



Review Report on Statement of Net Capital Balance

To the Chief Executive Officer of IGI Finex Securities Limited (the Securities Broker)

Introduction

We have reviewed the accompanying Statement of Net Capital Balance of IGI Finex Securities Limited (the Securities Broker) as at August 31, 2020 and notes to the Statement of Net Capital Balance (here-in-after referred to as the 'the statement'). Management is responsible for the preparation of the statement in accordance with the requirements of the second schedule of Securities Brokers (Licensing And Operations) Regulations, 2016, read with Rule 2(d) of the Securities and Exchange Rules, 1971, and guidelines / clarifications issued by the Securities and Exchange Commission of Pakistan. Our responsibility is to express a conclusion on the statement based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' which applies to review of historical financial information performed by the independent auditor of the Securities Broker. A review of historical financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement is not prepared, in all material respects, in accordance with the requirements of the second schedule of Securities Brokers (Licensing And Operations) Regulations, 2016, read with Rule 2(d) of the Securities and Exchange Rules, 1971, and guidelines / clarifications issued by the Securities and Exchange Commission of Pakistan.

Other Matter - Restriction on Distribution and Use

Our report is intended solely for IGI Finex Securities Limited (the Securities Broker), SECP, Pakistan Stock Exchange and National Clearing Company of Pakistan Limited and should not be distributed to any other parties. Our conclusion is not modified in respect of this matter.

A.F. Ferguson & Co.

A. F. Ferguson & Co.
Chartered Accountants
Engagement partner: Noman Abbas Sheikh
Date: November 24, 2020
Karachi

IGI FINEX SECURITIES LIMITED
STATEMENT OF NET CAPITAL BALANCE
FOR THE PURPOSE OF THE SECOND SCHEDULE OF SECURITIES BROKERS
(LICENSING AND OPERATIONS) REGULATIONS, 2016 READ WITH
RULE 2 (D) OF THE SECURITIES EXCHANGE COMMISSION (SEC) RULES, 1971
AS AT AUGUST 31, 2020

A- Current Assets

1. Cash in hand
2. Cash deposit as margin with Pakistan Stock Exchange
3. Cash at bank
 - Bank balance pertaining to brokerage house
 - Bank balance pertaining to clients
 - Total bank balances
4. Trade Receivables
 - Total receivables
 - Outstanding for more than fourteen days
 - Balance generated within fourteen days and not yet due
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)

Note	Rupees	Rupees
		96,238
3		172,200,690
4		
	59,521,631	
	441,796,717	
		501,318,348
5		
	179,093,106	
	(18,442,734)	
		160,650,372
		834,265,648

B- Current Liabilities

1. Trade Payables
 - Book Value
 - Less: Overdue for more than 30 days
2. Other liabilities (including trade payables overdue for more than 30 days)

6	544,924,837	396,319,306
	(148,605,531)	
		368,384,336
		764,703,642

NET CAPITAL BALANCE (A-B)

69,562,006

The annexed notes 1 to 6 form an integral part of this statement.

CHIEF EXECUTIVE OFFICER



IGI FINEX SECURITIES LIMITED
EXPLANATORY NOTES TO THE STATEMENT OF NET CAPITAL BALANCE
FOR THE PURPOSE OF THE SECOND SCHEDULE OF SECURITIES BROKERS
(LICENSING AND OPERATIONS) REGULATIONS, 2016 READ WITH
RULE 2 (D) OF THE SECURITIES EXCHANGE COMMISSION (SEC) RULES, 1971
AS AT AUGUST 31, 2020

1 Basis of preparation

This statement is prepared in accordance with the requirements of the second schedule of Securities Brokers (Licensing And Operations) Regulations, 2016, read with Rule 2(d) of the Securities and Exchange Rules, 1971, and guidelines / clarifications issued by the Securities and Exchange Commission of Pakistan. The accounting policies adopted in preparation of this Statement are stated in note 2 to this statement.

2 Summary of significant accounting policies

2.1 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with banks in current and savings accounts and exposure deposit placed with Pakistan Stock Exchange. These are carried at cost.

2.2 Trade receivables and other receivables

Trade receivables are recognised initially at invoice value and subsequently measured at cost, less expected credit loss allowance as discussed below..

2.2.1 Impairment

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2.3 Trade and other payables

Liabilities for trade and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services, whether or not billed to the Company.

3 Cash deposit as margin with Pakistan Stock Exchange (PSX)

Note	Rupees
	135,200,000
	36,850,000
	150,690
	172,200,690

4 Cash at bank

Bank balances pertaining to brokerage house

- current accounts - non interest bearing	5,854,108
- savings accounts	53,667,523
	59,521,631

Bank balances pertaining to clients

- current accounts - non interest bearing	40,328,322
- savings accounts	401,468,395
	441,796,717

Total cash at bank

501,318,348

5 Trade Receivables

Considered good

Receivable from clients against purchase of marketable securities 164,500,247

Considered doubtful

Receivable from clients against purchase of marketable securities 586,811,140

Provision for doubtful receivables (572,218,281)

14,592,859

179,093,106


5.1 Provision against doubtful receivables has been made after considering the market value of listed equity securities held in custody by the Company against respective customers accounts.

6 Trade and other payables

Amount in Rupees

Trade Payables over due within 30 days	396,319,306
Trade payables over due for more than 30 days	148,605,531
	544,924,837
Others	219,778,804
Total Trade and other payables	764,703,642

6.1 Others essentially include payable against profit on unutilised funds, accrued expenses, withholding tax payable, provision for leave encashment and other payables


CHIEF EXECUTIVE OFFICER

