

ASSETS

Non-current assets
Land and buildings
Property and equipment
Intangible assets
Long-term investments
Long-term loans
Long-term deposits
Deferred tax assets

Current assets
Trade receivables
Due from related parties
Trade receivables with different terms
Accounts receivable
Other receivables
Prepaid expenses
Cash and bank balances
TOTAL ASSETS

EQUITY AND LIABILITIES

Share capital and reserves
Paid-up share capital
Of which: ordinary shares of HK\$1.00 each
Reserves and undistributed profits
Accumulated losses
Unrealized gains on translation of subsidiaries' financial statements
Provision against share of associate's losses

IGI Finex Securities Limited

Condensed Interim Financial Statements-Un-Audited

For the Nine Months Ended March 31, 2017

IGI

Securities

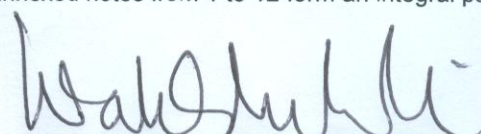
	March 31, 2017	March 31, 2016
Non-current assets	18,714,732	18,714,732
Land and buildings	15,755,244	15,755,244
Property and equipment	1,000,000	1,000,000
Intangible assets	1,959,488	1,959,488
Long-term investments	4,430,473	4,430,473
Long-term loans	25,732,482	25,732,482
Long-term deposits	25,732,482	25,732,482
Deferred tax assets	25,732,482	25,732,482
Current assets	1,121,174	1,121,174
Trade receivables	1,121,174	1,121,174
Due from related parties	1,121,174	1,121,174
Trade receivables with different terms	1,121,174	1,121,174
Accounts receivable	1,121,174	1,121,174
Other receivables	1,121,174	1,121,174
Prepaid expenses	1,121,174	1,121,174
Cash and bank balances	1,121,174	1,121,174
TOTAL ASSETS	20,835,906	20,835,906
Share capital and reserves	20,835,906	20,835,906
Paid-up share capital	20,835,906	20,835,906
Of which: ordinary shares of HK\$1.00 each	20,835,906	20,835,906
Reserves and undistributed profits	20,835,906	20,835,906
Accumulated losses	20,835,906	20,835,906
Unrealized gains on translation of subsidiaries' financial statements	20,835,906	20,835,906
Provision against share of associate's losses	20,835,906	20,835,906
TOTAL EQUITY AND LIABILITIES	20,835,906	20,835,906

IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2017

AS AT MARCH 31, 2017		UN-AUDITED March 31 2017	AUDITED June 30 2016
		Note	-----Rupees-----
ASSETS			
Non-current assets			
Fixed assets			
- Property and Equipment	5	20,041,701	19,284,232
- Intangible assets		15,585,244	15,275,554
Long-term Investments		60,591,636	9,883,822
Long-term Loan		69,859,738	69,859,738
Long-term deposits		4,451,473	4,439,473
Deferred tax asset-net		74,186,480	83,046,053
		244,716,272	201,788,872
Current assets			
Trade debts	6	39,924,925	57,679,145
Loans and advances		2,747,120	1,919,468
Trade deposits and short-term prepayments		171,261,881	148,263,686
Accrued mark-up		17,181,817	12,726,474
Other receivables		5,513,629	793,734
Taxation recoverable		45,049,771	39,522,327
Cash and bank balances		603,623,631	209,091,186
		885,302,774	469,996,020
TOTAL ASSETS		<u>1,130,019,046</u>	<u>671,784,892</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
60,000,000 ordinary shares of Rs. 10/- each		<u>600,000,000</u>	<u>600,000,000</u>
Issued, subscribed and paid up share capital		520,000,000	520,000,000
Accumulated Losses		(791,622,442)	(851,295,360)
Unrealised gain on revaluation of available-for-sale investments		51,625,159	-
Advance against issue of preference shares	7	650,000,000	650,000,000
		430,002,717	318,704,640
Current liabilities			
Trade and other payables		700,016,329	353,080,252
TOTAL EQUITY AND LIABILITIES	8	<u>1,130,019,046</u>	<u>671,784,892</u>

