 2020</b>	<b>1,000,000</b>	<b>18,752</b>	<b>(356,466)</b>	<b>(47,928)</b>	<b>614,358</b>

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



Chief Executive Officer



Director



Chief Financial Officer

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31, 2020**

**1. STATUS AND NATURE OF BUSINESS**

**The Group comprises of:**

- Holding Company-BIPL Securities Limited (BIPLS)
- Subsidiary Company-Structured Venture (Private) Limited (SVPL)

- 1.1 BIPLS was incorporated in Pakistan on October 24, 2000 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and commenced its operations effective January 1, 2003, on the transfer of assets and liabilities of the securities segment of the then Khadim Ali Shah Bukhari and Company Limited under a Scheme of Arrangement approved by the High Court of Sindh. The shares of the holding company are listed on the Pakistan Stock Exchange Limited (PSX). The registered office of the holding company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.
- 1.2 The Group is owned by BankIslami Pakistan Limited (the Ultimate Parent Holding Company) which holds 77.12% of the shares of the Group.
- The Ultimate Parent Company has released public information on April 24, 2019 pertaining to BIPL Securities Limited, (in which board of parent had authorized the bank to explore and evaluate the strategic option including divestment of shares held in BIPL Securities Limited.
- 1.3 The Holding Company is a TREC holder of the Pakistan Stock Exchange Limited (PSX) and Corporate member of Pakistan Mercantile Exchange Limited (PMEX) and is principally engaged in the business of stocks, money market, foreign exchange and commodity broking. Other activities include investment in a mix of listed and unlisted equity and debt securities, economic research and advisory services.

Subsidiary company was incorporated in Pakistan on June 25, 2010 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Holding Company is situated at 5th Floor, Trade Centre, I.I. Chundrigar Road, Karachi.

Subsidiary is wholly owned by BIPL Securities Limited.

Subsidiary's core objective is to capitalize opportunities across different asset classes, including but not limited to, commodities, structured products, real estate etc. In addition, the company can, subject to regulatory approvals, invest / participate in selected local and foreign business ventures.

At present, SVPL has no operational activities, except to pursue legal case against M/s Noor Developer (Private) Limited (the Developer) for the purchase of investment property of Rs 375 million and as a matter of prudence SVPL has fully impaired such investment in its financial statements. Further, it has also fully provided its investment in New horizon Exploration and Production Limited amounting to Rs 81 million. These amounts constituted 99% of total assets of SVPL. SVPL does not have sufficient cashflows, equity and other means to operate the company, therefore the board of directors of SVPL have decided to prepare SVPL's financial information on other than going concern basis (net realisable basis).

The Carrying value of assets and liabilities of the Company as at March 31, 2020 is equivalent to the realizable value.

**2. BASIS OF PREPARATION**

- 2.1 These consolidated condensed interim financial information of the Group for the period ended March 31, 2020 have been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of the Companies Act, 2017 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements differ, the provisions of the Companies Act, 2017 and the said directives have been followed.
- 2.2 These consolidated condensed interim financial information do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Group's Annual Financial Statements for the year ended December 31, 2019.
- 2.3 These consolidated condensed interim financial information are un-audited.

## 2.4 Changes in accounting standards, interpretations and pronouncements

### a) Standards, interpretations and amendments to published approved accounting standards that are effective

There are certain new standards, interpretations and amendments to the approved accounting standards and new interpretations which are mandatory for accounting periods beginning on or after January 1, 2020, but they do not have any significant effect on the Group's reporting and are therefore, not disclosed in these consolidated condensed interim financial statements.

### b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain new standards, interpretations, amendments to the approved accounting standards and new interpretations that will not be mandatory for accounting periods beginning on or after January 1, 2020, therefore, not disclosed in these consolidated condensed interim financial statements.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial information are consistent with those of the previous financial year.

### 3.1 EFFECT ON CORRESPONDING PERIOD ON ACCOUNT OF ADOPTING IFRS 16 - 'LEASES' DURING LAST YEAR:

During the year 2019, the Holding Company adopted accounting standard IFRS 16 'Leases' applicable on lease contracts where the Holding Company acting in capacity of lessee. The Holding Company had adopted modified retrospective approach for transition to IFRS 16 and applied practical expedients as allowed under IFRS 16. The changes due to adoption of IFRS 16 were first reported in the Holding Company's financial statement for the nine months ended September 30, 2019 with an effective date of January 01, 2019.

The impact of the initial application of IFRS 16 on the corresponding period are summarized below:

	(Un-audited) For the quarter ended March 31, 2020
Increase in finance cost	176
Decrease in operating expenses - rent expense	(939)
Increase in operating expenses - depreciation on right-of-use-assets	912
Increase in loss after tax	(149)

## 4. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these consolidated condensed interim financial information requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectation of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these consolidated condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended December 31, 2019.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2019.

