

The cover features a blue background with large, stylized, overlapping letters 'I', 'G', and 'I' in various shades of blue. A large, light blue curved shape sweeps across the middle, and a thick orange curved line is positioned below it. The text is centered on the right side of the page.

**Quarterly Report  
March 2013**

**IGI**

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**INCOME FUND**

Managed by  
IGI FUNDS LIMITED

## **VISION**

IGI Funds Limited shall be a trusted provider of fund management solutions and services which focus on best serving the investments interests of its clients.

## **MISSION**

Our vision will be realized by:

Providing solutions to client investment requirements which adhere to the highest ethical standards while meeting long-term objectives and short-term needs.

Attracting and retaining talent that shares our core values of integrity and excellence being responsible corporate citizen.

## **VALUES**

Integrity, Professionalism, Focus on Sustainable Growth

## **Fund Manager's Information**

### **Management Company**

IGI Funds Limited  
Rated AM 2- by JCR-VIS

### **Head Office**

7th Floor, The Forum, Suite # 701-703,  
G-20, Khayaban-e-Jami, Block-9, Clifton,  
Karachi-75600, Pakistan  
Tel: (92-21) 111-367-444  
Fax: (92-21) 35301729  
Email: [info@igifunds.com.pk](mailto:info@igifunds.com.pk)  
Website: [www.igifunds.com.pk](http://www.igifunds.com.pk)

### **Board of Directors of the Management Company**

Mr. Javid Hamid (Chairman)  
Ms. Maheen Rahman (Chief Executive Officer)  
Mr. Khalid Yacob  
Mr. Ahmed Alman Aslam  
Mr. Abid Naqvi  
Mr. M. Asif Saad  
Mr. Tariq Qureshi

### **Chief Financial Officer**

Syed Muhammad Zeeshan

### **Company Secretary**

Syed Muhammad Zeeshan

### **Audit Committee**

Mr. Abid Naqvi (Chairman)  
Mr. Khalid Yacob (Member)  
Mr. Tariq Qureshi (Member)

## **Fund's Information**

### **Trustee**

Central Depository Company of Pakistan Limited  
CDC House, 99-8, Block B, S.M.C.H.S  
Main Shakra-e-Faisal, Karachi-74400, Pakistan

### **Distributors**

Al-Habib Capital Markets (Pvt.) Ltd.  
Atlas Capital Markets (Pvt.) Ltd.  
BMA Financial Services Ltd.  
Bulls and Bulls (Pvt.) Ltd.  
Financial Avenue  
Foundation Securities (Pvt.) Ltd.  
IGI Investment Bank Limited  
KASB Securities  
Pak Oman Investment Company Ltd.  
Pyramid Financial Consultant (Pvt.) Ltd  
IGI Securities Ltd.  
MCB Bank Ltd.  
Vector Consulting (Pvt.) Ltd.

### **Auditors**

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants  
Progressive Plaza, Beaumont Road,  
P.O.Box 15541, Karachi-75530  
Pakistan

### **Legal Advisor**

Bawany & Partners  
Room No 404, 4th Floor  
Beaumont Plaza. 6-CL-10  
Beaumont Road, Civil Lines, Karachi

### **Bankers**

Bank Al-falah Limited  
Bank Al-Habib Limited  
Bank of Punjab  
JS Bank Limited  
NIB Bank Limited  
Bank of Khyber  
MCB Bank Limited  
Allied Bank Limited

IGI Income Fund  
Condensed Interim Statement of Assets and Liabilities ( Unaudited)  
As at 31 March 2013

	<i>Note</i>	<b>31 March 2013 Unaudited</b>	<i>30 June 2012 Audited</i>
-----Rupees-----			
<b>Assets</b>			
Bank balances	5	19,821,424	11,119,424
Investments	6	1,592,624,370	876,548,551
Receivable under reverse repurchase transactions	7	45,088,458	-
Security deposits		5,293,790	2,850,000
Prepayments and other receivables		12,236,478	5,667,099
<b>Total assets</b>		<b>1,675,064,520</b>	<b>896,185,074</b>
<b>Liabilities</b>			
Remuneration payable to the Management Company		2,505,457	1,072,583
Remuneration payable to the Trustee		219,073	125,756
Annual fee payable to Securities and Exchange Commission of Pakistan		852,182	837,687
Payable against redemption of units		49,969,312	-
Dividend payable to unit holders		1,935,782	-
Accrued and other liabilities		531,170	712,677
<b>Total liabilities</b>		<b>56,012,976</b>	<b>2,748,703</b>
<b>Contingency</b>	9		
<b>Net assets attributable to unitholders</b>	<i>Rupees</i>	<b>1,619,051,544</b>	<b>893,436,371</b>
<b>Unit holders' funds</b>	<i>Rupees</i>	<b>1,619,051,544</b>	<b>893,436,371</b>
<b>Number of units in issue</b>	<i>Number</i>	<b>16,048,714</b>	<b>8,788,474</b>
<b>Net assets value per unit</b>	<i>Rupees</i>	<b>100.8836</b>	<b>101.6600</b>

The annexed notes from 1 to 14 are an integral part of these financial statements.