CONTINGENCIES

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

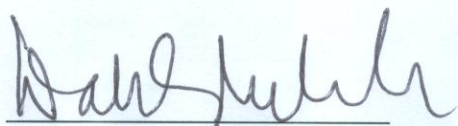

DIRECTOR

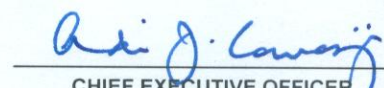

CHIEF EXECUTIVE OFFICER

IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

	Note	Nine Months Ended March 31		Third Quarter Ended March 31	
		2017	2016	2017	2016
		----- Rupees -----			
Operating revenue	9	126,591,874	82,988,066	42,397,140	20,426,214
Other income	10	21,106,394	19,862,993	8,021,322	6,826,793
		147,698,268	102,851,059	50,418,462	27,253,007
Administrative and operating expenses		(119,747,350)	(91,768,503)	(43,668,641)	(29,877,906)
Financial Charges		(446,559)	(525,037)	(100,206)	(144,883)
		27,504,359	10,557,519	6,649,615	(2,769,782)
Reversal of provision / (provision) for doubtful debts:					
- Trade debts		(3,188,239)	4,783,943	(223,624)	-
- Other receivables		-	-	-	-
		(3,188,239)	4,783,943	(223,624)	-
Gain on sale of investments		47,010,317	-	45,246,284	-
Profit before taxation		71,326,437	15,341,462	51,672,275	(2,769,782)
Taxation - current		(11,759,823)	(3,296,336)	(8,200,638)	-
Taxation - deferred		106,304	-	106,304	-
		(11,653,519)	(3,296,336)	(8,094,334)	-
Profit after taxation		59,672,918	12,045,126	43,577,941	(2,769,782)
Earnings per share - basic and diluted		1.15	0.23	0.84	(0.05)

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

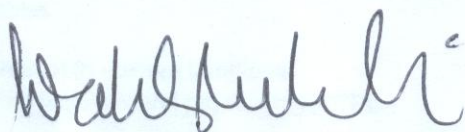

DIRECTOR


CHIEF EXECUTIVE OFFICER

IGI FINEX SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

	Nine months ended 31 March 2017	Nine months ended 31 March 2016
	-----Rupees-----	
Profit after taxation	59,672,918	12,045,126
Other comprehensive income for the period		
Items that may be reclassified to profit and loss account subsequently		
Surplus on revaluation of investments - available for sale	60,591,036	-
Less: Related tax impact	(8,965,877)	-
	51,625,159	-
Total comprehensive income for the period	<u>111,298,077</u>	<u>12,045,126</u>

The annexed notes from 1 to 22 form an integral part of this condensed interim financial information.



CHAIRMAN

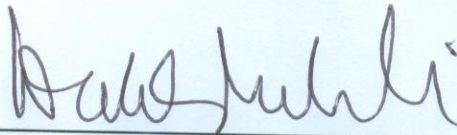


CHIEF EXECUTIVE OFFICER

IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

	March 31 2017	March 31 2016
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	71,326,437	15,341,462
Adjustments for :		
Depreciation	4,361,024	3,724,319
Amortisation	40,810	9,864
Finance cost	446,559	525,037
Gain on sale of investments	(47,106,851)	-
Gain on disposal of property, equipment and investment property	(199,654)	(1,697,110)
(Reversal of provision) / provision for doubtful debts - trade debts	3,188,239	(4,783,943)
Profit on saving accounts and deposits with PSX and PMEX	(16,594,662)	(12,344,818)
Dividend income	(622,357)	(1,915,344)
	(56,486,892)	(16,481,995)
Changes in working capital	14,839,545	(1,140,533)
(Increase) / decrease in current assets		
Trade debts and receivable from NCCPL	14,565,981	(808,131)
Loans and advances	(827,652)	(433,212)
Trade deposits and short-term prepayments	(22,998,195)	58,355,830
Other receivables	132,553	47,807
	(9,127,313)	57,162,294
Increase/ (decrease) in current liabilities		
Trade and other payables and payable to NCCPL	346,936,077	770,067
	352,648,309	56,791,828
Finance cost paid	(446,559)	(525,037)
Income tax paid	(17,287,267)	(6,114,959)
Net cash generated from operating activities	334,914,483	50,151,832
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,205,519)	(7,162,911)
Purchase of intangible assets	(350,500)	-
Proceeds on disposal of property, plant and equipment	2,286,680	2,912,031
Proceeds on disposal of long term investment	52,137,805	-
Long-term Loan to IGI Bank	-	-
Long-term deposits	(12,000)	(100,000)
Interest received	12,139,139	7,852,350
Dividend Received	622,357	1,915,344
Net cash (used in) / generated from investing activities	59,617,962	5,416,814
Net (decrease) / increase in cash and cash equivalents	394,532,445	55,568,646
Cash and cash equivalent at beginning of the period	209,091,186	184,606,599
Cash and cash equivalents at end of the period	603,623,631	240,175,245

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.

