



IGI Finex Securities Limited
Un-Audited Condensed Interim Financial Information
For the Quarter Ended March 31, 2023

IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

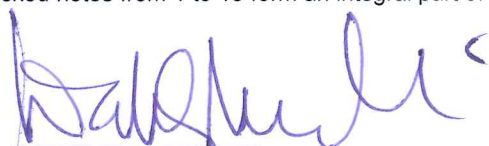
AS AT MARCH 31, 2023

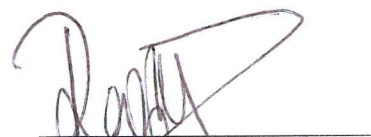
		Un audited March 31 2023	Audited December 31 2022
	Note	----- Rupees -----	
ASSETS			
Non-current assets			
Fixed assets			
- Property and equipment	5	29,981,294	31,609,998
- Intangible assets	6	15,712,594	15,529,186
Investments		13,480,835	12,951,860
Long term deposits		21,129,664	21,129,664
Deferred tax asset - net		56,856,559	56,856,558
		137,160,946	138,077,266
Current assets			
Trade receivables - net	7	29,174,001	34,866,680
Advances		572,151	997,833
Deposits and prepayments		64,828,076	92,282,091
Accrued mark-up - net		7,066,966	7,277,280
Other receivables		9,570,802	3,826,871
Taxation recoverable		68,582,309	65,752,956
Bank balances	8	437,249,552	528,387,600
		617,043,857	733,391,311
TOTAL ASSETS		754,204,803	871,468,577
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
(2021: 60,000,000 ordinary shares of Rs. 10 each)			
Issued, subscribed and paid up share capital	9	520,000,000	520,000,000
Surplus on revaluation of available-for-sale investment		13,480,435	12,951,460
Advance against issue of preference shares	10	495,000,000	495,000,000
Accumulated losses		(700,573,212)	(700,618,843)
		327,907,223	327,332,617
Non-current liabilities			
Retirement benefit obligations		1,250,000	25,242,710
Lease liability against right-of-use asset		8,570,607	9,024,096
		9,820,607	34,266,806
Current liabilities			
Trade and other payables		414,537,364	507,929,545
Current portion of lease liability against right-of-use asset		1,939,609	1,939,609
		416,476,973	509,869,154
Total liabilities		426,297,580	544,135,960
TOTAL EQUITY AND LIABILITIES		754,204,803	871,468,577

CONTINGENCIES

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The annexed notes from 1 to 15 form an integral part of these unaudited condensed interim financial information.

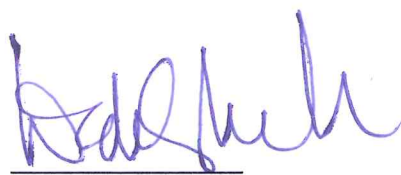

DIRECTOR


CHIEF EXECUTIVE OFFICER

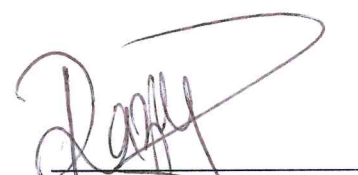
IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

	Note	Quarter Ended March 31	
		2023	2022
		----- Rupees -----	
Operating revenue	12	21,836,728	35,301,093
Other operating revenue	13	17,500,379	15,359,053
Total operating income		39,337,107	50,660,146
Administrative and operating expenses		(38,415,623)	(44,919,943)
Financial Charges		(640,098)	(233,755)
Total operating expenses		(39,055,721)	(45,153,698)
Profit before taxation		281,386	5,506,448
Taxation - current		(235,755)	(1,596,870)
Profit after taxation		45,631	3,909,578
Earnings per share - basic and diluted		0.00	0.08

The annexed notes from 1 to 15 form an integral part of these unaudited condensed interim financial information.



 DIRECTOR



 CHIEF EXECUTIVE OFFICER

IGI FINEX SECURITIES LIMITED**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023**

	Quarter Ended March 31	
	2023	2022
	----- Rupees -----	
Profit after taxation	45,631	3,909,578
Items that may be reclassified to profit and loss account subsequently:		
Surplus / (Deficit) on revaluation of available for sale investment	528,975	(1,795,307)
Total comprehensive income for the period	<u><u>574,606</u></u>	<u><u>2,114,271</u></u>

The annexed notes from 1 to 15 form an integral part of these unaudited condensed interim financial information.