**For IGI Funds Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director

IGI Income Fund  
Condensed Interim Income Statement (Unaudited)  
For the nine months period ended 31 March 2013

	Note	Nine months period ended		Quarter ended	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
-----Rupees-----					
<b>Income</b>					
Financial Income	10	119,746,771	106,727,676	49,181,741	35,224,879
Net gain on sale of investments classified as 'at fair value through profit or loss - held for trading'		6,203,497	3,587,190	717,110	8,139,432
Net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'		4,249,958	1,898,926	(1,479,452)	(2,115,067)
Provision for impairment against non-performing term finance certificates classified as held-for-trading		(5,568,924)	(6,926,615)	-	(2,896,945)
<b>Total Income</b>		<b>124,631,302</b>	<b>105,287,177</b>	<b>48,419,399</b>	<b>38,352,299</b>
<b>Expenses</b>					
Remuneration to the Management Company		14,203,083	10,700,331	6,177,181	3,666,829
Sales tax on Management Fee		2,272,482	1,712,069	988,350	586,701
Remuneration to the Trustee		1,595,435	1,347,177	629,663	460,461
Annual fee to the Securities and Exchange Commission of Pakistan		852,182	642,028	370,628	220,015
Brokerage expense		280,075	395,828	92,094	125,889
Bank and settlement charges		190,431	138,422	59,928	19,884
Amortisation of deferred formation cost		-	542,786	-	179,386
Auditors' remuneration		358,087	339,589	87,036	93,381
National Clearing Company of Pakistan Limited charges		312,693	174,545	90,390	78,716
Annual listing fee		30,140	30,081	9,900	9,919
Printing charges		93,708	93,878	30,780	31,122
Rating fee		122,024	150,314	21,372	49,686
<b>Total expenses</b>		<b>20,310,340</b>	<b>16,267,048</b>	<b>8,557,322</b>	<b>5,521,989</b>
<b>Net income from operating activities</b>		<b>104,320,962</b>	<b>89,020,129</b>	<b>39,862,077</b>	<b>32,830,310</b>
Element of income and capital gains included in prices of units sold less those in units redeemed - net		12,493,805	6,017,482	1,180,521	(2,207,347)
<b>Net income for the period before taxation</b>		<b>116,814,767</b>	<b>95,037,611</b>	<b>41,042,598</b>	<b>30,622,963</b>
Taxation	13	-	-	-	-
<b>Net income for the period after taxation</b>	Rupees	<b>116,814,767</b>	<b>95,037,611</b>	<b>41,042,598</b>	<b>30,622,963</b>

The annexed notes from 1 to 14 are an integral part of these financial statements.

For IGI Funds Limited  
(Management Company)

Chief Executive

Director

IGI Income Fund  
 Condensed Interim Statement of Comprehensive Income (Unaudited)  
 For the nine months period ended 31 March 2013

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	<b>31 March 2013</b>	31 March 2012	<b>31 March 2013</b>	31 March 2012
	-----Rupees-----			
<b>Net income for the period</b>	<b>116,814,767</b>	95,037,611	<b>41,042,598</b>	30,622,963
Other comprehensive income:	-	-	-	-
Total comprehensive income for the period	<b>116,814,767</b>	95,037,611	<b>41,042,598</b>	30,622,963

Rupees

The annexed notes from 1 to 14 are an integral part of these financial statements.

**For IGI Funds Limited  
 (Management Company)**

\_\_\_\_\_  
 Chief Executive

\_\_\_\_\_  
 Director

IGI Income Fund  
Condensed Interim Cash Flow Statement (Unaudited)  
For the nine months period ended 31 March 2013

	<i>Nine months period ended</i>	
	<i>31 March 2013</i>	<i>31 March 2012</i>
<i>Note</i>	-----Rupees-----	
Net income for the period	116,814,767	95,037,611
<b>Adjustments for:</b>		
Net gain on sale of investments classified as 'at fair value through profit or loss - held for trading'	(6,203,497)	(3,587,190)
Net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	(4,249,958)	(1,898,926)
Provision for impairment in against non-performing term finance certificates classified as held-for-trading	5,568,924	6,926,615
Amortisation of deferred formation cost	-	542,786
Element of income and capital gains included in prices of units sold less those in units redeemed - net	(12,493,805)	(6,017,482)
	<u>99,436,431</u>	<u>91,003,414</u>
<i>(Increase) / decrease in assets</i>		
Investments - net	(625,414,398)	(251,136,978)
Receivable under reverse repurchase transaction	(45,088,458)	99,041,648
Security Deposit	(2,443,790)	(1,352,438)
Prepayments and other receivables	(6,569,379)	(2,607,336)
	<u>(679,516,025)</u>	<u>(156,055,104)</u>
<i>Increase / (decrease) in liabilities</i>		
Payable to the Management Company	1,432,874	278,672
Remuneration payable to the Trustee	93,317	4,505
Annual fee to the Securities & Exchange Commission of Pakistan	14,495	(669,086)
Payable against redemption of units	49,969,312	-
Accrued and other liabilities	(181,508)	(464,797)
	<u>51,328,490</u>	<u>(850,706)</u>
<b>Net cash from / (used in) operating activities</b>	<b>(528,751,104)</b>	<b>(65,902,396)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(2,420,581)	(20,853,582)
Amounts received on issue of units	2,498,833,731	1,620,796,820
Payment against redemption of units	(1,873,183,156)	(1,368,935,020)
<b>Net cash (used in) / from financing activities</b>	<b>623,229,994</b>	<b>231,008,218</b>
Net increase in cash and cash equivalents during the period	<u>94,478,890</u>	<u>165,105,822</u>
Cash and cash equivalents at beginning of the period	674,744,175	448,687,454
<b>Cash and cash equivalents at end of the period</b>	<b><u>769,223,065</u></b>	<b><u>613,793,276</u></b>

Rupees 11

The annexed notes from 1 to 14 are an integral part of these financial statements.

