

IGI Income Fund  
Condensed Interim Financial Statements  
Unaudited  
for the quarter ended  
30 September 2010

**IGI Income Fund**  
**Condensed Interim Statement of Assets and Liabilities (Unaudited)**  
As at 30 September 2010

	<i>Note</i>	September 2010 (Unaudited)	June 2010 Audited
-----Rupees-----			
<b>Assets</b>			
Bank balances	5	453,633,086	385,846,626
Investments	6	1,469,140,146	1,658,828,884
Receivable under reverse repurchase transactions	7	90,633,794	505,811,993
Deferred formation cost		1,100,956	1,282,656
Security deposits		2,600,000	2,600,000
Prepayments and other receivables	8	15,313,502	15,743,326
<b>Total assets</b>		<b>2,032,421,484</b>	<b>2,570,113,485</b>
<b>Liabilities</b>			
Amount payable on redemption of units		2,973,176	120,449,624
Payable to the Management Company		2,347,168	2,953,100
Remuneration payable to the Trustee		269,977	316,718
Annual fee payable to Securities and Exchange Commission of Pakistan		447,151	1,858,367
Accrued and other liabilities	11	1,423,223	8,099,064
<b>Total liabilities</b>		<b>7,460,695</b>	<b>133,676,873</b>
<b>Net assets attributable to unitholders</b>	<i>Rupees</i>	<b>2,024,960,789</b>	<b>2,436,436,612</b>
<b>Unit holders' funds</b> (as per statement attached)	<i>Rupees</i>	<b>2,024,960,789</b>	<b>2,436,436,612</b>
<b>Number of units in issue</b>	<i>Number</i>	<b>19,626,127</b>	<b>22,968,763</b>
<b>Net assets value per unit</b>	<i>Rupees</i>	<b>103.1768</b>	<b>106.0761</b>

The annexed notes from 1 to 16 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 quarter ended 30 September 2010

	<i>Note</i>	For the quarter ended 30 September 2010	For the quarter ended 30 September 2009
-----Rupees-----			
<b>Income</b>			
Financial Income	9	71,923,197	65,684,160
Net Capital (loss)/ gain on sale of investments classified as 'at fair value through profit or loss- held for trading'		(473,364)	912,500
Net unrealised diminution in fair value of investments classified as 'at fair value through profit or loss - held for trading'		(507,155)	-
Provision for non performing term finance certificate classified as held for trading		(2,381,800)	-
Provision for impairment in valuation of investments classified as 'held to maturity'		-	(3,708,029)
Element of income and capital gains included in prices of units sold less those in units redeemed - net		(11,310,381)	8,673,646
<b>Total Income</b>		<b>57,250,497</b>	<b>71,562,277</b>
<b>Expenses</b>			
Remuneration to the Management Company		7,452,488	6,795,735
Remuneration to the Trustee		848,283	795,740
Annual fee to the Securities and Exchange Commission of Pakistan		447,151	407,734
Brokerage expense and capital value tax		119,909	90,646
Bank and settlement charges		103,295	11,742
Amortisation of deferred formation cost		181,700	181,700
Auditors' remuneration		154,733	79,120
National Clearing Company of Pakistan Limited charges		46,000	-
CDS transaction fee		1,180	-
Annual listing fee		7,614	7,544
Printing charges		31,634	37,812
Stability rating fee		55,654	-
Workers' Welfare Fund	12	(7,321,275)	-
<b>Total expenses</b>		<b>2,128,366</b>	<b>8,407,773</b>
<b>Net income for the period</b>	<i>Rupees</i>	<b>55,122,131</b>	<b>63,154,504</b>

The annexed notes from 1 to 16 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 quarter ended 30 September 2010*

	<i>For the quarter ending 30 September 2010 Unaudited</i>	<i>For the quarter ending 30 September 2009 Unaudited</i>
	-----Rupees-----	
<b>Net income for the period</b>	55,122,131	63,154,504
Other comprehensive income:	-	-
<b>Total comprehensive income / (loss) for the period</b>	<u>55,122,131</u>	<u>63,154,504</u>

The annexed notes from 1 to 16 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 quarter ended 30 September 2010

	<b>For the quarter ended 30 September 2010</b>	For the quarter ended 30 September 2009
	-----Rupees-----	
Undistributed income brought forward at the beginning of the period	<b>139,560,677</b>	124,872,679
Net income for the period	<b>55,122,131</b>	63,154,504
Final distribution of bonus @ 5.7434 units for every 100 units held, approved on: 2 July 2010 (2009: @ 6.2810 unit for every 100 units held, approved on 3 July 2009)	<b>(118,744,566)</b>	(91,457,618)
Final distribution of cash dividend @ 5.7615 units for every 100 units held, approved on: 2 July 2010 (2009: @ 6.2932 unit for every 100 units held, approved on 3 July 2009)	<b>(13,589,961)</b>	(29,669,137)
<b>Undistributed income carried forward</b>	<b>62,348,281</b>	<b>66,900,428</b>