DIRECTOR




CHIEF EXECUTIVE OFFICER

IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

	Share capital	Advance against issue of preference shares	Surplus on revaluation of available-for-sale investment	Accumulated loss	Total
	----- Rupees -----				
Balance as at January 01, 2022	520,000,000	495,000,000	22,039,804	(709,278,069)	327,761,735
Profit for the period	-	-	-	3,909,578	3,909,578
Other Comprehensive loss	-	-	(1,795,307)	-	(1,795,307)
	-	-	(1,795,307)	3,909,578	2,114,271
Balance as at March 31, 2022	520,000,000	495,000,000	20,244,497	(705,368,491)	329,876,006
Profit for the period	-	-	-	5,664,261	5,664,261
Other Comprehensive loss	-	-	(7,293,037)	(914,614)	(8,207,651)
	-	-	(7,293,037)	4,749,647	(2,543,390)
Balance as at December 31, 2022 Audited	520,000,000	495,000,000	12,951,460	(700,618,843)	327,332,617
Total comprehensive loss for the period					
Loss for the period	-	-	-	45,631	45,631
Other Comprehensive loss	-	-	528,975	-	528,975
	-	-	528,975	45,631	574,606
Balance as at March 31, 2023	520,000,000	495,000,000	13,480,435	(700,573,212)	327,907,223

The annexed notes from 1 to 15 form an integral part of these unaudited condensed interim financial information.



 DIRECTOR

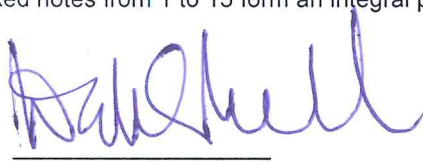


 CHIEF EXECUTIVE OFFICER


IGI FINEX SECURITIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

	Quarter Ended	
	March 31	
	2023	2022
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	281,386	5,506,448
Adjustments for non-cash items:		
Depreciation	1,753,148	1,427,233
Amortization	147,343	147,771
Financial charges	640,098	233,755
Charge for defined benefit plan	(23,992,710)	1,069,572
Profit on saving accounts and deposit with PSX and PMEX	(16,828,176)	(14,235,727)
	(38,280,297)	(11,357,396)
	(37,998,911)	(5,850,948)
Changes in working capital		
Decrease / (increase) in current assets		
Trade receivables	5,692,679	4,358,380
Loans and advances	425,682	(1,197,786)
Deposits and prepayments	27,454,015	87,053,373
Other receivables	(5,743,931)	(2,405,811)
	27,828,445	87,808,156
(Decrease) / Increase in current liabilities		
Trade and other payables	(93,392,181)	(334,246,910)
	(103,562,647)	(252,289,702)
Finance cost paid	(640,098)	(231,079)
Income tax paid	(3,065,109)	(3,180,876)
Rentals paid against lease liability	(453,489)	(208,306)
Net cash generated from operating activities	(107,721,343)	(255,909,963)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property and equipment	(124,444)	(2,467,885)
Payment for purchase of intangible assets	(330,751)	-
Long-term deposits	-	(2,000,000)
Received profit on saving accounts and deposit with PSX	17,038,490	13,245,401
Net cash generated from investing activities	16,583,295	8,777,516
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net cash flow from financing activities	-	-
Net increase in cash and cash equivalents	(91,138,048)	(247,132,447)
Cash and cash equivalents at beginning of the period	528,387,600	835,845,543
Cash and cash equivalents at the end of the period	437,249,552	588,713,096

The annexed notes from 1 to 15 form an integral part of these unaudited condensed interim financial information.



 DIRECTOR



 CHIEF EXECUTIVE OFFICER

IGI FINEX SECURITIES LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2023

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 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

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 5(2022: 6) branches in Lahore, Islamabad, Faisalabad, Rahim Yar Khan and Multan.

2 STATEMENT OF COMPLIANCE

These unaudited condensed interim unaudited financial information 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 unaudited condensed interim financial information have been prepared under the historical cost convention except that investments have been marked to market and are carried at fair value and defined benefit obligation is carried at present value.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these unaudited condensed interim financial information are the same as those applied in the preparation of the preceding unaudited financial information of the Company for the year ended December 31, 2022.