For IGI Funds Limited  
(Management Company)

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director



IGI Income Fund  
Condensed Interim Distribution Statement (Unaudited)  
For the nine months period ended 31 March 2013

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	<i>31 March 2013</i>	<i>31 March 2012</i>	<i>31 March 2013</i>	<i>31 March 2012</i>
	-----Rupees-----			
<b>Undistributed income brought forward at the beginning of the year</b>	<b>14,589,072</b>	31,500,852	<b>14,583,530</b>	8,242,922
Total comprehensive income for the period	<b>116,814,767</b>	95,037,611	<b>41,042,598</b>	30,622,963
Final distribution of bonus @ 1.0806 units for every 100 units held, approved on: July 05, 2012 (2011: @ 3.3679 units for every 100 units held, approved on: July 05, 2011)	<b>(9,538,519)</b>	(20,132,163)	-	-
Final distribution of cash dividend @ Rs.1.0868 per unit held, approved on: July 05, 2012 (2011: @ Rs.3.3867 per unit held, approved on: July 05, 2011)	<b>(12,795)</b>	(6,914,121)	-	-
	<b>(9,551,314)</b>	(27,046,284)	-	-
Interim distribution of bonus @ 2.2424 units for every 100 units held, approved on: September 26, 2012 (2011: @ 2.5038 units for every 100 units held, approved on: September 29, 2011)	<b>(24,715,820)</b>	(16,868,076)	-	-
Interim distribution of cash dividend @ Rs.2.2530 per unit held, approved on: September 26, 2012 (2011: @ Rs.2.5341 per unit held, approved on: September 29, 2011)	<b>(26,526)</b>	(7,682,557)	-	-
Interim distribution of bonus @ 2.4175 units for every 100 units held, approved on: December 31, 2012 (2011: @ 2.8025 units for every 100 units held, approved on: December 29, 2011)	<b>(39,102,791)</b>	(29,818,757)	-	-
Interim distribution of cash dividend @ Rs.2.4359 per unit held, approved on: December 31, 2012 (2011: @ Rs.2.8172 per unit held, approved on: December 29, 2011)	<b>(2,381,260)</b>	(6,256,904)	-	-
Interim distribution of bonus @ 1.9651 units for every 100 units held, approved on: March 27, 2013 (2012: @ 2.3404 units for every 100 units held, approved on: March 29, 2012)	<b>(39,510,044)</b>	(21,023,499)	<b>(39,510,044)</b>	(21,023,499)
Interim distribution of cash dividend @ Rs. 1.9802 per unit held, approved on: March 27, 2013 (2012: @ Rs. 2.3646 per unit held, approved on: March 29, 2012)	<b>(1,935,782)</b>	(5,251,695)	<b>(1,935,782)</b>	(5,251,695)
	<b>(117,223,537)</b>	(113,947,772)	<b>(41,445,826)</b>	(26,275,194)
<b>Undistributed income carried forward</b>	<b>14,180,302</b>	12,590,691	<b>14,180,302</b>	12,590,691

The annexed notes from 1 to 14 are an integral part of these financial statements.

For IGI Funds Limited  
(Management Company)

Chief Executive

Director

IGI Income Fund  
Condensed Interim Statement of Movement in Unit Holder's Fund (Unaudited)  
For the nine months period ended 31 March 2013

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	<b>31 March 2013</b>	31 March 2012	<b>31 March 2013</b>	31 March 2012
Net assets at beginning of the period	<b>893,436,371</b>	830,103,621	<b>1,756,418,402</b>	1,318,455,690
Amount realized / unrealized on issuance of 24,537,217 units (31 March 2012 : 15,831,792 units) and 7,340,173 units (31 March 2012 : 5,324,713 units) for the nine months and quarter ended respectively	<b>2,498,833,731</b>	1,620,796,820	<b>746,486,638</b>	545,025,588
Issuance of 1,121,008 bonus units in respect of final and interim distributions (31 March 2012 : 871,576 units)	<b>112,867,173</b>	87,842,495	<b>39,510,043</b>	21,023,499
Amount paid / payable on redemption of 18,397,985 units (31 March 2012 : 13,370,405 units) and 9,101,902 units (31 March 2012 : 7,315,933 units) for the nine months and quarter ended respectively	<b>(1,873,183,156)</b>	(1,369,325,546)	<b>(921,779,790)</b>	(746,570,146)
	<b>1,631,954,119</b>	1,169,417,390	<b>1,620,635,293</b>	1,137,934,631
Element of income and capital gain included in prices of units sold less those in units redeemed	<b>(12,493,805)</b>	(6,017,482)	<b>(1,180,521)</b>	2,207,347
Total comprehensive income for the period before capital gains- realised and unrealised and provision for impairment	<b>111,930,236</b>	96,478,110	<b>41,804,940</b>	27,495,543
Net gain / (loss) on sale/ redemption of investments classified as 'at fair value through profit or loss - held for trading'	<b>6,203,497</b>	3,587,190	<b>717,110</b>	8,139,432
Provision for non-performing term finance certificates classified as held-for-trading	<b>(5,568,924)</b>	(6,926,615)	-	(2,896,945)
Net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	<b>4,249,958</b>	1,898,926	<b>(1,479,452)</b>	(2,115,067)
Total comprehensive income for the period - net	<b>116,814,767</b>	95,037,611	<b>41,042,598</b>	30,622,963
<i>Distributions made during the period</i>				
Final distribution of bonus units	<b>(9,538,519)</b>	(20,132,163)	-	-
Final distribution of cash dividend	<b>(12,795)</b>	(6,914,121)	-	-
Interim distribution of bonus units	<b>(103,328,655)</b>	(67,710,332)	<b>(39,510,044)</b>	(21,023,499)
Interim distribution of cash dividend	<b>(4,343,568)</b>	(19,191,156)	<b>(1,935,782)</b>	(5,251,695)
	<b>(117,223,537)</b>	(113,947,772)	<b>(41,445,826)</b>	(26,275,194)
Net income less distributions for the period	<b>(408,770)</b>	(18,910,161)	<b>(403,228)</b>	4,347,769
<b>Net assets at end of the period</b>	<b>1,619,051,544</b>	1,144,489,747	<b>1,619,051,544</b>	1,144,489,747

Rupees

The annexed notes from 1 to 14 are an integral part of these financial statements.