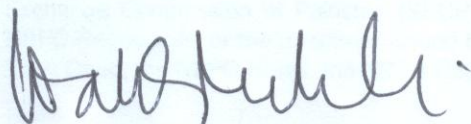

DIRECTOR


CHIEF EXECUTIVE OFFICER

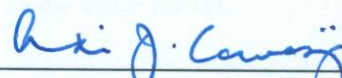
IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

	Share capital	Advance against issue of preference shares	Unrealised gain on revaluation of available-for-sale investments	Accumulated loss	Total
	(Rupees)				
Balance as at June 30, 2015	520,000,000	650,000,000	-	(871,092,591)	298,907,409
Changes in equity for the nine months ended March 31, 2016					
Profit after tax for the period	-	-	-	12,045,126	12,045,126
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	12,045,126	12,045,126
Balance as at March 31, 2016	520,000,000	650,000,000	-	(859,047,465)	310,952,535
Balance as at June 30, 2016	520,000,000	650,000,000	-	(851,295,360)	318,704,640
Changes in equity for the nine months ended March 31, 2017					
Profit after tax for the period	-	-	-	59,672,918	59,672,918
Other comprehensive income for the period	-	-	51,625,159	-	51,625,159
	-	-	51,625,159	59,672,918	111,298,077
Balance as at March 31, 2017	520,000,000	650,000,000	51,625,159	(791,622,442)	430,002,717

The annexed notes from 1 to 12 form an integral part of these condensed interim financial statements.



DIRECTOR



CHIEF EXECUTIVE OFFICER

IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

1 STATUS AND NATURE OF BUSINESS

- 1.1 IGI Finex Securities Limited (the Company) was incorporated in Pakistan on June 28, 1994 as a public limited company under the Companies Ordinance, 1984. The registered office of the Company is situated at Suite No. 701-713, 7th Floor, the Forum, G-20, Khayaban-e-Jami, Block-9, Clifton, Karachi. The Company has a Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited (formerly: Karachi Stock Exchange Limited) and is a corporate member of Pakistan Mercantile Exchange Limited. The Company is a wholly owned subsidiary of IGI Investment Bank Limited.

The principal activities of the Company include shares and commodities brokerage, money market and foreign exchange brokerage and advisory and consulting services.

The boards of directors of IGI Insurance Limited and IGI Investment Bank Limited have approved Scheme of Amalgamation ("Amalgamation Scheme") under Sections 284 to 288 of the Companies Ordinance, 1984 (the "Ordinance") for the amalgamation of the entire undertaking, assets, entitlements and liabilities of IGI Investment Bank Limited with and into IGI Insurance Limited. In addition, the boards of Directors of IGI Insurance Limited and its wholly owned subsidiaries i.e. IGI General Insurance Limited and IGI Investments (Private) Limited have also approved Scheme of Arrangement ("Arrangement Scheme") under Sections 284 to 288 of the Ordinance for the demerger of the insurance division and certain investments along with corresponding liabilities, if any, held by IGI Insurance Limited into its (2) wholly owned subsidiaries IGI General Insurance Limited and IGI Investments (Private) Limited respectively subsequent to the merger under Amalgamation scheme.

Both Amalgamation Scheme and Arrangement Scheme have been filed by these entities with Honorable Sindh High Court in accordance with provisions of law subsequent to year-end and are pending before the court. Pursuant to the approval of Amalgamation scheme, the Company will become a wholly owned subsidiary of IGI Insurance Limited.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

3 BASIS OF PREPARATION AND MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention except that certain investments have been carried at fair value in accordance with the requirements of International Accounting Standard (IAS) 39 - "Financial Instruments: Recognition and Measurement".

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual financial statements.

- 4.1 Provision against doubtful debts has been made in accordance with the time based criteria as prescribed under regulation 34(h) of Securities Brokers (Licensing and Operations) Regulations, 2016, which requires provision after taking into account value of eligible securities (net off haircuts as prescribed) for receivables outstanding for more than 5 days.