IGI FINEX SECURITIES LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

5 PROPERTY AND EQUIPMENT

March 31, 2023								
Leasehold improve- ments	Furniture and fixtures	Office equipment	Communi- cation equipment	Computer equipment	Motor vehicles	Right-of-use asset - Building	Right-of- use asset - Vehicle	Total
Rupees								
As at January 1, 2023								
Cost	3,859,221	1,789,819	2,556,617	1,232,094	12,176,179	21,577,928	1,216,970	62,789,828
Accumulated depreciation	(1,242,793)	(803,631)	(1,677,843)	(1,114,094)	(7,771,682)	(15,532,751)	(1,216,970)	(31,179,830)
Net book value	2,616,428	986,188	878,774	118,000	4,404,497	6,045,177	-	31,609,998
Period ended March 31, 2023								
Opening net book value	2,616,428	986,188	878,774	118,000	4,404,497	6,045,177	-	31,609,998
Additions	-	-	124,444	-	-	-	-	124,444
Disposals								
Cost	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Depreciation charge for the period	(96,482)	(30,959)	(36,495)	(16,800)	(650,972)	(232,151)	-	(1,753,145)
Closing net book value	2,519,946	955,229	966,723	101,200	3,753,525	5,813,026	-	29,981,294
As at March 31, 2023								
Cost	3,859,221	1,789,819	2,681,061	1,232,094	12,176,179	21,577,928	1,216,970	62,914,272
Accumulated depreciation	(1,339,275)	(834,590)	(1,714,338)	(1,130,894)	(8,422,654)	(15,764,902)	(1,216,970)	(32,932,978)
Net book value	2,519,946	955,229	966,723	101,200	3,753,525	5,813,026	-	29,981,294
Depreciation rate % per annum	10	10	10	20	33	20	33	33
December 31, 2022 Audited								
Leasehold improve- ments	Furniture and fixtures	Office equipment	Communi- cation equipment	Computer equipment	Motor vehicles	Right-of-use asset - Building	Right-of- use asset - Vehicle	Total
Rupees								
As at January 1, 2022								
Cost	21,326,483	1,214,607	2,348,625	1,571,361	8,786,684	28,419,484	1,216,970	68,619,214
Accumulated depreciation	(18,623,400)	(762,131)	(1,798,043)	(1,432,414)	(6,238,417)	(19,125,175)	(1,183,171)	(49,452,213)
Net book value	2,703,083	452,476	550,582	138,947	2,548,267	9,294,309	33,799	19,167,001
Year ended December 31, 2022								
Opening net book value	2,703,083	452,476	550,582	138,947	2,548,267	9,294,309	33,799	19,167,001
Additions	987,313	665,864	457,909	40,233	3,632,987	234,666	-	20,664,972
Disposals								
Cost	18,454,575	90,652	249,917	379,500	243,492	7,076,222	-	26,494,358
Accumulated depreciation	(17,845,351)	(72,488)	(249,917)	(379,500)	(243,492)	(5,658,360)	-	(24,449,108)
Depreciation charge for the year	609,224	18,164	-	-	-	1,417,862	-	2,045,250
Closing net book value	(464,744)	(113,988)	(129,717)	(61,180)	(1,776,757)	(2,065,936)	(33,799)	(6,176,725)
	2,616,428	986,188	878,774	118,000	4,404,497	6,045,177	-	31,609,998
As at December 31, 2022								
Cost	3,859,221	1,789,819	2,556,617	1,232,094	12,176,179	21,577,928	1,216,970	62,789,828
Accumulated depreciation	(1,242,793)	(803,631)	(1,677,843)	(1,114,094)	(7,771,682)	(15,532,751)	(1,216,970)	(31,179,830)
Net book value	2,616,428	986,188	878,774	118,000	4,404,497	6,045,177	-	31,609,998
Depreciation rate % per annum	10	10	10	20	33	20	33	33

IGI FINEX SECURITIES LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

	Note	Un-audited March 31 2023	Audited December 31 2022
		----- Rupees -----	
6 INTANGIBLE ASSETS			
Capital work in progress		1,183,835	853,084
Intangible asset		14,528,759	14,676,102
		<u>15,712,594</u>	<u>15,529,186</u>
As at January 01			
Cost		34,190,379	34,190,379
Accumulated amortization		(19,514,277)	(18,924,907)
Net book value		<u>14,676,102</u>	<u>15,265,472</u>
Quarter ended March 31			
Opening net book value		14,676,102	15,265,472
Additions		-	-
Disposals			
Cost		-	-
Accumulated amortization		-	-
Amortization charge for the period		(147,343)	(589,370)
Closing net book value		<u>14,528,759</u>	<u>14,676,102</u>
As at March 31			
Cost		34,190,379	34,190,379
Accumulated amortization		(19,661,620)	(19,514,277)
Net book value		<u>14,528,759</u>	<u>14,676,102</u>
Amortization rate % per annum		<u>10 - 33.33</u>	<u>10 - 33.33</u>

7 TRADE RECEIVABLES - NET			
Considered good			
Receivable from clients against purchase of marketable securities and commodity contracts		14,737,611	12,622,262
Receivable from National Clearing Company of Pakistan Limited		-	7,808,028
Considered doubtful			
Receivable from clients against purchase of marketable securities and commodity contracts		593,333,323	593,333,323
Commission receivable		414,265	414,265
Provision for doubtful debts		(579,311,198)	(579,311,198)
		<u>14,436,390</u>	<u>14,436,390</u>
		<u>29,174,001</u>	<u>34,866,680</u>