For IGI Funds Limited  
(Management Company)

Chief Executive

Director

## **1 LEGAL STATUS AND NATURE OF BUSINESS**

IGI Income Fund (the Fund) has been established under the Non-Banking Finance Companies (Establishment and Regulation), Rules 2003 (the NBFC Rules) and has been authorised as a unit trust scheme by the Securities and Exchange Commission of Pakistan (SECP) on December 07, 2006. It has been constituted under a Trust Deed, dated December 18, 2006 between IGI Funds Limited (the Management Company), a company incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee, also incorporated under the Companies Ordinance, 1984.

The Fund is an open end mutual fund and is listed on Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units can be redeemed by surrendering them to the Fund.

The Fund invests primarily in fixed-rate securities and other avenues of investment, which include corporate debt securities, certificates of investments, certificates of musharika, commercial papers, term deposit receipts, spread transactions, reverse re purchase agreements and transactions under continuous funding system. The Fund is categorise as income scheme and is subject to the guideline prescribes by SECP.

Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

The Pakistan Credit Rating Agency (PACRA) has assigned a rating of A+ to the scheme.

## **2 BASIS OF PRESENTATION**

### **2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan.

These condensed interim financial statements are unaudited and do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statement of the fund for the year ended June 30, 2012.

## **3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial statements are the same as those applied in preparation of the financial statements for the preceding year ended 30 June 2012.

## **4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT**

The preparation of this condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended 30 June 2012.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2012.

## **5 BANK BALANCES - local currency**

This represents balance in deposit accounts with banks and carry profit rates ranging from 6.00% to 8.50% (June 30, 2012: 5.00% to 11.60%per annum).

		March 2013 Unaudited	June 2012 Audited
-----Rupees-----			
<b>6 INVESTMENTS</b>			
<b>Financial asset at fair value through profit and loss- Held for trading</b>			
Sukuk certificates		-	60,560,000
Term finance certificates	6.1	350,969,840	99,304,900
Treasury Bills	6.2	785,273,042	388,677,916
		<b>1,136,242,882</b>	<b>548,542,816</b>
<b>Held to maturity</b>			
Certificates of deposit	6.3	51,231,506	53,058,900
Commercial papers	6.4	218,355,839	105,343,587
Letter of placement	6.5	90,935,138	89,548,422
Certificates of investment	6.6	95,859,005	-
Term deposit receipts		-	80,054,826
		<b>456,381,488</b>	<b>328,005,735</b>
		<b>1,592,624,370</b>	<b>876,548,551</b>
		Rupees	

**6.1 Term Finance Certificates**

Name of the investee company	Profit / mark-up rate	As at 01 July 2012	Purchased during the period	Sold during the period	As at 31 March 2013	Cost as at 31 March 2013	Market value as at 31 March 2013	% of net assets on the basis of market value	% of total investment on the basis of market value
		----- (No. of Certificates) -----			----- (Rupees) -----		----- (%age) -----		
<b>Quoted investments</b>									
<b>Commercial banks</b>									
Pakistan Mobile Communication Limited - III	11.25%	7,000	26,400	17,896	15,504	76,807,176	77,513,876	4.79%	4.87%
United Bank Limited - IV	10.30%	-	5,681	5,000	681	3,435,578	3,471,251	0.21%	0.22%
Faysal Bank Limited (November 12, 2007)	10.72%	-	2,001	-	2,001	10,084,860	10,122,713	0.63%	0.64%
Faysal Bank Limited (December 27, 2010)	11.68%	-	15,000	3,000	12,000	60,551,640	61,996,303	3.83%	3.89%
						150,879,254	153,104,143		
<b>Un-quoted investments</b>									
<b>Commercial banks</b>									
Bank AlFalah Limited - IV - (Fixed)	15.00%	6,500	-	-	6,500	33,427,598	35,213,693	2.17%	2.21%
Bank AlFalah Limited - IV - (Floating)	12.04%	-	13,650	3,000	10,650	54,781,683	55,660,264	3.44%	3.49%
Bank AlFalah Limited - V	10.69%	-	12,800	-	12,800	64,000,000	63,625,216	3.93%	3.99%
Bank AlHabit Limited - IV	15.00%	3,000	2,000	3,000	2,000	10,478,493	11,218,265	0.69%	0.70%
Bank AlHabit Limited - III	15.50%	-	8,000	8,000	-	-	-	0.00%	0.00%
Askari Bank Limited	11.10%	-	6,000	-	6,000	30,215,160	30,137,259	1.86%	1.89%
						192,902,934	195,854,697		
<b>Non - Performing</b>									
Bunnys Limited	6.1.1	12.96%	4,022	-	4,022	20,110,000	2,011,000	0.12%	0.13%
Vision Developers Private Limited		0.00%	2,327.00	-	2,327	-	-	0.00%	0.00%
						20,110,000	2,011,000		
						<b>363,892,188</b>	<b>350,969,840</b>		

**6.1.1** Due to financial difficulties, Bunnys Limited was unable to make coupon payment due on May 30, 2011. Accordingly, these term finance certificates were classified as non-performing by MUFAP on June 14, 2011 and no rates are being quoted by MUFAP currently. The Fund has recognised a provision amounting to Rs.18.099 million (June 30, 2012: Rs.12.298 million) in respect of the principal outstanding. The provision has been made in accordance with the requirements of Circular 33 of 2012 dated October 24, 2012 issued by SECP and the provisioning policy of the Fund.