*Rupees*

The annexed notes from 1 to 16 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 quarter ended 30 September 2010

	For the quarter ended 30 September 2010	For the quarter ended 30 September 2009
	-----Rupees-----	
Net assets at beginning of the period	2,436,436,612	2,049,597,054
Amount realized / unrealized on issuance of 6,270,521 units (30 September 2009 : 9,509,934 units)	635,652,479	967,362,050
Issuance of 1,183,722 bonus units in respect of final and interim distributions (30 September 2009 : 912,842 units)	118,744,566	91,457,618
Amount paid / payable on redemption of 10,796,879 units (30 September 2009 : 5,518,244 units)	<u>(1,099,970,853)</u>	<u>(559,681,086)</u>
	<b>2,090,862,804</b>	<b>2,548,735,636</b>
Element of income and capital gain included in prices of units sold less those in units redeemed	11,310,381	(8,673,646)
Net income before capital gains- realised and unrealised Net Capital (loss)/ gain on sale of investments classified as 'at fair value through profit or loss- held for trading'	58,484,450	65,950,033
Provision for non performing term finance certificate classified as held for trading	(473,364)	912,500
Net unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss - held for trading'	(2,381,800)	-
Provision for impairment in valuation of investments classified as 'held to maturity'	(507,155)	-
Net income for the period	<u>-</u>	<u>(3,708,029)</u>
	<b>55,122,131</b>	<b>63,154,504</b>
<i>Distributions made during the period</i>		
Final distribution of bonus units	(118,744,566)	(91,457,618)
Final distribution of cash dividend	(13,589,961)	(29,669,137)
	<u>(132,334,527)</u>	<u>(121,126,755)</u>
Net income less distributions for the period	<b>(77,212,396)</b>	<b>(57,972,251)</b>
<b>Net assets at end of the period</b>	<b>Rupees 2,024,960,789</b>	<b>2,482,089,739</b>

The annexed notes from 1 to 16 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 quarter ended 30 September 2010

	<i>Note</i>	<b>For the quarter ended 30 September 2010</b>	<b>For the quarter ended 30 September 2009</b>
		-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period		55,122,131	63,154,504
<b>Adjustments for:</b>			
Net Capital (loss)/ gain on sale of investments classified as 'at fair value through profit or loss- held for trading'		473,364	(912,500)
Net unrealised diminution / (appreciation) in fair value of investments classified as 'at fair value through profit or loss- held for trading'		507,155	-
Provision for non performing term finance certificate classified as held for trading and interest accrued thereon		2,381,800	
Provision for impairment in valuation of investments classified as 'held to maturity'		-	3,708,029
Deferred formation cost		181,700	181,700
Element of income and capital gains included in prices of units sold less those in units redeemed		11,310,381	(8,673,646)
		<u>69,976,531</u>	<u>57,458,087</u>
<b>(Increase) / decrease in assets</b>			
Investments - net		(418,737,859)	(439,236,876)
Receivable under reverse repurchase transaction		415,178,199	-
Receivable against interest / mark up		2,351,284	10,375,644
Prepaid / receivable others		(1,921,460)	54,384
		<u>(3,129,836)</u>	<u>(428,806,848)</u>
<b>Increase / (decrease) in liabilities</b>			
Payable to the Management Company		(605,932)	(24,466)
Remuneration payable to the Trustee		(46,741)	(1,957)
Annual fee to the Securities & Exchange Commission of Pakistan		(1,411,216)	407,734
Payable to Worker Welfare Fund		(7,321,275)	-
Accrued and other liabilities		645,434	1,245,632
		<u>(8,739,730)</u>	<u>1,626,943</u>
<b>Net cash from / (used in) operating activities</b>		<b>58,106,965</b>	<b>(369,721,818)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution paid		(13,589,961)	(29,669,137)
Amounts received on issue of units		635,652,479	967,362,050
Payment against redemption of units		(1,217,447,301)	(510,873,005)
<b>Net cash (used in) / from financing activities</b>		<b>(595,384,783)</b>	<b>426,819,908</b>
Net increase in cash and cash equivalents during the period		<u>(537,277,818)</u>	<u>57,098,090</u>
Cash and cash equivalents at beginning of the period		<u>2,069,991,302</u>	<u>1,740,955,950</u>
<b>Cash and cash equivalents at end of the period</b>	10	<u><b>1,532,713,484</b></u>	<u><b>1,798,054,040</b></u>

The annexed notes from 1 to 16 are an integral part of these financial statements.

