



IGI Finex Securities Limited
Condensed Interim Financial Statements-Un-Audited
For the Half Year Ended June 30, 2021

IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

		UN-AUDITED	AUDITED
		June 30	December 31
	Note	2021	2020
		----- Rupees -----	
ASSETS			
Non-current assets			
Fixed assets			
- Property and equipment	5	17,749,739	20,077,413
- Intangible assets		15,560,154	15,777,391
Investments		35,761,881	23,755,760
Long term deposits		8,229,664	15,729,664
Deferred tax asset - net		67,868,468	67,868,468
		145,169,906	143,208,696
Current assets			
Trade debts - net	6	178,849,365	32,084,747
Loans and advances		660,700	920,900
Deposits and prepayments		282,640,025	284,047,462
Accrued mark-up - net		1,488,367	4,209,215
Other receivables - net		11,777,269	3,179,409
Taxation recoverable		56,934,830	58,132,878
Bank balances	7	630,357,920	628,701,013
		1,162,708,476	1,011,275,624
TOTAL ASSETS		1,307,878,382	1,154,484,320
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital			
60,000,000 ordinary shares of Rs. 10/- each		600,000,000	600,000,000
(2020: 60,000,000 ordinary shares of Rs. 10/- each)			
Issued, subscribed and paid up share capital	8	520,000,000	520,000,000
Accumulated losses		(717,392,525)	(777,383,969)
Surplus on remeasurement of financial assets		35,761,481	23,755,360
Advance against issue of preference shares	9	525,000,000	550,000,000
		363,368,956	316,371,391
Non-current liabilities			
Retirement benefit obligations		20,744,867	15,712,000
Lease Liability against right-of-use asset		-	44,292
		20,744,867	15,756,292
Current liabilities			
Trade and other payables		923,463,669	821,862,456
Current portion of lease liability against right-of-use asset		300,890	494,181
		923,764,559	822,356,637
Total Liabilities		944,509,426	838,112,929
TOTAL EQUITY AND LIABILITIES		1,307,878,382	1,154,484,320

CONTINGENCIES AND COMMITMENTS

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The annexed notes from 1 to 14 form an integral part of these condensed interim unaudited financial statements.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

	Note	Half Year Ended JUNE 30		Quarter Ended JUNE 30	
		2021	2020	2021	2020
		----- Rupees -----		----- Rupees -----	
Operating revenue	11	178,264,695	68,994,560	90,208,631	28,816,875
Other operating revenue	12	16,514,654	21,034,652	8,100,437	10,056,096
Total operating income		194,779,349	90,029,212	98,309,068	38,872,971
Administrative and operating expenses		(116,867,178)	(67,288,878)	(58,376,265)	(31,932,974)
Financial Charges		(425,325)	(398,339)	(256,184)	(170,127)
Total operating expenses		(117,292,503)	(67,687,217)	(58,632,449)	(32,103,101)
Profit / (loss) before taxation		77,486,846	22,341,995	39,676,619	6,769,870
Taxation - current		(17,495,402)	(3,385,636)	(9,460,842)	(1,003,382)
Profit / (loss) after taxation		59,991,444	18,956,359	30,215,777	5,766,488
Profit / (loss) per share - basic and diluted		1.15	0.36	0.58	0.11

The annexed notes from 1 to 14 form an integral part of these condensed interim unaudited financial statements.


CHAIRMAN

CHIEF EXECUTIVE OFFICER

IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

	Half Year Ended JUNE 30	
	2021	2020
	----- Rupees -----	
Profit / (loss) after taxation	59,991,444	18,956,359
Items that may be reclassified to profit and loss account subsequently:		
Unrealised gain / (loss) on remeasurement of financial assets classified as fair value through other comprehensive income	12,006,121	(4,136,020)
Total comprehensive income / (loss) for the period	<u>71,997,565</u>	<u>14,820,339</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim unaudited financial statements.