**6.2 Treasury Bills**

Note	As at 01 July 2012	Purchased during the period	Sold during the period	As at 31 March 2013	Carrying amount as at 31 March 2013	Market value as at March 31, 2013	Unrealised gain on revaluation	% of net assets on the basis of market value	% of total investment on the basis of market value
		----- (No. of Certificates) -----			----- (Rupees) -----		----- (%age) -----		
<b>Treasury bills face value - face value of Rs. 100 each issued on</b>									
Maturity upto 3 months	6.2.1	2,200,000	16,464,500	16,064,500	2,600,000	255,745,020	255,716,738	(28,282)	15.79%
Maturity upto 6 months	6.2.2	410,000	16,480,000	13,940,000	2,950,000	290,455,737	290,324,520	(131,217)	17.93%
Maturity upto 12 months	6.2.3	1,324,000	17,572,100	16,374,000	2,522,100	239,425,611	239,231,784	(193,827)	14.78%
		<b>3,934,000</b>	<b>50,516,600</b>	<b>46,378,500</b>	<b>8,072,100</b>	<b>785,626,368</b>	<b>785,273,042</b>	<b>(353,326)</b>	

**6.2.1** These represents Market Treasury Bills having face value of Rs. 260 million (30 June 2012: Rs. 220 million) and carrying purchase yield ranging between 9.23% to 9.37% per annum (30 June 2012: 11.84% to 11.87%). These Treasury Bills have maturity upto 13 June 2013 (30 June 2012: 09 August 2012).

**6.2.2** These represents Market Treasury Bills having face value of Rs. 295 million (30 June 2012: Rs. 410 million) and carrying purchase yield ranging between 9.11% to 9.33% per annum (30 June 2012: 11.74% to 11.88%). These Treasury Bills have maturity upto 25 July 2013 (30 June 2012: 26 July 2012).

**6.2.3** These represents Market Treasury Bills having face value of Rs. 252.2 million (30 June 2012: Rs. 132.4 million) and carrying purchase yield ranging between 9.25% to 11.59% per annum (30 June 2012: 11.81% to 11.93%). These Treasury Bills have maturity upto 28 November 2013 (30 June 2012: 06 September 2012).

- 6.3 These carry mark-up rate of 14.50% per annum (June 30, 2012: 14.50% per annum) maturing on January 27, 2017 (June 30 2012: January 27, 2017) and have a credit rating A-. Investment in certificates of deposit of IGI Investment Bank Limited (a related party) represents 3.22% of total investment on the basis of face value and 3.16% of net assets on the basis of face value.
- 6.4 These commercial paper carries mark-up rate of 10.52% & 10.80% (30 June 2012: 13.09%) will mature on 28 June 2013 and 12 September 2013 (30 June 2012: 03 August 2012). Investment in commercial paper of Kot Addu power represent 6.45% and Hub power company represent 7.26% of total investment on the basis of carrying amount and 6.34% & 7.14% of net assets on the basis of carrying amount.
- 6.5 These letter of placement carries mark-up rate of 9.25% (30 June 2012: 12.35% to 12.45%) will mature on 04 April 2013 (30 June 2012: 15 August 2012 and 19 September 2012). Investment in letter of placement of Pak Oman Investment Company Limited represent 5.62% of total investment on the basis of carrying amount and 5.71% of net assets on the basis of carrying amount.
- 6.6 These certificates carries mark-up rate of 9.35% (30 June 2012: Nil) will mature on 27 May 2013 (30 June 2012: Nil). Investment in certificate of investment of Pak Brunei Investment Company Limited represent 6.02% of total investment on the basis of carrying amount and 5.92% of net assets on the basis of carrying amount

**7 RECEIVABLE UNDER REVERSE  
REPURCHASE TRANSACTION**

	<b>March 2013 Unaudited</b>	<b>June 2012 Audited</b>
	-----Rupees-----	
- IGI Investment Bank Limited	45,088,458	-
	<b>7.1 45,088,458</b>	<b>-</b>

- 7.1 This represents an amount of Rs 45 million lent by the Fund to IGI Investment Bank at the mark up rate of 10.25% (30 June 2012: Nil) against the collateral of 9,000 units of Term Finance Certificates of Bank Al-Falah Limited IV (fixed) with coupon rates of 15% having market value including accrued markup of Rs. 50.98 million as at 31 March 2013 and maturity dates of 02 December 2017 with settlement date of lending on 22 June 2013 (30 June 2012: Nil).

- 8 As per Circular no. 7 of 2009 dated 6 March 2009 and Circular No. 16 dated 7 July 2010 issued by the SECP, the rating of any security in the portfolio shall not be lower than investment grade. However, as of 31 March 2013, rating of the following securities was below investment grade

Name of non compliant investment	Type of investment	Value of investment before provision	Provision held if any	Value of investment after provisioning	% of gross assets	% of net assets
- Bunnys Limited	Term finance certificates	20,110,000	(10,224,361)	9,885,639	0.13%	0.12%

**9 CONTINGENCY - WORKERS' WELFARE FUND**

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the 'WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequent to the year ended June 30, 2010, a clarification was issued by the Ministry of Labour and Manpower (the Ministry) which stated that mutual funds are not liable to contribute to WWF on the basis of their income. This clarification was forwarded by Federal Board of Revenue (FBR) (being the collecting agency of WWF on behalf of the Ministry) to its members for necessary action through letter dated October 06, 2010. Based on this clarification, the FBR also withdrew notice of demand which it had earlier issued to one of the mutual funds for collection of WWF. Notices of demand have also been issued to several other mutual funds and the matter has been taken up by the respective mutual funds with the FBR for their withdrawal on the basis of the above referred clarification of the Ministry. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter dated January 04, 2011 subsequently cancelled ab-initio the clarification letter dated October 06, 2010 on applicability of WWF on mutual funds

On December 14, 2010, the Ministry filed its response against the constitutional petition requesting the SHC to dismiss the petition. According to the legal counsel who is handling the case, there is a contradiction between the aforementioned clarification issued by the Ministry and the response filed by the Ministry in the SHC