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

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

\_\_\_\_\_  
Director

**IGI Income Fund****Notes to the Condensed Interim Financial Statements (Unaudited)**

For the quarter ended 30 September 2010

**1 LEGAL STATUS AND NATURE OF BUSINESS**

IGI Income Fund (the Fund) has been constituted under Trust Deed dated 18 December 2006 between IGI Funds Limited (IGIFL) as Management Company, incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee incorporated under the Companies Ordinance, 1984. The Fund has been established under the Rules of business applicable to open ended mutual fund of the Non-Banking Finance Companies. The Fund is an open ended mutual fund listed on Lahore Stock Exchange.

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 repurchase agreements and transactions under continuous funding system.

**2 BASIS OF PRESENTATION****2.1 Statement of compliance**

These condensed interim financial statements ("interim financial information") are unaudited and have been prepared in accordance with the requirements of the approved accounting Standard, International Accounting Standard "Interim Financial Reporting" (IAS 34) as applicable in Pakistan. This condensed interim financial information do not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Fund's annual financial statements for the year ended 30 June 2010.

**2.2** This condensed interim financial information is being submitted to the unit holders as required by listing regulations of Lahore Stock Exchanges and rule 38(g) of the Non Banking Finance Companies and Notified Entities Regulations, 2008.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Fund for the year ended 30 June 2010.

**3.1 Accounting estimates and judgments**

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2010.

**4 FINANCIAL RISK MANAGEMENT**

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at year ended 30 June 2010.

**5 BANK BALANCES - local currency**

This represents balance in deposit accounts with banks and carry profit rates ranging from 5.00% to 11.30% (2010: 5.00% to 11.60%).

**6 INVESTMENTS**

		<b>September 2010 Unaudited</b>	<b>June 2010 Audited</b>
		-----Rupees-----	
<b>Financial asset at fair value through profit and loss- Held for trading</b>			
Term finance certificates	6.1	224,174,331	127,657,216
Treasury Bills	6.2	644,464,500	427,608,200
<b>Held to maturity</b>			
Commercial Paper	6.3	93,692,801	-
Certificates of musharika	6.4	17,326,187	22,143,446
Certificates of deposit	6.5	186,864,513	108,553,789
Term deposits	6.6	302,617,814	972,866,233
		<b>600,501,315</b>	<b>1,103,563,468</b>
	<b>Rupees</b>	<b>1,469,140,146</b>	<b>1,658,828,884</b>



## 6.1 Term Finance Certificates

Name of the investee company	Profit / mark-up rate	As at 30 June 2010	Purchased during the year	Sold during the year	As at 30 September 2010	Cost as at 30 September 2010	Market value as at 30 September 2010	% 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>									
United Bank Limited - IV	13.14%	10,000	10,000	-	20,000	94,904,000	94,435,570	4.66%	6.43%
NIB Bank Limited	13.54%	10,000	-	10,000	-	-	-	-	-
Bank Alfalah Limited - IV	15.00%	-	30,000	10,000	20,000	99,980,000	99,930,011	4.93%	6.80%
						<b>194,884,000</b>	<b>194,365,581</b>		
<b>Miscellaneous</b>									
Bunnys Limited	6.1.1 14.91%	-	4,022	-	4,022	20,110,000	15,082,500	0.74%	1.03%
Pak Hy Oils Limited	6.1.1 14.64%	-	3,000	-	3,000	15,000,000	11,250,000	0.56%	0.77%
Vision Developers Private Limited	6.1.1 14.91%	-	2,327	-	2,327	11,635,000	8,726,250	0.43%	0.59%
						<b>46,745,000</b>	<b>35,058,750</b>		
						<b>241,629,000</b>	<b>229,424,331</b>		
Less: Provision for impairment against term finance certificates					6.1.1		<b>(5,250,000)</b>		
							<b>224,174,331</b>		

6.1.1 TFCs of Bunnys Limited and Vision Developers (Private) Limited have been re-valued at the rates quoted by MUFAP at 30 September 2010 and accordingly unrealized loss of Rs. 7.94 million has been recorded. However, Pak Hy Oils Limited has defaulted on payment of interests on their coupon dates falling on 6 December 2009 and 05 June 2010 and therefore its TFCs has been classified as non-performing by MUFAP in the month of December 2009 and no rates are being quoted by MUFAP. The provision of Rs. 5.25 million and Rs. 1.35 million (refer note # 8) in respect of principal and interest thereon has been made in accordance with the provisioning policy of the Fund.