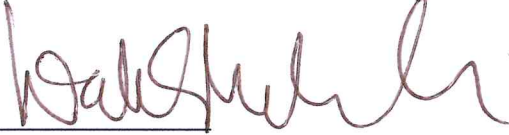

CHAIRMAN


CHIEF EXECUTIVE OFFICER

IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

	Issued, Subscribed and paidup Share Capital	Advance against issue of preference shares	Surplus on remeasurement of financial assets classified as fair value through other comprehensive income	Accumulated loss	Total
	----- Rupees -----				
Balance as at Jaunary 01, 2020	520,000,000	550,000,000	20,004,453	(813,252,285)	276,752,168
Changes in equity for half year ended June 30, 2020					
Profit for the period	-	-	-	18,956,359	18,956,359
Other comprehensive loss for the period	-	-	(4,136,020)	-	(4,136,020)
Total comprehensive income for the period	-	-	(4,136,020)	18,956,359	14,820,339
Balance as at June 30, 2020	<u>520,000,000</u>	<u>550,000,000</u>	<u>15,868,433</u>	<u>(794,295,926)</u>	<u>291,572,507</u>
Balance as at Jaunary 01, 2021	520,000,000	550,000,000	23,755,360	(777,383,969)	316,371,391
Changes in equity for half year ended June 30, 2021					
Profit for the period	-	-	-	59,991,444	59,991,444
Payment in respect of advance against preference shares	-	(25,000,000)	-	-	(25,000,000)
Other comprehensive income / (loss) for the period	-	-	12,006,121	-	12,006,121
Total comprehensive income for the period	-	(25,000,000)	12,006,121	59,991,444	46,997,565
Balance as at June 30, 2021	<u>520,000,000</u>	<u>525,000,000</u>	<u>35,761,481</u>	<u>(717,392,525)</u>	<u>363,368,956</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim unaudited financial statements.


CHAIRMAN


CHIEF EXECUTIVE OFFICER

IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

	Half Year Ended JUNE 30	
	2021	2020
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	77,486,846	22,341,995
Adjustments for non-cash items:		
Depreciation - property and equipment	2,912,782	2,688,864
Amortisation	290,736	290,747
Financial charges	425,325	398,339
Loss on disposal of property and equipment	3,126	(125,981)
Reversal of provision / (Provision) for doubtful debts - trade debts	-	-
Profit on saving accounts and deposit with PSX and PMEX	(13,561,222)	(19,829,916)
Charge for defined benefit plan	5,032,867	-
	(4,896,386)	(16,577,947)
Changes in working capital	72,590,460	5,764,048
(Increase) / decrease in current assets		
Trade receivables	(146,764,618)	86,386,938
Loans and advances	260,200	288,777
Trade deposits and short-term prepayments	1,407,437	(2,893,413)
Other receivables	(8,597,860)	-
	(153,694,841)	83,782,302
Increase/ (decrease) in current liabilities		
Trade and other payables	101,363,630	(33,994,460)
	20,259,249	55,551,890
Finance cost paid	(425,325)	(398,339)
Income tax paid	(16,297,354)	(5,445,779)
Net cash generated from / (used in) operating activities	3,536,570	49,707,772
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property and equipment	(691,734)	(4,220,310)
Purchase of intangible assets	-	-
Proceeds from disposal of property and equipment	30,000	218,872
Payment in respect of advance against preference shares	(25,000,000)	-
Long-term deposits	7,500,000	(2,000,000)
Dividend received	-	-
Interest received	16,282,071	24,871,807
Net cash generated from / (used in) investing activities	(1,879,663)	18,870,369
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flow from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	1,656,907	68,578,140
Cash and cash equivalent at beginning of the period	628,701,013	388,157,249
Cash and cash equivalents at end of the period	<u>630,357,920</u>	<u>456,735,389</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim unaudited financial statements.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

IGI FINEX SECURITIES LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

1 LEGAL 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 (now Companies Act, 2017). 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 and is a corporate member of Pakistan Mercantile Exchange Limited.

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

The Company is a wholly owned subsidiary of IGI Holdings Limited (the Parent Company).

The Company operates with a total number of 7 (2019: 8) branches in Karachi, Lahore, Islamabad, Faisalabad, Rahim Yar Khan, and Multan.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim reporting. The approved accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the provisions of the Companies Act, 2017, and the requirements of the Companies Act, 2017 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Where the requirements of the Companies Act, 2017 or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Companies Act, 2017 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 investment has been carried at fair value.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these condensed interim unaudited financial statements are the same as those applied in the preparation of the preceding audited financial statements of the Company for the year ended December 31, 2019.

IGI FINEX SECURITIES LIMITED
CONDENSED INTERM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

5 PROPERTY AND EQUIPMENT

June 30, 2021							
Leasehold improve-ments	Furniture and fixtures	Office equipment	Communi-cation equipment	Computer equipment	Motor vehicles	Right-of-use asset	Total
Rupees							

As at January 1, 2021

Cost	21,037,844	948,647	2,233,677	2,379,811	8,223,706	28,419,484	1,216,970	64,460,139
Accumulated depreciation	(18,130,668)	(731,057)	(1,791,006)	(2,191,336)	(4,722,964)	(16,038,184)	(777,511)	(44,382,726)
Net book value	<u>2,907,176</u>	<u>217,590</u>	<u>442,671</u>	<u>188,475</u>	<u>3,500,742</u>	<u>12,381,300</u>	<u>439,459</u>	<u>20,077,413</u>

