



Securities

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Ref: Fin-Opr/1648/16

August 31, 2016

**Mr. Haroon Askari**  
Head of Operations  
Pakistan Stock Exchange Limited (PSX)  
Pakistan Stock Exchange Road  
Karachi.

**Re: Mandatory Requirement for Submission of Monthly Net Capital Balance and Liquid Capital Statements to the Pakistan Stock Exchange (PSX)**

Dear Sir,

This is with reference to your notice # PSX/N-4523 dated August 15, 2016 and in accordance with regulation 6(4) of Chapter II of Securities Brokers (Licensing and Operations) Regulations 2016, whereby every securities broker is required to file monthly statements of Net Capital Balance and Liquid Capital.

We enclose herewith the statements of Net Capital Balance and Liquid Capital as at July 31, 2016. Do let us know if you require any further information/clarification in this regard.

Yours truly,

Adil Ali Abbasi  
CFO & Company Secretary

CC: The Director/HOD– SMD, Market Surveillance and Special Initiative Dept. – SECP

IGI Finex Securities Limited  
Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited  
Corporate member of Pakistan Mercantile Exchange Limited (BRC-020)

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IGI FINEX SECURITIES LIMITED

Monthly statements of liquid capital with the Commission and the securities exchange  
Computation of Liquid Capital  
As on 31/12/2016

S. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.1	Property & Equipment	19,173,228	100.00%	-
1.2	Intangible Assets	15,344,252	100.00%	-
1.3	Investment in Govt. Securities (150,000*99)			
	<b>Investment in Debt Securities</b>			
	<b>If listed then:</b>			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.		5.00%	-
	ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.		7.50%	-
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.		10.00%	-
	<b>If unlisted then:</b>			
	i. 10% of the balance sheet value in the case of tenure upto 1 year		10.00%	-
	ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.		12.50%	-
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years		15.00%	-
	<b>Investment in Equity Securities</b>			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.			-
	ii. If unlisted, 100% of carrying value.	9,883,822	100.00%	-
1.6	Investment in subsidiaries		100.00%	-
	<b>Investment in associated companies/undertaking</b>			
	i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher			-
	ii. If unlisted, 100% of net value.		100.00%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	4,439,473	100.00%	-
1.9	Margin deposits with exchange and clearing house	139,000,000	-	139,000,000
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	13,689,217	100.00%	-
1.12	Accrued interest, profit or mark up on amounts placed with financial institutions or debt securities etc. (Nil)	4,278,905	-	4,278,905
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	7,057,395	100.00%	-
1.13	Dividends receivables	-	-	-
	Amounts receivable against Repo financing.			
	Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)			-
1.15	Receivables other than trade receivables	200,053,354	100.00%	-
	<b>Receivables from clearing house or securities exchange(s)</b>			
	100% value of claims other than those on account of entitlements against trading of securities in all markets including MM gains.		100.00%	-
	<b>Receivables from customers</b>			
	i. In case receivables are against margin financing, the aggregate of (i) value of securities held in the blocked account after applying VaR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.			-
	<b>i. Lower of net balance sheet value or value determined through adjustments.</b>			
	ii. In case receivables are against margin trading, 5% of the net balance sheet value.		5.00%	-
	<b>ii. Net amount after deducting haircut</b>			
	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract.		130.000	-
	<b>iii. Net amount after deducting haircut</b>			
	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value	231,186,847	-	231,186,847
	<b>iv. Balance sheet value</b>			
	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VaR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts	7,726,249	315,431,248	7,726,249
	<b>v. Lower of net balance sheet value or value determined through adjustments</b>			
	<b>vi. 100% haircut in the case of amount receivable from related parties.</b>		100.00%	-
	<b>Cash and Bank balances</b>			
	i. Bank Balance-proprietary accounts	20,828,998	-	20,828,998
	ii. Bank balance-customer accounts	310,916,805	-	310,916,805
	iii. Cash in hand	112,385	-	112,385
1.19	<b>Total Assets</b>	<b>983,690,930</b>		<b>714,050,189</b>

