



A·F·FERGUSON&Co.

The Chief Executive Officer
IGI Finex Securities Limited
7th Floor, The Forum, Suite No 701 to 713
G-20, Block 9, Khayaban-e-Jami
Clifton, Karachi - 75400

January 2, 2017

ASR 1425

Dear Sir

As requested by the management, we have checked the Net Capital Balance based on the un-audited condensed interim financial information of the Company for the period ended November 30, 2016 as defined under Rule 2(d) and the Third Schedule to the Securities and Exchange Rules, 1971 appearing in the annexed statement of Net Capital Balance which has been stamped by us for identification purposes.

We wish to place on record our appreciation of the courtesy and cooperation extended to us during the course of the engagement by the officials of the Company.

Yours truly

encls

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■ KARACHI ■ LAHORE ■ ISLAMABAD



INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE OF IGI FINEX SECURITIES LIMITED

To the Board of Directors of IGI Finex Securities Limited

We have audited the accompanying Statement of Net Capital Balance of IGI Finex Securities Limited (Company) as at November 30, 2016 ("the statement"). The statement has been prepared by the management based on the requirements of the Third Schedule read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 and the Securities Brokers (licensing and Operations) Regulations 2016 (Regulations).

Management's Responsibility for the Statement

Management is responsible for the preparation of the statement in accordance with the SEC Rules 1971 and Regulations, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility


Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information in the statement of Net Capital Balance of IGI Finex Securities Limited as at November 30, 2016 is prepared, in all material respects, in accordance with the SEC Rules 1971 and Regulations.

Basis of Preparation and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the statement, which describes the basis of preparation. The statement is prepared to assist IGI Finex Securities Limited to meet the requirements of SECP in accordance with the SEC Rules 1971 and Regulations. As a result, the statement may not be suitable for another purpose. Our report is intended solely for IGI Finex Securities Limited and SECP and should not be distributed to parties other than IGI Finex Securities Limited or SECP.


Chartered Accountants
Dated: January 2, 2017
Karachi

IGI FINEX SECURITIES LIMITED
EXPLANATORY NOTES TO THE STATEMENT OF NET CAPITAL BALANCE
FOR PURPOSES OF RULE 2 (d) OF SECURITIES AND EXCHANGE RULES, 1971
AS AT NOVEMBER 30, 2016

1 BASIS OF PREPARATION

This statement is prepared in accordance with the Rule 2(d) and the Third Schedule of the Securities and Exchange Rules, 1971 and guidelines / clarifications issued by the Securities and Exchange Commission of Pakistan.

	Amount in Rupees
2 CASH DEPOSIT AS MARGIN WITH PAKISTAN STOCK EXCHANGE (PSX)	
Initial deposit with PSX	-
Deposit with PSX - Ready Exposure	146,400,000
Deposit with PSX - Future Exposure	19,500,000
	<u>165,900,000</u>
3 CASH AT BANK	
Bank balances pertaining to brokerage house	
- current accounts - non interest bearing	14,758,220
- savings accounts	866,552
	15,624,771
Bank balances pertaining to clients	
- current accounts - non interest bearing	10,251,901
- savings accounts	532,407,592
	542,659,493
Total cash at bank	<u>558,284,265</u>
4 TRADE RECEIVABLES	
Considered good	
Receivable from clients against purchase of marketable securities	43,096,076
Clearing balance with National Clearing Company of Pakistan Limited	26,829,815
	69,925,891
Considered doubtful	
Receivable from clients against purchase of marketable securities	584,920,411
Provision for doubtful receivables - note 4.1	(581,491,316)
	3,429,095
	<u>73,354,986</u>

4.1 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.

	Amount in Rupees
5 TRADE AND OTHER PAYABLES	
Other liabilities	
Trade payables over due for more than 30 days	142,075,046
Others - note 5.1	48,664,384
	190,739,430
Trade Payables over due within 30 days	547,072,698
Total Trade and other payables	<u>737,812,128</u>

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


CHIEF EXECUTIVE OFFICER