During the current period a larger bench of the Honourable High Court of Sindh has passed an order declaring that the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively do not suffer from any constitutional or legal infirmity. However, the Honourable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance which also includes the question of whether the scope of WWF Ordinance can be extended by referring to shop: Ordinance instead of bringing substantive amendment in WWF Ordinance aligned with the scope and purpose of WWF Ordinance. The Legal counsel appointed by Mutual Fund Association of Pakistan is of the opinion that the constitution petitions filed by the Mutual Funds to challenge Workers Welfare Fund have not been affected by the judgment passed by the larger bench of Sindh High Court and the stay granted to Mutual Funds in separate constitutional petitions remains intact. Accordingly, pending the decision of the said constitutional petitions, the Management Company believes that the Fund is not liable to contribute to WWF and hence no provision has been recognised by the management company. Hence, aggregate unrecognised amount of WWF as at March 31, 2013 amounted to Rs.14.629 million (June 30, 2012: Rs.12.284 million). Had the provision been made the net asset value per unit of the Fund would have been lower by Rs.0.912 per unit (0.90%) (June 30, 2012: Rs.1.398 per unit (1.38%))

**10 FINANCIAL INCOME**

Financial income on;

**Financial asset at fair value through profit and loss-  
Held for Trading**

- Sukuk and term finance certificates

<i>Nine months period ended</i>		<i>Quarter ended</i>	
<i>31 March 2013</i>	<i>31 March 2012</i>	<i>31 March 2013</i>	<i>31 March 2012</i>
-----Rupees-----			

<b>22,010,615</b>	15,813,129	<b>10,664,132</b>	5,598,656
<b>67,586,288</b>	68,662,565	<b>25,535,953</b>	20,251,325
<b>385,959</b>	2,888,743	-	49,182

**Held to maturity**

- Commercial papers
- Certificates of Investments
- Certificates of Deposit
- Letter of Placement
- Term deposits

<b>9,906,575</b>	1,757,287	<b>4,582,386</b>	1,757,287
<b>2,040,965</b>	1,049,580	<b>851,725</b>	1,049,580
<b>5,442,462</b>	6,903,094	<b>1,787,677</b>	1,841,093
<b>2,820,948</b>	284,220	<b>935,138</b>	-
<b>4,676,906</b>	3,314,920	<b>3,310,262</b>	2,374,885
<b>24,887,856</b>	13,309,101	<b>11,467,188</b>	7,022,845

- Receivable under reverse repurchase transaction

<b>88,458</b>	739,152	<b>88,458</b>	-
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**Others**

- Bank deposits
- Others

<b>4,732,597</b>	5,267,224	<b>1,394,905</b>	2,256,972
<b>54,998</b>	47,762	<b>31,105</b>	45,899
<b>119,746,771</b>	106,727,676	<b>49,181,741</b>	35,224,879

**11 CASH AND CASH EQUIVALENTS**

- Bank balances
- Certificate of investment maturing within 3 months
- Treasury Bill with maturity within 3 months
- Letter of placement maturing within three months
- Commercial Paper maturing within 3 months
- Receivable under reverse repurchase transaction
- Term deposit receipts maturity within 3 months

<i>March</i>	<i>March</i>
<i>2013</i>	<i>2012</i>
<i>Unaudited</i>	<i>Unaudited</i>
-----Rupees-----	
<b>19,821,424</b>	10,941,485
<b>95,859,005</b>	60,726,813
<b>414,809,787</b>	331,291,173
<b>90,935,138</b>	-
<b>102,709,253</b>	-
<b>45,088,458</b>	-
-	210,833,805
<b>769,223,065</b>	613,793,276

12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties include IGI Funds Limited, being the Management Company, Central Depository Company of Pakistan Limited being the trustee, IGI Investment Bank Limited being the Holding Company of the Management Company, IGI Finex Securities Limited being the subsidiary of the IGI Investment Bank Limited and IGI Insurance Limited being the Holding Company of the IGI Investment Bank Limited and Packages Limited being the holding company of IGI Insurance Limited, Tri Pack Films Limited, Tetra Pak Pakistan Limited being the associates of IGI Insurance Limited and Key Management personnel. Transactions with these related parties involve issue and redemption of units and issue of bonus shares.

Remuneration payable to the Management Company and the Trustee are determined in accordance with the provisions of Non - Banking Finance Companies and Notified Entities Regulations, 2008, and the Trust Deed respectively. Investment in Certificate of Deposit transaction with IGI Investment Bank Limited were made at interest rates prevailing in the market. Security deposit are placed with CDC under normal terms of the business.