## 6.2 Treasury Bills

Issue Date	Yield	Purchased during the year	Sold during the year	As at 30 September 2010	Cost as at 30 September 2010	Interest Accrued	Carrying amount as at 30 September 2010	Market value as at 30 September 2010	% 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>										
8 April 2010	12.15%	-	1,500,000	-	-	-	-	-	-	-
6 May 2010	12.30%	-	1,000,000	-	-	-	-	-	-	-
17 June 2010	12.06%	-	1,000,000	-	-	-	-	-	-	-
17 June 2010	12.38%	-	1,000,000	-	-	-	-	-	-	-
15 July 2010	12.10%	1,000,000	1,000,000	-	-	-	-	-	-	-
01 February 2010	12.05%	1,500,000	1,500,000	-	-	-	-	-	-	-
13 August 2009	12.00%	1,000,000	1,000,000	-	-	-	-	-	-	-
08 April 2010	12.05%	500,000	500,000	-	-	-	-	-	-	-
17 July 2010	12.28%	2,000,000	2,000,000	-	-	-	-	-	-	-
17 June 2010	12.37%	2,000,000	2,000,000	-	-	-	-	-	-	-
13 August 2009	12.31%	1,000,000	1,000,000	-	-	-	-	-	-	-
03 June 2010	12.44%	1,500,000	1,500,000	-	-	-	-	-	-	-
11 March 2010	12.15%	1,000,000	1,000,000	-	-	-	-	-	-	-
25 February 2010	12.07%	2,500,000	2,500,000	-	-	-	-	-	-	-
17 June 2010	12.15%	1,000,000	1,000,000	-	-	-	-	-	-	-
17 June 2010	12.20%	650,000	650,000	-	-	-	-	-	-	-
25 February 2010	12.10%	1,000,000	1,000,000	-	-	-	-	-	-	-
10 September 2009	12.18%	1,000,000	1,000,000	-	-	-	-	-	-	-
10 September 2009	12.18%	2,000,000	2,000,000	-	-	-	-	-	-	-
11 March 2010	12.20%	2,000,000	2,000,000	-	-	-	-	-	-	-
10 September 2009	12.18%	1,000,000	1,000,000	-	-	-	-	-	-	-
11 March 2010	12.18%	800,000	800,000	-	-	-	-	-	-	-
10 September 2009	12.05%	1,000,000	1,000,000	-	-	-	-	-	-	-
10 September 2009	12.20%	1,000,000	1,000,000	-	-	-	-	-	-	-
26 September 2009	12.20%	1,000,000	1,000,000	-	-	-	-	-	-	-
26 September 2009	12.10%	1,000,000	1,000,000	-	-	-	-	-	-	-
03 June 2010	12.44%	1,500,000	-	1,500,000	144,153,450	2,771,456	146,924,906	146,837,400	7.25%	9.99%
15 July 2010	12.05%	2,000,000	-	2,000,000	198,557,800	1,047,837	199,605,637	199,619,400	9.86%	13.59%
29 July 2010	12.27%	3,000,000	-	3,000,000	296,610,000	1,391,217	298,001,217	298,007,700	14.72%	20.28%
		<b>33,950,000</b>	<b>31,950,000</b>	<b>6,500,000</b>	<b>639,321,250</b>	<b>5,210,510</b>	<b>644,531,760</b>	<b>644,464,500</b>		

Treasury bill issued on 03 June 2010 will mature on 02 December 2010, 15 July 2010 on 07 October 2010 and 29 July 2010 on 21 October 2010.

		<b>September 2010 Unaudited</b>	<b>June 2010 Audited</b>
		-----Rupees-----	
<b>6.3 Commercial Paper - unsecured</b>			
Engro Fertilizer Limited	Rupees	<u>93,692,801</u>	-

This commercial paper have a face value of Rs. 100 million and carry mark-up rate of 14.14% (June 2010: Nil) per annum and will mature on 24 March 2011.

<b>6.4 Certificates of musharika - unsecured</b>			
BRR International Modaraba	Rupees	<u>17,326,187</u>	<u>22,143,446</u>

This certificate carry mark up rate of 7.00% (June 2010: 14.00%) per annum and will mature on 13 June 2011.

<b>6.5 Certificates of Deposit - unsecured</b>			
IGI Investment Bank Limited	6.5.1 Rupees	<u>186,864,513</u>	<u>108,553,789</u>

6.5.1 These certificates carries mark-up rate ranging from 12.75% to 14.50% (2010: 12.20% to 14.50%) will mature on 18 November 2010 & 27 January 2017.