5 PROPERTY AND EQUIPMENT

	March 31, 2017					
	Renovation of office premises	Furniture and fixtures	Office equipment	Communication equipment	Computer equipment	Motor vehicles
	Rupees					
As at July 01, 2016						
Cost	18,183,655	2,998,966	3,170,139	4,092,707	21,802,267	17,313,266
Accumulated depreciation	13,963,886	2,319,943	2,618,303	3,834,266	20,707,428	4,782,942
Net book value	<u>4,219,769</u>	<u>679,023</u>	<u>551,836</u>	<u>208,441</u>	<u>1,094,839</u>	<u>12,530,324</u>
Nine months ended March 31, 2017						
Opening net book value	4,219,769	679,023	551,836	208,441	1,094,839	12,530,324
Additions	468,853	170,700	300,300	86,400	1,897,976	4,281,290
Disposals						
Cost	-	242,890	-	-	107,055	2,908,030
Depreciation	-	(201,258)	-	-	(95,161)	(874,530)
Disposals	-	41,632	-	-	11,895	2,033,500
Depreciation charge for the period	1,209,705	177,635	203,117	44,733	779,223	1,946,611
Closing net book value	<u>3,478,917</u>	<u>630,456</u>	<u>649,019</u>	<u>250,108</u>	<u>2,201,698</u>	<u>12,831,503</u>
As at March 31, 2017						
Cost	18,652,508	2,926,776	3,470,439	4,179,107	23,593,188	18,686,526
Accumulated depreciation	15,173,591	2,296,320	2,821,420	3,928,999	21,391,490	5,855,023
Net book value	<u>3,478,917</u>	<u>630,456</u>	<u>649,019</u>	<u>250,108</u>	<u>2,201,698</u>	<u>12,831,503</u>
Depreciation rate % per annum	10	10	10	20	33	20

	March 31, 2016					
	Renovation of office premises	Furniture and fixtures	Office equipment	Communication equipment	Computer equipment	Motor vehicles
	Rupees					
As at July 01, 2015						
Cost	18,148,808	2,983,966	3,089,139	4,022,985	25,892,953	14,460,520
Accumulated depreciation	12,310,175	2,028,470	2,350,878	3,820,608	24,524,069	5,346,843
Net book value	<u>5,838,633</u>	<u>955,496</u>	<u>738,261</u>	<u>202,377</u>	<u>1,368,884</u>	<u>9,113,677</u>
Nine months ended March 31, 2016						
Opening net book value	5,838,633	955,496	738,261	202,377	1,368,884	9,113,677
Additions	11,847	15,000	81,000	99,000	317,900	6,638,164
Disposals						
Cost	-	-	-	99,000	-	3,802,758
Depreciation	-	-	-	(11,330)	-	(2,675,507)
Disposals	-	-	-	87,670	-	1,127,251
Depreciation charge for the period	1,256,031	218,274	201,289	60,471	511,838	1,476,417
Closing net book value	<u>4,594,449</u>	<u>752,222</u>	<u>617,972</u>	<u>153,236</u>	<u>1,174,946</u>	<u>13,148,173</u>
As at March 31, 2016						
Cost	18,160,655	2,998,966	3,170,139	4,022,985	26,210,853	17,295,926
Accumulated depreciation	13,566,206	2,246,744	2,552,167	3,869,749	25,035,907	4,147,753
Net book value	<u>4,594,449</u>	<u>752,222</u>	<u>617,972</u>	<u>153,236</u>	<u>1,174,946</u>	<u>13,148,173</u>
Depreciation rate % per annum	10	10	10	20	33	20

IGI FINEX SECURITIES LIMITED
CONDENSED INTERM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

Note	UN-AUDITED March 31 2017	AUDITED June 30 2016
	----- Rupees -----	
6 TRADE DEBTS		
Considered good		
Receivable from clients against purchase of marketable securities and commodity contracts	24,385,804	42,153,953
Commission receivable	-	414,265
	<u>24,385,804</u>	<u>42,568,218</u>
Considered doubtful		
Receivable from clients against purchase of marketable securities and commodity contracts	604,114,801	600,497,368
Provision for doubtful debts	(588,575,680)	(585,386,441)
	<u>15,539,121</u>	<u>15,110,927</u>
	<u><u>39,924,925</u></u>	<u><u>57,679,145</u></u>

6.1 Aging analysis	Gross Amount	Provision held	Net amount
	----- Rupees -----		
Upto 5 days	24,385,804	-	24,385,804
More than 5 but upto 14 days	649,464	649,464	-
More than 14 but upto 30 days	1,510,953	1,455,516	55,437
More than 30 but upto 60 days	1,122,945	1,099,512	23,433
More than 60 but upto 90 days	66,003	66,003	-
More than 90 days	600,765,436	585,305,185	15,460,251
	<u><u>628,500,605</u></u>	<u><u>588,575,680</u></u>	<u><u>39,924,925</u></u>

7 ADVANCE AGAINST ISSUE OF PREFERENCE SHARES

During the financial year ended June 30, 2012, the Company received Rs. 650 million in the form of interest free Subordinated loan from Mr. Syed Babar Ali, Chairman – IGI Investment Bank Limited, the Parent Company, and a key sponsor of the Company. On June 29, 2012, the Company and Mr. Syed Babar Ali entered into an irrevocable Subscription Agreement to convert the Subordinated Loan into Preference Shares to be issued by the Company to Mr. Syed Babar Ali.