5. No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	<b>Trade Payables</b>			
2.1	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products			
	iii. Payable to customers	638,904,898		638,904,898
	<b>Current Liabilities</b>			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables	37,668,856		37,668,856
	iii. Short-term borrowings			
2.2	iv. Current portion of subordinated loans			
	v. Current portion of long term liabilities			
	vi. Deferred Liabilities			
	vii. Provision for bad debts			
	viii. Provision for taxation			
	ix. Other liabilities as per accounting principles and included in the financial statements			
	<b>Non-Current Liabilities</b>			
2.3	i. Long-Term financing			
	ii. Staff retirement benefits			
	iii. Other liabilities as per accounting principles and included in the financial statements			
2.4	<b>Subordinated Loans</b>			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted			
2.5	<b>Total Liabilities</b>	676,573,754		676,573,754
	<b>Liabilities relating to:</b>			
3.1	<b>Concentration in Margin Financing</b> The amount calculated client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees			
	<b>Concentration in securities lending and borrowing</b> The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed			
	<b>Net underwriting Commitments</b> <b>(a) in the case of right issue:</b> If the market value of securities is less than or equal to the subscription price: the aggregate of (i) the 50% of Haircut multiplied by the underwriting commitments; and (ii) the value by which the underwriting commitments exceeds the market price of the securities in the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting <b>(b) in any other case:</b> 12.5% of the net underwriting commitments			
3.4	<b>Negative equity of subsidiary</b> The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary			
3.5	<b>Foreign exchange agreements and foreign currency positions</b> 5% of the net position in foreign currency. Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency			
3.6	<b>Amount Payable under REPO</b>			
	<b>Repo adjustment</b> <b>In the case of financier/purchaser:</b> the total amount receivable under Repo less the 110% of the market value of underlying securities. <b>In the case of financee/seller:</b> the market value of underlying securities after applying haircut less the total amount received, less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser			
3.7	<b>Concentrated proprietary positions</b> If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security, if the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security			
	<b>Opening Positions in futures and options</b> i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/pledged with securities exchange after applying VaR haircuts ii. In case of proprietary positions, the total margin requirements in respect of open positions to the extent not already met			
3.9	<b>Short sell positions</b> i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.			
3.10				
3.11	<b>Total Ranking Liabilities</b>	307,117,176	Liquid Capital	37,476,435

Calculations Summary of Liquid Capital

- (i) Adjusted value of Assets (serial number 1.19)
- (ii) Less: Adjusted value of liabilities (serial number 2.5)
- (iii) Less: Total ranking liabilities (series number 3.11)

**IGI FINEX SECURITIES LIMITED**  
**STATEMENT OF NET CAPITAL BALANCE**  
**AS AT JULY 31, 2016**

**A- Current Assets**

**Rupees**

1. Cash in hand		112,385
2. Cash deposit as margin with Karachi Stock Exchange		139,000,000
3. Cash at bank		
Bank balance pertaining to brokerage house	20,828,998	
Bank balance pertaining to clients	310,916,805	
Total bank balances		331,745,803
4. Trade Receivables		
Total receivables	257,798,271	
Outstanding for more than fourteen days	(18,321,724)	
Balance generated within fourteen days and not yet due		239,476,547
5. Investments in listed securities in the name of broker. (Securities on the exposure list marked to market less 15% discount)		-
6. Securities purchased for client		-
7. Listed TFCs / Corporate Bonds (Marked to market less 10% discount)		-
8. FIBs (Marked to market less 10% discount)		-
9. Treasury Bill (At market value) (At market value)		-
		710,334,735

**B- Current Liabilities**

1. Trade Payables		
Book Value	638,904,898	
Less: Overdue for more than 30 days	(89,495,043)	549,409,855
2. Other liabilities (including trade payables overdue for more than 30 days)		127,163,899
		676,573,754

**NET CAPITAL BALANCE (A-B)**

**33,760,981**