<b>6.6 Term Deposit Return</b>			
	Rupees	<u>302,617,814</u>	<u>972,866,233</u>

Term deposit accounts are maintained with various financial institutions and carry profit rates from 12.40% to 12.50% (2010: 11.50% to 12.40%) per annum. These deposits will mature between 01 October 2010 to 18 November 2010 (2010: 08 July 2010 to 25 August 2010).

6.7 Circular no. 7 of 2009 dated 6 March 2009 issued by SECP required vide circular no. 16 dated 7 July 2010 that rating of any security in the profolio shall not be lower than investment grade. However, as of 30 September 2010 ratings of the following securities / entities were 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
		------(Rupees)-----				
- Bunnys Limited	Term finance certificates	15,082,500	-	15,082,500	0.74%	0.74%
- Pak Hy Oils Limited	Term finance certificates	11,250,000	(5,250,000)	6,000,000	0.29%	0.30%
- Vision Developers Private Limited	Term finance certificates	8,726,250	-	8,726,250	0.43%	0.43%
- BRR International Modaraba	Certificates of musharika	17,326,187	-	17,326,187	0.85%	0.86%

		<b>September 2010 Unaudited</b>	<b>June 2010 Audited</b>
		-----Rupees-----	
<b>7 RECEIVABLE UNDER REVERSE REPURCHASE TRANSACTION</b>			
Repurchase agreement lendings to:			
- Silk Bank Limited		-	304,647,612
- IGI Investment Bank Limited	7.1	<u>90,633,794</u>	<u>201,164,381</u>
	Rupees	<u>90,633,794</u>	<u>505,811,993</u>

7.1 The balance represents the amount receivable against the reverse repurchase transaction against treasury bills. It carry mark up rate of 12.60% and will mature on July 25 2011. This represent 4.48% of net assets on the basis of carrying amount. The credit rating of the investee company is 'A'.

<b>8 PREPAYMENTS AND OTHER RECEIVABLES - considered good</b>			
Receivable from IGI Fund Limited		7,500	-
Mark-up / return receivable on:			
- bank balances		7,015,368	9,366,652
- term finance certificates		9,647,308	7,733,348
- Prvision against accrued interest on TFC		<u>(1,356,674)</u>	<u>(1,356,674)</u>
		<u>15,313,502</u>	<u>15,743,326</u>

		<b>For the quarter ended 30 September 2010</b>	<b>For the quarter ended 30 September 2009</b>
<b>9 FINANCIAL INCOME</b>			
Financial income on;			
<b>Financial asset at fair value through profit and loss- Held for Trading</b>			
- Term finance certificates		8,190,416	889,076
- Treasury Bills		17,089,788	326,997
<b>Held to maturity</b>			
- Commercial papers		245,241	-
- Certificates of Investments		-	3,359,105
- Certificates of Deposit		5,279,135	4,211,289
- Certificates of musharika		395,892	1,507,970
- Letter of Placement		2,594,209	-
- Term deposits		<u>15,652,242</u>	<u>27,928,116</u>
		<u>24,166,719</u>	<u>37,006,480</u>
- Receivable under reverse repurchase transaction		4,286,876	-
<b>Others</b>			
- Bank deposits		<u>18,189,398</u>	<u>27,461,607</u>
	Rupees	<u>71,923,197</u>	<u>65,684,160</u>

		<b>September</b>	<b>June</b>
		<b>2010</b>	<b>2010</b>
		<b>Unaudited</b>	<b>Audited</b>
		-----Rupees-----	
<b>10 CASH AND CASH EQUIVALENTS</b>			
Bank balances		453,633,086	385,846,626
Certificate of deposits maturing within 3 months		131,998,084	55,514,750
Term deposit receipts maturing within three months		302,617,814	972,866,233
Treasury Bill with maturity within 3 months		644,464,500	149,951,700
Receivable under reverse repurchase transaction		-	505,811,993
	<i>Rupees</i>	<u>1,532,713,484</u>	<u>2,069,991,302</u>
<b>11 ACCRUED AND OTHER LIABILITIES</b>			
Accrued expenses			
Auditors' remuneration		110,683	340,000
Brokerage payable		120,961	62,789
NCCPL charges		16,000	15,000
Printing charges payable		81,634	50,000
Rating fee		365,654	310,000
Annual listing fee		7,614	-
Withholding tax & Capital gain tax payable		720,677	-
Worker's welfare fund	12	-	7,321,275
	<i>Rupees</i>	<u>1,423,223</u>	<u>8,099,064</u>
<b>12 WORKERS' WELFARE FUND</b>			
Opening balance		7,321,275	-
Charge during the period		423,237	7,321,275
Reversal during the period		(7,744,512)	-
	12.1	<i>Rupees</i>	<u>7,321,275</u>