The Subscription Agreement provides for issue of 65,000,000 preference shares at the rate of Rs. 10 per share and these shares will be non-voting, non-redeemable, non-convertible and non-cumulative. Further, under the Subscription Agreement, the Company is to take steps for issuance and allotment of preference shares to Mr. Syed Babar Ali and to complete all requisite formalities in that connection.

On April 18, 2014 and June 30, 2016 the Company had signed an Addendums to the aforesaid Subscription Agreement to amend the terms for payment of dividend to the preference shareholder, as may be declared by the Company out of its distributable profits and the entitlement of preference shareholder in case of liquidation of the Company.

Consequent to the above, in case of change in management control of the Company, the preference shareholder shall be first paid dividend upto 10% of par value until the aggregate amount of preferential dividend paid equals Rs. 650 million and thereafter, 0.1% of par value. Further, in case of liquidation of the Company, preference shareholder shall have priority over ordinary shareholder to the extent of par value of preference shares held, less dividends paid on preference shares.

Since the Company is yet to complete formalities for issuance of the said preference shares, the amount has been reported as advance against issue of preference shares.

8 CONTINGENCIES

There are no changes in contingencies as disclosed in the financial statements for the year ended June 30, 2016.

IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2017

9 OPERATING REVENUE

	Nine Months Ended March 31		Third Quarter Ended March 31	
	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees
Brokerage from equity operations	119,390,714	72,546,480	39,851,345	17,106,204
Brokerage from commodity operations	7,201,160	6,618,730	2,545,795	3,281,510
Advisory and consulting fee	-	3,741,356	-	-
Commission	-	81,500	-	38,500
	<u>126,591,874</u>	<u>82,988,066</u>	<u>42,397,140</u>	<u>20,426,214</u>

10 OTHER INCOME

From financial assets

Profit on saving accounts	7,946,445	4,589,432	3,093,949	1,542,131
Income on deposit with Pakistan Stock Exchange Limited	4,331,707	3,147,587	1,586,945	804,188
Income on deposit with Pakistan Mercantile Exchange Limited	-	31,138	-	6,242
Mark-up on long-term loan	4,316,510	4,558,950	1,421,713	1,480,414
Others	30,290	-	30,290	-
	<u>16,624,952</u>	<u>12,327,107</u>	<u>6,132,897</u>	<u>3,832,975</u>

From other than financial assets

Gain / (loss) on disposal of operating fixed assets	199,654	1,697,110	199,654	578,629
Dividend Income	622,357	1,915,344	421,988	400,738
CDC conversion charges and commission	3,659,431	3,874,583	1,266,783	2,014,451
	<u>4,481,442</u>	<u>7,535,886</u>	<u>1,888,425</u>	<u>2,993,818</u>
	<u>21,106,394</u>	<u>19,862,993</u>	<u>8,021,322</u>	<u>6,826,793</u>

11 RELATED PARTY TRANSACTIONS

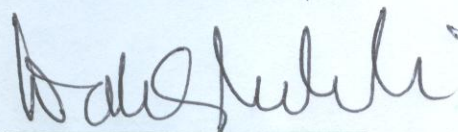
The company has related party relationships with its parent company, associated undertakings, staff retirement funds and its directors and key management personnel.

The following transactions were carried out with related parties during the period.

	March 31, 2017			March 31, 2016		
	Parent	Key management personnel	Other related parties and associated undertakings	Parent	Key management personnel	Other related parties and associated undertakings
	Rupees					
Purchase of marketable securities for and on behalf of	-	119,069,958	879,835,080	-	24,500,210	1,684,662,687
Sale of marketable securities for and on behalf of	-	122,100,727	-	4,226,973	19,283,362	129,002,643
Brokerage income earned	-	337,710	977,290	120,011	46,571	4,629,667
Advisory and consulting fee	-	-	-	-	-	3,500,000
Insurance expense	-	-	1,508,419	-	-	1,278,972
Rent Expense	-	-	2,821,081	-	-	2,838,699
Rent Expense - reimbursements	344,960	-	-	313,600	-	-
Group shared services	12,450,883	-	4,479,598	9,408,879	-	3,795,642
Group shared services - reimbursement	1,462,361	-	4,736,486	947,725	-	2,464,674
Long-term loan	-	-	-	-	-	-
Mark-up on long-term loan	4,316,510	-	-	4,558,950	-	-
Purchase of fixed assets	-	-	-	-	-	-
Commission expense	205,345	-	-	154,789	-	-

12 GENERAL

Figures have been rounded off to the nearest rupee.


DIRECTOR


CHIEF EXECUTIVE OFFICER