7.1 The customer assets in central depository system amount to Rs. 5,709 million (December 31, 2022: Rs. 5,696 million).

	Note	Un-audited March 31 2023	Audited December 31 2022
		----- Rupees -----	
8 CASH AND BANK BALANCES			
Cash in hand		101,400	-
Cash at bank	8.1	437,148,152	528,387,600
		<u>437,249,552</u>	<u>528,387,600</u>

8.1 This includes amount of Rs. 352.006 million representing clients' funds. (December 31, 2022: Rs. 421.140 million).

9 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		Un-audited March 31 2023	Audited December 31 2022
		----- Rupees -----	
2022	2021		
Number of shares			
52,000,000	52,000,000	Ordinary shares of Rs. 10/- each fully paid in cash	520,000,000
		<u>520,000,000</u>	<u>520,000,000</u>

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

IGI FINEX SECURITIES LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2023

10 ADVANCE AGAINST ISSUE OF PREFERENCE SHARES

During the financial year ended June 30, 2012, the Company received Rs. 650,000,000 in the form of interest free subordinated loan from Mr. Syed Babar Ali, Chairman – IGI Holdings 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

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 / change of management control 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.

During the year ended December 31, 2019, another addendum was again signed to reflect that the amount of advance against preference shares is reduced to Rs. 550 million and preference shares were 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. During the year ended December 31, 2021, the Company had repaid an amount of Rs. 55 million in respect of the advance against preference shares.

Subsequent to the year ended December 31, 2022, the Company has complied with the following requirements defined in Serial No. 5.2A of the Clarifications on Calculation and Reporting of Net Capital Balance issued by the SECP on September 8, 2016:

- The authorised capital has been enhanced after obtaining the required approval by the SECP;
- Relevant regulatory requirements and compliances have been ensured by the Company; and
- Board of Directors' approval for issuance of preference shares was obtained.

The Subscription Agreement of Preference Shares has been signed on February 24, 2023 which supersedes all previously signed Subscription Agreements and related Addendums. The Company has also completed the allotment of preference shares to Syed Babar Ali after completing the regulatory formalities and preference shares amounting to Rs 485,000,000 have been issued. Under the terms of the revised subscription agreement, the preference shares are non-redeemable, non-voting, non-cumulative and are convertible into ordinary shares of the Company in the ratio of 1:1 at par value at the option of Syed Babar Ali. Further, the rate of dividend is 3% as and when declared by the Company.

Accordingly, the Company has treated the advance against issue of preference shares as equity for the purpose of computation of NCB and LCB as at March 31, 2023.

11 CONTINGENCIES

There are no changes in contingencies as disclosed in the annual audited financial statements for the year ended December 31, 2022.

		Quarter Ended	
		March 31	
		2023	2022
		----- Rupees -----	
12 OPERATING REVENUE			
Brokerage from equity operations			
Retail	19,527,206	27,785,713	
Institution	1,964,621	5,759,654	
	21,491,827	33,545,367	
Brokerage from commodity operations	344,901	1,755,726	
	21,836,728	35,301,093	
13 OTHER INCOME			
From financial assets			
Profit on saving accounts	14,214,133	12,108,671	
Income on deposit with Pakistan Stock Exchange Limited	2,614,043	2,127,056	
	16,828,176	14,235,727	
From other than financial assets			
CDC conversion charges and commission	639,095	1,119,384	
Others	33,108	3,942	
	672,203	1,123,326	
	17,500,379	15,359,053	

14 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 period.

Nature of transactions	March 31, 2023		
	Parent	Key management personnel	Other related parties and associated undertakings
	Rupees		
Purchase of marketable securities for and on behalf of	-	11,680,505	77,056,513
Sale of marketable securities for and on behalf of	-	13,095,462	-
Brokerage income earned	-	40,774	115,587
Remuneration paid to	-	13,020,621	-
Insurance expense paid to	-	-	-
Reimbursement of expenses	-	-	778,745
GSS reimbursements from	5,973,145	-	348,163
GSS reimbursements to	-	-	1,965,621
Rent Expense	-	-	1,436,689

Nature of transactions	March 31, 2022		
	Parent	Key management personnel	Other related parties and associated undertakings
	Rupees		
Purchase of marketable securities for and on behalf of	-	59,457,765	1,255,047,923
Sale of marketable securities for and on behalf of	-	61,691,685	-
Brokerage income earned	-	173,438	1,882,774
Remuneration paid to	-	8,136,977	-
Insurance expense paid to	-	-	348,165
Reimbursement of expenses	-	-	871,130
GSS reimbursements from	2,036,653	-	444,515
GSS reimbursements to	-	-	1,448,865
Rent expense	-	-	1,382,884

15 GENERAL

Figures have been rounded off to the nearest rupee.

DIRECTOR

CHIEF EXECUTIVE OFFICER