12.1 Unit Holder's Fund

	For the nine months period ended 31 March 2013									
	As at 01 July 2012	Issued for cash	Bonus	Redeemed	As at 31 March 2013	As at 1 July 2012	Issued for cash	Bonus	Redeemed	NAV as at 31 March 2013
	Units				(Rupees)					
<b>Associated Companies / Undertakings</b>										
Packages Limited - Employees Gratuity Fund	-	222,917	-	222,917	-	-	23,000,000	-	23,456,825	-
Packages Limited - Employees Provident Fund	-	1,378,187	35,937	1,414,124	-	-	139,854,673	3,621,113	144,069,181	-
Packages Limited - Staff Pension Fund	85,445	1,002,593	21,928	1,109,966	-	8,686,324	102,580,899	2,208,818	114,812,880	-
IGI Funds Limited - Management Company	702,450	971,220	63,159	1,736,829	-	71,411,091	99,300,000	6,358,159	176,191,477	-
<b>Other Related Parties</b>										
Tri Pack Films Limited - Employees Gratuity Fund	60,758	191,341	5,873	34,522	223,450	6,176,706	19,500,000	561,476	3,500,000	22,542,409
Tri Pack Films Limited - Employees Provident Fund	83,676	181,201	10,315	-	275,192	8,506,507	18,500,000	1,038,672	-	27,762,385
Tetra Pak Pakistan Limited - Employees Provident Fund	-	103,751	4,596	-	108,347	-	10,500,000	463,141	-	10,930,460
Tetra Pak Pakistan Limited - Employees Gratuity Fund	-	97,822	4,334	-	102,156	-	9,900,000	436,676	-	10,305,862
Tetra Pak Pakistan Limited - Employees Pension Fund	150,085	-	11,895	-	161,980	15,257,645	-	1,197,309	-	16,341,160
Babar Ali Foundation	1,071,726	438,535	90,925	59,479	1,541,707	108,951,652	45,000,000	9,152,609	-	155,532,855
Adi Jehangir Cawasji	-	65,102	4,259	-	69,361	-	6,650,000	428,794	-	6,997,351
Jalees Ahmed Siddiqi	-	190,953	7,080	35,524	162,509	-	19,411,761	713,433	3,625,000	16,394,514
<b>Key Management Personnel</b>										
Other employees	-	13,656	-	13,656	-	-	1,389,378	-	1,398,884	-
<b>Unit holder holding 10% or more units</b>										
The Nishat Mills Limited Employees Provident Fund Trust	-	4,213,641	186,819	838,059	3,562,401	-	427,934,424	18,814,186	86,343,488	359,387,873

	For the nine months period ended 31 March 2012									
	As at 01 July 2011	Issued for cash	Bonus	Redeemed	As at 31 March 2012	As at 1 July 2011	Issued for cash	Bonus	Redeemed	NAV as at 31 March 2012
	Units				(Rupees)					
<b>Associated Companies / Undertakings</b>										
IGI Investment Bank Limited	-	974,694	-	974,694	-	-	100,000,000	-	100,233,342	-
Packages Limited - Staff Pension Fund	75,160	-	8,624	-	83,784	7,665,140	-	869,356	-	8,471,593
IGI Funds Limited - Management Company	748,394	78,268	80,931	169,564	738,029	77,458,530	8,000,000	8,158,215	17,400,000	74,623,810
<b>Other Related Parties</b>										
Tri Pack Films Limited - Employees Gratuity Fund	25,689	29,409	4,479	-	59,577	2,670,217	3,000,000	451,480	-	6,023,967
Tri Pack Films Limited - Employees Provident Fund	27,344	49,015	5,691	-	82,050	2,842,240	5,000,000	573,516	-	8,296,264
Tetra Pak Pakistan Limited - Employees Pension Fund	143,802	-	3,366	-	147,168	14,470,690	-	340,035	-	14,880,495
Babar Ali Foundation	1,292,289	465,655	115,875	831,524	1,042,295	55,628,165	48,000,000	5,666,121	1,848,782	105,388,845
Adi Jehangir Cawasji	9,910	-	1,137	-	11,047	1,030,070	-	114,625	-	1,116,980
<b>Key Management Personnel</b>										
Other employees	-	26,059	608	16,664	10,003	-	2,674,931	61,440	1,720,600	1,011,426

## Quarter ended 31 March 2013

	As at	Issued	Bonus	Redeemed	As at 31	As at	Issued	Bonus	Redeemed	NAV as at 31
	01 January 2013	for cash			March 2013	01 January 2013	for cash			March 2013
	Units					(Rupees)				
<b>Associated Companies / Undertakings</b>										
Packages Limited - Employees Gratuity Fund	222,917	-	-	222,917	-	22,478,373	-	-	22,913,820	-
Packages Limited - Staff Pension Fund	1,101,303	-	8,663	1,109,966	-	111,052,353	-	872,916	113,204,014	-
Packages Limited - Employees Provident Fund	913,194	-	16,326	929,520	-	92,083,930	-	1,645,144	93,868,470	-
IGI Funds Limited - Management Company	832,460	259,462	20,473	1,112,395	-	83,942,987	26,400,000	2,063,037	112,191,477	-
<b>Other Related Parties</b>										
Tri Pack Films Limited - Employees Gratuity Fund	77,792	142,880	2,778	-	223,450	7,844,345	14,500,000	279,833	-	22,542,409
Tri Pack Films Limited - Employees Provident Fund	138,199	132,741	4,252	-	275,192	13,935,635	13,500,000	428,480	-	27,762,385
Tetra Pak Pakistan Limited - Employees Provident Fund	106,259	-	2,088	-	108,347	10,714,872	-	210,414	-	10,930,460
Tetra Pak Pakistan Limited - Employees Gratuity Fund	100,187	-	1,969	-	102,156	10,102,593	-	198,391	-	10,305,862
Tetra Pak Pakistan Limited - Employees Pension Fund	158,859	-	3,121	-	161,980	16,018,853	-	314,572	-	16,341,160
Babar Ali Foundation	1,073,459	438,535	29,712	-	1,541,706	108,244,595	45,000,000	2,994,049	-	155,532,855
Adi Jehangir Cawasji	68,024	-	1,337	-	69,361	6,859,338	-	134,701	-	6,997,351
Jalees Ahmed Siddiqi	167,269	-	3,132	7,892	162,509	16,866,983	-	315,599	800,000	16,394,514
<b>Key Management Personnel</b>										
Other employees	-	3,850	-	3,850	-	-	389,378	-	390,790	-
<b>Unit holder holding 10% or more units</b>										
The Nishat Mills Limited Employees Provident Fund Trust	3,493,745	-	68,656	-	3,562,401	352,299,451	-	6,918,314	-	359,387,873

