

**IGI FINEX SECURITIES LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**A·F·FERGUSON&Co.**

*Chartered Accountants  
a member firm of the PwC network*





## INDEPENDENT AUDITOR'S REPORT

To the members of IGI Finex Securities Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **IGI Finex Securities Limited** (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) the Company was in compliance with the requirements of section 78 of the Securities Act, 2015 and section 62 of the Futures Market Act, 2016, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.
- d) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- e) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Shahbaz Akbar**.

A handwritten signature in blue ink, appearing to read 'A. Ferguson &amp; Co.', is positioned above the printed name.

A. F. Ferguson & Co.  
Chartered Accountants  
Karachi  
Dated: March 22, 2024  
UDIN: AR2023100688thZleBsF



IGI FINEX SECURITIES LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023

	Note	2023	2022
		----- Rupees -----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
- Property and equipment	4	63,997,980	31,609,998
- Intangible assets	5	15,522,066	15,529,186
Long term investments	6	16,173,796	12,951,860
Retirement benefit obligations - net	19	847,682	-
Long term deposits	7	21,129,664	21,129,664
Deferred tax asset - net	8	32,720,836	56,856,558
		150,392,024	138,077,266
<b>Current assets</b>			
Trade receivables - net	9	69,545,297	34,866,680
Advances	10	1,467,253	997,833
Deposits and prepayments	11	191,489,103	92,282,091
Accrued mark-up - net	12	23,054,009	7,277,280
Other receivables	13	4,788,211	3,826,871
Taxation recoverable		84,767,229	65,752,956
Short term investments	14	94,532,993	-
Bank balances	15	3,083,042,298	528,387,600
		3,552,686,393	733,391,311
<b>TOTAL ASSETS</b>		<b>3,703,078,417</b>	<b>871,468,577</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	16	520,000,000	520,000,000
Ordinary shares		485,000,000	-
Preference shares	17	16,173,396	12,951,460
Surplus on remeasurement of financial assets - net	18	-	495,000,000
Advance against issue of preference shares		(392,655,533)	(700,618,843)
Accumulated losses		628,517,863	327,332,617
<b>Total equity</b>			
<b>Non-current liabilities</b>			
Retirement benefit obligations - net	19	-	25,242,710
Lease liabilities against right-of-use assets	20	6,918,267	9,024,096
		6,918,267	34,266,806
<b>Current liabilities</b>			
Trade and other payables	21	3,065,443,177	507,929,545
Current portion of lease liabilities against right-of-use assets	20	2,199,110	1,939,609
		3,067,642,287	509,869,154
<b>Total liabilities</b>		<b>3,074,560,554</b>	<b>544,135,960</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,703,078,417</b>	<b>871,468,577</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22		

The annexed notes from 1 to 40 form an integral part of these financial statements.

  
CHIEF EXECUTIVE OFFICER

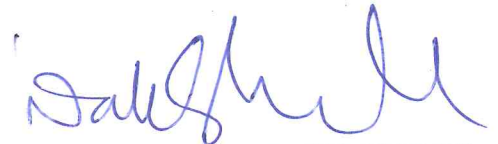
  
DIRECTOR

**IGI FINEX SECURITIES LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Note	2023	2022
		----- Rupees -----	
Operating revenue	23	159,447,990	121,954,856
Other operating revenue	24	461,277,782	65,208,130
<b>Total operating income</b>		<u>620,725,772</u>	<u>187,162,986</u>
Administrative and operating expenses	25	(220,165,114)	(182,832,211)
<b>Total operating expenses</b>		<u>(220,165,114)</u>	<u>(182,832,211)</u>
Financial charges	26	(2,669,980)	(1,814,225)
Other income	27	2,905,819	7,781,013
		235,839	5,966,788
<b>Profit before taxation</b>		<u>400,796,497</u>	<u>10,297,563</u>
Taxation	29	(93,915,777)	(723,724)
<b>Profit for the year</b>		<u><u>306,880,720</u></u>	<u><u>9,573,839</u></u>
<b>Earnings per share - basic</b>	30	<u>5.90</u>	<u>0.18</u>
<b>Earnings per share - diluted</b>	30.1	<u>3.29</u>	<u>-</u>

The annexed notes from 1 to 40 form an integral part of these financial statements.

  
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**CHIEF EXECUTIVE OFFICER**

  
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**DIRECTOR**

**IGI FINEX SECURITIES LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Note	2023	2022
		----- Rupees -----	
Profit for the year		306,880,720	9,573,839
<b>Other comprehensive income / (loss)</b>			
<b>Items that will not be reclassified to the statement of profit or loss subsequently</b>			
Remeasurement gain / (loss) on retirement benefit obligations - net of tax	19.9	1,082,590	(914,614)
Unrealised gain / (loss) on remeasurement of financial assets classified as 'at fair value through other comprehensive income'	17	3,221,936	(9,088,344)
		4,304,526	(10,002,958)
<b>Total comprehensive income / (loss) for the year</b>		<b>311,185,246</b>	<b>(429,119)</b>

The annexed notes from 1 to 40 form an integral part of these financial statements.