## 5. BASIS OF CONSOLIDATION

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

## 6. RELATED PARTY TRANSACTIONS

The related parties of the Group comprise of BankIslami Pakistan Limited (the Parent Company), associated undertakings (including companies under common directorship), directors, employee benefit plans and its key management personnel. The balances with related parties as at March 31, 2020 and December 31, 2019 and transactions with related parties during the period ended March 31, 2020 and March 31, 2019 are as follows:

### As at March 31, 2020 (Un-audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
<b>BALANCES</b>						
Accrued mark-up	51	-	-	-	-	51
Bank balances	491,841	-	-	-	-	491,841
Ijarah deposits	1,462	-	-	-	-	1,462
Ijarah rental payable	615	-	-	-	-	615
Long-term financing	150,000	-	-	-	-	150,000
Profit receivable on bank deposit	3,125	-	-	-	-	3,125
Liability against asset subject to finance lease	2,347	-	-	-	-	2,347
Trade debts	104	5	3	-	-	112
Trade payables	-	-	-	162	-	162

### As at December 31, 2019 (Audited)

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

## Quarter ended March 31, 2020 (Un-audited)

	Parent Company	Subsidiary/ Associates	Directors	Key Management Personnel	Others	Total
----- (Rupees in '000) -----						
<b>TRANSACTIONS</b>						
<b>Income</b>						
Brokerage income earned	101	-	-	8	-	109
Custody services-net	1	1	-	-	-	2
Profit on bank deposits	7,317	-	-	-	-	7,317
<b>Expenses</b>						
Bank charges	15	-	-	-	-	15
Charge in respect of contributory plan	-	-	-	110	927	1,037
Mark-up expense	6,171	-	-	-	-	6,171
Meeting fee	-	-	480	-	-	480
Remuneration to key management personnel	-	-	-	4,255	-	4,255
Ijarah expense	647	-	-	-	-	647
<b>Other transaction</b>						
Rent paid	331	-	-	-	-	331

## Quarter ended March 31, 2019 (Un-audited)

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

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

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

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

	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
	% of Holding		No. of Shares	
M/s. BankIslami Pakistan Limited	77.12%	77.12%	77,117,500	77,117,500
Mrs. Noor Jehan Bano	6.54%	6.54%	6,535,500	6,535,500
Mr. Mohammad Aslam Motiwala	8.25%	7.31%	8,249,000	7,452,500

7.2 During the quarter ended March 31, 2020 Mr. Aslam Motiwala acquired 796,500/- shares of the company.

7.3 As at March 31, 2020 the value of customer shares maintained with the Company pledged with financial institutions is Rs 128.95 million (December 31, 2019: Rs 206.56 million).

7.4 As at March 31, 2020 value of customers shares maintained in the Company's Sub-Accounts held in the Central Depository Company of Pakistan Limited is Rs 9,724 million (December 31, 2019: Rs 14,269 million).

## 8. DATE OF AUTHORISATION

These condensed Interim Financial Information have been authorised for issue by the Board of Directors of the Holding Company on April 22, 2020.

## 9. GENERAL

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



Chief Executive Officer

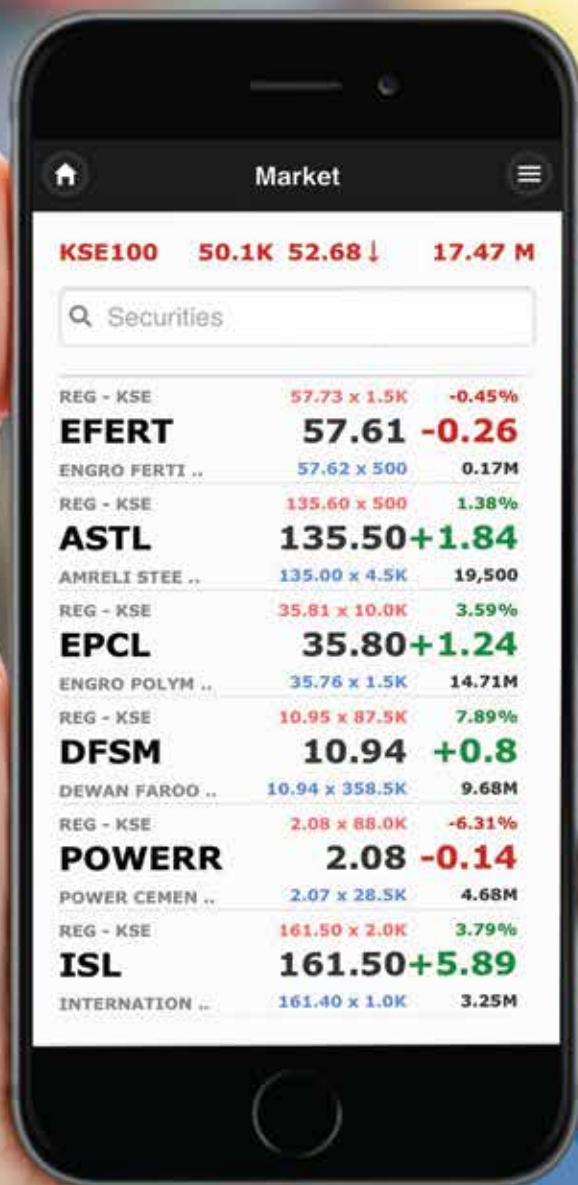
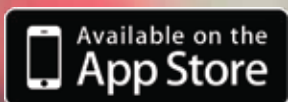


Director



Chief Financial Officer

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