**12.1** Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. The Mutual Funds Association of Pakistan (MUFAP), on behalf of its members filed a constitutional petition in the High Court of Sindh (SHC) praying it to declare that the funds are not establishments and as a result are not liable to pay contribution to the WWF. The Honorable Court has dismissed the petition on the main ground that the MUFAP (petitioner) cannot be held to be entitled to maintain a petition in respect of its members as MUFAP is not aggrieved party in respect of its members and held that the workers welfare Ordinance 1971 is applicable to the establishment of the petitioner and the aggrieved parties may approach the courts in this respect. In response Central Depository Company of Pakistan on behalf of funds under its trusteeship along with a few Collective Investment Schemes (CISs) filed another petition in this regard with the Honorable High Court of Sindh.

The Management Company in pursuance of the order passed by the Honourable High Court of Sindh considered that it is prudent to record the provision for workers welfare fund for the years ended 30 June 2009 of Rs. 2.44 million and 30 June 2010 of Rs.4.88 million and accordingly provision has been recorded in the books and records as at and for the year ended 30 June 2010.

Subsequently, the Ministry of Labour and Manpower (the Ministry) issued certain clarification on 8th and 15th July 2010, which states that mutual funds are not liable for WWF. The letters went on to state that WWF Ordinance 1971 does not have any provisions for the applicability of WWF on those entities whose incomes are exempt from income tax under any provisions of any law, and West Pakistan Shops and Establishment Ordinance, 1969 is not applicable to any public listed company and any organized financial institutions because they are ruled and governed by separate laws such as mutual funds.

MUFAP, on behalf of its member AMCs, obtained a legal opinion to assess the implications of the clarifications issued by the Ministry and based on legal opinion recommended to its members that mutual funds are not required to provide for contribution to WWF and earlier provisioning, made may be reversed and henceforth there is no need for provisioning under the WWF for mutual funds and pension funds.

Based on the clarification received from Ministry and legal opinions obtained by MUFAP, the Management Company has reversed the provision in respect of WWF made as at 30 June 2010 amounting to Rs.7.321 and subsequent provision made on daily basis till 2 August 2010 during this quarter ended on 30 September 2010.

### 13 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 holding company of the management company and IGI Insurance Limited being the holding company of the management company and Packages Limited being the holding company of IGI Insurance Limited. Tri Pack Films Limited and Tetra Pak Pakistan Limited being the subsidiary of IGI Insurance Limited.

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, 2007, and the Trust Deed respectively.

Transaction and balances with related parties other than those disclosed elsewhere are as follows:

#### 13.1 Unit Holder's Fund

	For the quarter ended 30 September 2010										
	As at 01 July 2010	Issued for cash	Bonus	Redeemed	As at 30 September 2010	As at 1 July 2010	Issued for cash	Bonus	Redeemed	As at 30 September 2010	NAV as at 30 September 2010
	Units					(Rupees)					
<b>Associated Companies / Undertakings</b>											
IGI Investment Bank Limited	1,886,792	1,308,817	108,367	1,995,159	<b>1,308,817</b>	214,535,751	135,000,000	10,870,755	200,852,664	159,553,842	<b>135,039,526</b>
IGI Investment Bank Limited Group Provident Fund	4,792	-	275	-	<b>5,067</b>	705,047	-	27,607	-	732,654	<b>522,773</b>
IGI Insurance Limited	960,743	242,303	55,180	497,364	<b>760,862</b>	100,000,000	25,000,000	5,535,324	50,000,000	80,535,324	<b>78,503,275</b>
IGI Finex Securities Limited	-	-	-	-	-	-	-	-	-	-	-
IGI Finex Securities Limited - Staff Provident Fund	990	-	57	-	<b>1,047</b>	100,000	-	5,703	-	105,703	<b>107,990</b>
Packages Limited	-	1,973,870	-	1,973,870	-	-	200,000,000	-	3,531,791	196,468,209	-
Packages Limited - Employees Gratuity Fund	558,187	-	32,059	-	<b>590,246</b>	56,815,001	-	3,215,998	-	60,030,999	<b>60,899,761</b>
Packages Limited - Employees Provident Fund	427,996	-	24,582	-	<b>452,578</b>	43,362,642	-	2,465,899	-	45,828,541	<b>46,695,509</b>
Packages Limited - Staff Pension Fund	665,071	-	38,198	-	<b>703,269</b>	105,210,000	-	3,831,807	-	109,041,807	<b>72,561,049</b>
IGI Funds Limited - Management Company	771,060	14,757	44,285	35,524	<b>794,578</b>	79,925,166	1,500,000	4,442,467	3,600,000	82,267,633	<b>81,982,102</b>
IGI Funds Limited - Staff Provident Fund	5,239	-	301	-	<b>5,540</b>	529,904	-	30,181	-	560,085	<b>571,516</b>
<b>Other Related Parties</b>											
Transactions with employees	3,507	2,226	201	945	<b>4,989</b>	372,158	225,000	20,206	95,553	521,811	<b>514,749</b>
Treet Corporation Limited	-	-	-	-	-	-	-	-	-	-	-
Treet Corporation Limited - Employees Gratuity Fund	-	-	-	-	-	-	-	-	-	-	-
Treet Corporation Limited - Employees Superannuation Fund	-	-	-	-	-	-	-	-	-	-	-
Tri Pack Films Limited - Employees Gratuity Fund	-	-	-	-	-	-	-	-	-	-	-
Tri Pack Films Limited - Employees Provident Fund	24,068	-	1,382	-	<b>25,450</b>	2,553,173	-	138,670	-	2,691,843	<b>2,625,924</b>
<b>Key Management Personnel</b>											
Syed Babar Ali - Group Chairman	818,970	-	47,037	-	<b>866,007</b>	85,517,452	-	4,718,501	-	90,235,953	<b>89,351,821</b>
<b>For the quarter ended 30 September 2009</b>											
	As at 01 July 2009	Issued for cash	Bonus	Redeemed	As at 30 September 2009	As at 1 July 2009	Issued for cash	Bonus	Redeemed	As at 30 September 2009	NAV as at 30 September 2009
	Units					(Rupees)					
<b>Associated Companies / Undertakings</b>											
IGI Investment Bank Limited	1,878,111	1,975,339	117,969	3,971,419	-	200,000,000	200,000,000	11,819,326	401,873,536	-	-
IGI Finex Securities Limited	1,175,595	-	73,842	-	<b>1,249,437</b>	120,000,000	-	7,398,253	-	127,398,253	<b>128,404,640</b>
Packages Limited - Employees Gratuity Fund	500,389	-	31,431	-	<b>531,820</b>	51,014,613	-	3,149,051	-	54,163,664	<b>54,655,141</b>
Packages Limited - Employees Provident Fund	383,679	-	24,100	-	<b>407,779</b>	38,915,136	-	2,414,567	-	41,329,703	<b>41,907,448</b>
Packages Limited - Staff Pension Fund	596,206	-	37,449	-	<b>633,655</b>	98,298,936	-	3,752,041	-	102,050,977	<b>65,120,724</b>
IGI Funds Limited - Management Company	884,315	44,523	55,546	134,303	<b>850,081</b>	91,802,490	4,500,000	5,565,172	13,600,000	88,267,662	<b>87,362,824</b>
IGI Funds Limited - Staff Provident Fund	5,347	-	336	-	<b>5,683</b>	542,926	-	33,648	-	576,574	<b>584,042</b>
<b>Other Related Parties</b>											
Transactions with employees	1,214	10,211	76	4,004	<b>7,497</b>	1,083,242	1,042,045	7,641	408,200	1,724,728	<b>770,467</b>
Tri Pack Films Limited - Employees Gratuity Fund	10,788	-	678	-	<b>11,466</b>	1,097,175	-	67,892	-	1,165,067	<b>1,178,361</b>
Tri Pack Films Limited - Employees Provident Fund	21,576	-	1,355	-	<b>22,931</b>	2,194,351	-	135,783	-	2,330,134	<b>2,356,619</b>
<b>Key Management Personnel</b>											
Syed Babar Ali - Group Chairman	474,428	-	29,800	-	<b>504,228</b>	50,000,000	-	2,985,672	-	52,985,672	<b>51,819,512</b>