Half Year Ended June 30, 2021

Opening net book value	2,907,176	217,590	442,671	188,475	3,500,742	12,381,300	439,459	20,077,413
Additions	-	-	128,034	19,500	470,700	-	-	618,234
Disposals								
Cost	-	(42,700)	(81,106)	(835,150)	(114,108)	-	-	(1,073,064)
Accumulated depreciation	-	20,671	72,829	835,150	111,288	-	-	1,039,938
	-	(22,029)	(8,277)	-	(2,820)	-	-	(33,126)
Depreciation charge for the period	(244,040)	(27,834)	(37,187)	(40,521)	(837,429)	(1,522,931)	(202,840)	(2,912,782)
Closing net book value	<u>2,663,136</u>	<u>211,785</u>	<u>541,795</u>	<u>167,454</u>	<u>3,136,833</u>	<u>10,858,369</u>	<u>236,619</u>	<u>17,815,991</u>

As at June 30, 2021

Cost	21,037,844	905,947	2,280,605	1,564,161	8,580,298	28,419,484	1,216,970	64,005,309
Accumulated depreciation	(18,374,708)	(738,220)	(1,755,364)	(1,396,707)	(5,449,105)	(17,561,115)	(980,351)	(46,255,570)
Net book value	<u>2,663,136</u>	<u>167,727</u>	<u>525,241</u>	<u>167,454</u>	<u>3,131,193</u>	<u>10,858,369</u>	<u>236,619</u>	<u>17,749,739</u>

Depreciation rate % per annum

10	10	10	20	33	20	33	
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December 31, 2020							
Leasehold improve-ments	Furniture and fixtures	Office equipment	Communi-cation equipment	Computer equipment	Motor vehicles	Right-of-use asset	Total
Rupees							

As at January 1, 2020

Cost	21,037,844	1,084,728	2,250,227	2,348,811	5,786,978	26,884,087	1,216,970	60,609,645
Accumulated depreciation	(17,640,509)	(804,097)	(1,725,517)	(2,114,997)	(4,787,277)	(13,407,079)	(371,852)	(40,851,328)
Net book value	<u>3,397,335</u>	<u>280,631</u>	<u>524,710</u>	<u>233,814</u>	<u>999,701</u>	<u>13,477,008</u>	<u>845,118</u>	<u>19,758,317</u>

Year ended December 31, 2020

Opening net book value	3,397,335	280,631	524,710	233,814	999,701	13,477,008	845,118	19,758,317
Additions	-	-	-	34,000	3,501,598	3,533,882	-	7,069,480
Disposals								
Cost	-	136,081	16,550	3,000	1,064,870	1,998,485	-	3,218,986
Accumulated depreciation	-	(133,852)	(8,465)	(2,284)	(1,053,562)	(1,115,791)	-	(2,313,954)
	-	2,229	8,085	716	11,308	882,694	-	905,032
Depreciation charge for the year	(490,159)	(60,812)	(73,954)	(78,623)	(989,249)	(3,746,896)	(405,659)	(5,845,352)
Closing net book value	<u>2,907,176</u>	<u>217,590</u>	<u>442,671</u>	<u>188,475</u>	<u>3,500,742</u>	<u>12,381,300</u>	<u>439,459</u>	<u>20,077,413</u>

As at December 31, 2020

Cost	21,037,844	948,647	2,233,677	2,379,811	8,223,706	28,419,484	1,216,970	64,460,139
Accumulated depreciation	(18,130,668)	(731,057)	(1,791,006)	(2,191,336)	(4,722,964)	(16,038,184)	(777,511)	(44,382,726)
Net book value	<u>2,907,176</u>	<u>217,590</u>	<u>442,671</u>	<u>188,475</u>	<u>3,500,742</u>	<u>12,381,300</u>	<u>439,459</u>	<u>20,077,413</u>

Depreciation rate % per annum

10	10	10	20	33	20	33	
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IGI FINEX SECURITIES LIMITED
CONDENSED INTERM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

	Note	UN-AUDITED June 30 2021	AUDITED Dec 31 2020
		----- Rupees -----	
6 TRADE DEBTS			
Considered good			
Receivable from clients against purchase of marketable securities and commodity contracts		164,241,109	17,587,783
Considered doubtful			
Receivable from clients against purchase of marketable securities and commodity contracts		594,058,766	593,947,474
Commission receivable		414,265	414,265
Provision for doubtful debts		(579,864,775)	(579,864,775)
		14,608,256	14,496,964
		<u>178,849,365</u>	<u>32,084,747</u>

6.1 The customer assets in central depository system amount to Rs. 6,931.80 million (December 31, 2020: Rs. 6,320 million)

	Note	UN-AUDITED June 30 2021	AUDITED Dec 31 2020
		----- Rupees -----	
7 BANK BALANCES			
Cash in hand		-	-
Cash at bank	7.1	630,357,920	628,701,013
		<u>630,357,920</u>	<u>628,701,013</u>

7.1 This includes amount of Rs. 563.871 million representing clients' funds. (December 31, 2020: Rs. 612.685 million)

		UN-AUDITED June 30 2021	AUDITED Dec 31 2020
		----- Rupees -----	
8 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL			
	2021 Number of shares		
	52,000,000	52,000,000	52,000,000
	Ordinary shares of Rs. 10/- each fully paid in cash	520,000,000	520,000,000

8.1 The parent company, IGI Holdings Limited (formerly IGI Insurance Limited), holds 52,000,000 shares.

9 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 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 up to 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.