4/11/23

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**CHIEF EXECUTIVE OFFICER**

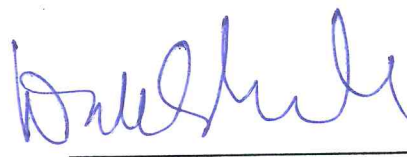
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**DIRECTOR**

**IGI FINEX SECURITIES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Share capital		Advance against issue of preference shares	Capital reserve	Revenue reserve	Total
	Issued, subscribed and paid-up share capital			Surplus on remeasurement of financial assets at fair value through other comprehensive income - net	Accumulated losses	
	Ordinary shares	Preference shares				
	----- (Rupees) -----					
Balance as at January 1, 2022	520,000,000	-	495,000,000	22,039,804	(709,278,069)	327,761,735
Total comprehensive loss for the year						
Profit for the year	-	-	-	-	9,573,839	9,573,839
Other comprehensive loss	-	-	-	(9,088,344)	(914,614)	(10,002,958)
	-	-	-	(9,088,344)	8,659,225	(429,119)
Balance as at December 31, 2022	<u>520,000,000</u>	<u>-</u>	<u>495,000,000</u>	<u>12,951,460</u>	<u>(700,618,843)</u>	<u>327,332,617</u>
Balance as at January 1, 2023	520,000,000	-	495,000,000	12,951,460	(700,618,843)	327,332,617
Total comprehensive income for the year						
Profit for the year	-	-	-	-	306,880,720	306,880,720
Other comprehensive income	-	-	-	3,221,936	1,082,590	4,304,526
	-	-	-	3,221,936	307,963,310	311,185,246
Transactions with owners in their capacity as owners directly recorded in equity						
Issue of preference shares	-	495,000,000	(495,000,000)	-	-	-
Transaction cost pertaining to issuance of preference shares	-	(8,796,356)	-	-	-	(8,796,356)
Transfer to liability	-	(1,203,644)	-	-	-	(1,203,644)
Balance as at December 31, 2023	<u>520,000,000</u>	<u>485,000,000</u>	<u>-</u>	<u>16,173,396</u>	<u>(392,655,533)</u>	<u>628,517,863</u>

The annexed notes from 1 to 40 form an integral part of these financial statements.

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**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**



**IGI FINEX SECURITIES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Note	2023	2022
		----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		400,796,497	10,297,563
<b>Adjustments for non-cash items</b>			
Depreciation	4	7,765,551	6,176,725
Amortisation	5.2	589,367	589,370
Amortisation of discount income		(4,048,822)	-
Gain on disposal of property and equipment	27	(2,905,819)	(7,754,437)
Dividend income	24	(418)	(6,498)
Profit on savings accounts	24	(438,472,950)	(49,194,121)
Income on exposure deposits with NCCPL / Pakistan Stock Exchange Limited	24	(12,363,284)	(9,517,454)
Income on Base Minimum Capital deposit	24	(3,344,652)	(2,007,287)
Income from MTS exposure	24	(451,432)	(152,922)
Charge for defined benefit plan	25.2	6,028,526	4,635,053
Financial charges	26	2,669,980	1,814,225
		<u>(444,533,953)</u>	<u>(55,417,346)</u>
		(43,737,456)	(45,119,783)
<b>Changes in working capital</b>			
<b>(Increase) / decrease in current assets</b>			
Trade receivables - net		(34,678,617)	32,177,749
Advances		(469,420)	16,973
Deposits and prepayments		(99,207,012)	115,185,450
Other receivables		(961,340)	5,100,634
		(135,316,389)	152,480,806
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		2,557,513,632	(458,919,592)
		<u>2,378,459,787</u>	<u>(351,558,569)</u>
<b>Cash generated from / (used in) operations</b>			
Finance cost paid		(608,144)	(716,436)
Income tax paid		(89,582,813)	(8,099,486)
Payment against defined benefit plan		(30,598,402)	(214,844)
Rentals paid against lease liabilities		(3,908,164)	(7,395,534)
<b>Net cash generated from / (used in) operating activities</b>		<u>2,253,762,264</u>	<u>(367,984,869)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property and equipment		(40,545,894)	(6,018,972)
Payment for purchase of intangible assets		(1,435,331)	(853,084)
Payment for purchase of investments		(90,484,171)	-
Proceeds from disposal of property and equipment		3,298,180	9,799,687
Decrease in long-term deposits		-	500,000
Dividend received		418	6,498
Profit / income received on savings accounts and deposits		438,855,589	57,092,797
<b>Net cash generated from investing activities</b>		<u>309,688,790</u>	<u>60,526,926</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of transaction cost for issuance of preference shares		(8,796,356)	-
<b>Net cash used in financing activities</b>		<u>(8,796,356)</u>	<u>-</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>2,554,654,698</u>	<u>(307,457,943)</u>
Cash and cash equivalents at the beginning of the year		528,387,600	835,845,543
<b>Cash and cash equivalents at the end of the year</b>	15	<u><u>3,083,042,298</u></u>	<u><u>528,387,600</u></u>

The annexed notes from 1 to 40 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**