## Quarter ended 31 March 2012

	As at	Issued	Bonus	Redeemed	As at 31	As at	Issued	Bonus	Redeemed	NAV as at 31
	01 January 2012	for cash			March 2012	01 January 2012	for cash			March 2012
	Units					(Rupees)				
<b>Associated Companies / Undertakings</b>										
Packages Limited - Staff Pension Fund	81,868	-	1,916	-	83,784	8,238,303	-	193,585	-	8,471,593
IGI Funds Limited - Management Company	719,007	48,601	16,878	46,457	738,029	72,353,027	5,000,000	1,705,234	4,800,000	74,623,810
<b>Other Related Parties</b>										
Tri Pack Films Limited - Employees Gratuity Fund	58,215	-	1,362	-	59,577	5,858,123	-	137,655	-	6,023,967
Tri Pack Films Limited - Employees Provident Fund	80,173	-	1,877	-	82,050	8,067,737	-	189,578	-	8,296,264
Tetra Pak Pakistan Limited - Employees Pension Fund	143,802	-	3,366	-	147,168	14,470,690	-	340,035	-	14,880,495
Babar Ali Foundation	552,804	465,655	23,836	-	1,042,295	55,628,165	48,000,000	2,408,247	-	105,388,845
Adi Jehangir Cawasji	10,794	-	253	-	11,047	1,086,220	-	25,524	-	1,116,980
<b>Key Management Personnel</b>										
Other employees	-	9,774	229	-	10,003	-	1,000,000	23,117	-	1,011,426



**12.3 Other transactions**

	<i>For the Nine months period ended</i>		<i>Quarter ended</i>	
	<i>31 March 2013</i>	<i>31 March 2012</i>	<i>31 March 2013</i>	<i>31 March 2012</i>
	-----Rupees-----			
<b>Associated Companies / Undertakings</b>				
<b>IGI Funds Limited - Management Company</b>				
Management fee	14,203,083	10,700,331	6,177,181	3,666,829
General Sales tax on Management fee	2,272,482	1,712,069	988,350	586,701
Sales Load	1,223,597	1,780,976	633,258	124,625
<b>IGI Investment Bank</b>				
Placement in Certificate of deposits	-	390,000,000	-	-
Certificate of deposits matured	-	470,000,000	-	25,000,000
Interest income from Certificate of deposit	5,442,462	17,263,796	1,787,670	1,841,093
Interest received from Certificate of deposit	7,269,856	7,250,000	7,269,856	7,250,000
Investment in reverse repurchase transaction	45,000,000	-	45,000,000	-
Reverse repurchase transaction matured	-	89,217,000	-	-
Income under reverse repurchase transaction	88,458	739,152	88,458	-
Term Finance Certificates - Purchased	135,393,636	41,546,889	-	-
Term Finance Certificates - Sold	-	73,724,245	-	-
Investment in Letter of Placement	-	90,000,000	-	-
Letter of Placement matured	-	90,000,000	-	-
Interest income from Letter of placement	-	284,220	-	-
Treasury Bills - purchased	-	77,925,354	-	-
<b>Packages Limited</b>				
Treasury Bills - sold	-	16,919,250	-	-
<b>Packages Limited - Employees Provident Fund</b>				
Treasury Bills - sold	-	13,933,500	-	-
<b>Packages Limited - Employees Gratuity Fund</b>				
Treasury Bills - sold	-	4,976,250	-	-
<b>TETRA PAK - Gratuity Fund</b>				
Term Finance Certificates - Sold	-	12,432,271	-	-
<b>TETRA PAK - Staff Pension Fund</b>				
Term Finance Certificates - Sold	-	2,958,343	-	-
<b>TETRA PAK - Provident Fund</b>				
Term Finance Certificates - Sold	-	8,116,084	-	-
<b>IGI Money Market Fund</b>				
Treasury Bills - purchased	14,973,555	123,438,474	14,973,555	-
Treasury Bills - sold	9,895,020	19,839,010	9,895,020	-
<b>IGI Aggressive Income Fund</b>				
Term Finance Certificates - Purchased	-	68,702,745	-	20,118,754
Treasury Bills - sold	-	4,964,150	-	-
Treasury Bills - purchased	-	6,803,146	-	-
<b>IGI Capital Protected Fund</b>				
Treasury Bills - purchased	-	13,714,320	-	-
<b>Other Related Parties</b>				
<b>IGI Finex Securities Limited</b>				
Brokerage/ Commission	18,739	36,532	-	-
<b>First International Investment Bank Group Provident Fund</b>				
Treasury Bills - sold	-	389,538	-	-
<b>Central Depository Company of Pakistan Limited</b>				
Trustee fee	1,595,435	1,347,177	629,663	460,461

**12.4 Other balances****Associated Companies / Undertakings****IGI Funds Limited - Management Company**

Remuneration payable to the Management Company

Sales tax payable on management fee

<b>31 March</b>	<b>30 June</b>
<b>2013</b>	<b>2013</b>
<b>Unaudited</b>	<b>Audited</b>
----- (Rupees) -----	

<b>2,159,878</b>	924,640
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<b>345,579</b>	147,943
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**IGI Investment Bank Limited**

Certificate of deposit

Receivable under reverse repurchase transaction

<b>51,231,506</b>	53,058,900
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<b>45,088,458</b>	-
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**Other Related Parties****IGI Finex Securities Limited**

Brokerage/ Commission

<b>20,283</b>	20,283
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**Central Depository Company of Pakistan Limited**

Trustee fee

*Rupees*

<b>219,073</b>	125,756
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**13 TAXATION**

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule of the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realized or unrealized is distributed amongst the unit holders. The Management Company intends to distribute not less than 90% of its annual accounting income, if any, to comply with the above clause at year end. Accordingly, no tax provision has been made in these condensed interim financial statements for the nine months period ended 31 March 2013.

**14 GENERAL**

These financial statements were authorised for issue by Board of Directors of the Management Company on **24 April 2013**.

**For IGI Funds Limited  
(Management Company)**

\_\_\_\_\_  
Chief Executive

\_\_\_\_\_  
Director