During the year ended December 31, 2018, the Company had repaid an amount of Rs 100 million in respect of the advance against preference shares. Further, an addendum was signed to reflect that the amount of advance against preference shares is reduced to Rs. 550,000,000 and preference shares are reduced to 55,000,000 at the rate of Rs. 10 per share. Further, the Company may at its option or discretion refund the entire subscription amount (or any part thereof) at any time during the term of this Subscription Agreement subject to a fifteen days notice to the sponsor, provided that the sponsor shall not be entitled to demand claim / refund of the Subscription amount (or any part thereof) in term of this clause of the Subscription Agreement. In line with the same, the Company during the current period refunded an additional amount of Rs. 25 million to the Sponsor.

Since the Company has not yet issued the said preference shares, the amount has been reported as advance against issue of preference shares.

10 CONTINGENCIES AND COMMITMENTS

There are no changes in contingencies as disclosed in the financial statements for the year ended December 31, 2020.

IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

		HALF YEAR ENDED JUNE 30		QUARTER ENDED JUNE 30	
		2021	2020	2021	2020
		----- Rupees -----			
11	OPERATING REVENUE				
	Retail	156,889,032	60,691,933	78,311,282	26,660,071
	Institution	18,829,854	6,720,077	10,208,308	1,672,914
	Brokerage from equity operations	175,718,886	67,412,010	88,519,590	28,332,985
	Brokerage from commodity operations	2,545,809	1,582,550	1,689,041	483,890
		<u>178,264,695</u>	<u>68,994,560</u>	<u>90,208,631</u>	<u>28,816,875</u>
12	OTHER OPERATING REVENUE				
	From financial assets				
	Profit on saving accounts	9,360,669	13,776,956	4,373,445	6,917,947
	Income on deposit with Pakistan Stock Exchange Limited Exposure	4,200,553	6,052,960	2,083,524	2,600,117
	Gain / (Loss) on sale of operating fixed assets	(3,126)	125,981	(3,126)	10,970
	Dividend Income	-	-	-	-
		<u>13,558,096</u>	<u>19,955,897</u>	<u>6,453,843</u>	<u>9,529,034</u>
	From other than financial assets				
	CDC conversion charges and commission	2,951,939	1,042,690	1,641,975	519,922
	Others	4,619	36,065	4,619	7,140
		<u>2,956,558</u>	<u>1,078,755</u>	<u>1,646,594</u>	<u>527,062</u>
		<u>16,514,654</u>	<u>21,034,652</u>	<u>8,100,437</u>	<u>10,056,096</u>

IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

13 RELATED PARTY TRANSACTIONS

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

The following transactions were carried out with related parties during the half year ended June 30, 2021.

June 30, 2021			
	Parent	Key management personnel	Other related parties and associated undertakings
	Rupees		
Purchase of marketable securities for and on behalf of	-	209,244,175	342,981,370
Sale of marketable securities for and on behalf of	-	210,913,162	40,968,561
Brokerage income earned	-	602,772	580,362
Remuneration paid to	-	16,577,738	-
Insurance expense paid to	-	-	1,168,342
Reimbursement of expenses	-	-	1,737,213
Group Shared Services reimbursements from	4,688,326	-	1,311,371
Group Shared Services reimbursements to	-	-	1,783,326
Rent expense - reimbursement from	-	-	-
Rent expense - reimbursement to	-	-	1,797,318

June 30, 2020			
	Parent	Key management personnel	Other related parties and associated undertakings
	Rupees		
Purchase of marketable securities for and on behalf of	-	105,390,646	274,414,123
Sale of marketable securities for and on behalf of	-	128,271,968	55,248,107
Brokerage income earned	-	313,380	502,778
Remuneration paid to	-	15,133,332	-
Insurance expense paid to	-	-	993,728
Reimbursement of expenses	-	-	2,772,605
Group Shared Services reimbursements from	3,976,876	-	902,880
Group Shared Services reimbursements to	-	-	3,726,273
Rent expense - reimbursement from	-	-	79,860
Rent expense - reimbursement to	-	-	2,027,887

14 GENERAL

Figures have been rounded off to the nearest rupee.

CHAIRMAN

CHIEF EXECUTIVE OFFICER