		For the quarter ended 30 September 2010	For the quarter ended 30 September 2009
<b>13.2 Other transactions</b>			
<b>Associated Companies / Undertakings</b>			
<b>IGI Funds Limited - Management Company</b>			
Management fee	<i>Rupees</i>	<u>7,452,488</u>	<u>6,795,735</u>
<b>IGI Investment Bank Limited</b>			
Interest income from Certificate of Deposit placed	<i>Rupees</i>	<u>5,279,135</u>	<u>6,420,227</u>
<b>Other Related Parties</b>			
<b>IGI Finex Securities Limited</b>			
Brokerage/ Commission	<i>Rupees</i>	<u>23,981</u>	<u>2,600</u>
<b>Central Depository Company of Pakistan Limited</b>			
Trustee fee	<i>Rupees</i>	<u>848,283</u>	<u>795,740</u>
<b>13.3 Other balances</b>		<b>September 2010</b>	<b>June 2010</b>
<b>Associated Companies / Undertakings</b>			
<b>IGI Funds Limited - Management Company</b>			
Management fee	<i>Rupees</i>	<u>2,347,168</u>	<u>2,953,100</u>
<b>IGI Investment Bank Limited</b>			
Certificates of deposit		<u>186,864,513</u>	<u>108,553,789</u>
<b>Other Related Parties</b>			
<b>IGI Finex Securities Limited</b>			
Brokerage/ Commission	<i>Rupees</i>	<u>39,775</u>	<u>45,234</u>
<b>Central Depository Company of Pakistan Limited</b>			
Trustee fee	<i>Rupees</i>	<u>269,977</u>	<u>316,718</u>

#### 14 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Chief Executive Officer of the Management Company, as authorized by the Board of Directors has approved distributions of 2.8500 units per for every 100 units (Growth units) held and Rs. 2.8591 per unit (Income units) for the quarter ended 30 September 2010 amounting to Rs. 56.11 million in total, on 01 October 2010. These financial statements do not reflect these distributions and that will be accounted for subsequent to the period end.

#### 15 GENERAL

15.1 Figures have been rounded off to the nearest rupee.

15.2 This condensed interim financial information is unaudited. The figures for the three months period ended 30 September 2010 in this condensed interim financial information have not been reviewed by the auditors

#### 16 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on **25 October 2010**.

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

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

\_\_\_\_\_  
Director

# IGI Stock Fund

Condensed Interim Financial Statements  
For the Quarter ended  
30 September 2010

**IGI Stock Fund**  
**Statement of Assets and Liabilities**  
*As at 30 September 2010*

	<i>Note</i>	<b>September 2010 (Unaudited)</b>	June 2010 (Audited)
-----Rupees-----			
<b>ASSETS</b>			
Bank balances	5	<b>89,306,007</b>	4,076,938
Investments - quoted	6	<b>246,740,040</b>	422,276,803
Dividend receivables		<b>4,163,524</b>	613,500
Deferred formation cost	7	<b>721,539</b>	786,767
Deposits	8	<b>6,300,000</b>	6,300,000
Interest income and other receivable		<b>38,892,521</b>	272,873
<b>Total assets</b>		<b>386,123,631</b>	434,326,881
<b>LIABILITIES</b>			
Amount payable on redemption of units		<b>37,952</b>	-
Payable to the Management Company	9	<b>2,458,571</b>	2,146,462
Remuneration payable to the Trustee		<b>63,203</b>	76,521
Annual fee payable to Securities and Exchange Commission of Pakistan		<b>100,422</b>	434,335
Accrued and other liabilities	10	<b>619,003</b>	4,587,643
<b>Total liabilities</b>		<b>3,279,151</b>	7,244,961
<b>Net assets attributable to unit holders</b>	<i>Rupees</i>	<b>382,844,480</b>	427,081,920
<b>Unit holders' funds</b> (as per statement attached)	<i>Rupees</i>	<b>382,844,480</b>	427,081,920
<b>Number of units in issue</b>	<i>Number</i>	<b>3,628,809</b>	3,148,343
<b>Net assets value per unit</b>	<i>Rupees</i>	<b>105.50</b>	135.65

The annexed notes 1 to 12 form an integral part of these financial statements.

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

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

\_\_\_\_\_  
**Director**

**IGI Stock Fund**  
**Condensed Interim Income Statement (Unaudited)**  
*For the quarter ended 30 September 2010*

<b>Income</b>	<i>Note</i>	<b>For the quarter ended 30 September 2010</b>	<b>For the quarter ended 30 September 2009</b>
-----Rupees-----			
Capital gains on sale of equity securities - net		<b>6,374,849</b>	47,276,879
Interest income on bank & other deposits		<b>1,432,676</b>	1,404,401
Dividend income on equity securities		<b>5,803,216</b>	4,453,652
Net unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss- held for trading'		<b>4,406,457</b>	31,327,233
Element of income and capital gains included in prices of units sold less those in units redeemed - net		<b>(1,187,592)</b>	40,936,532
<b>Total income</b>		<b>16,829,606</b>	125,398,697
<b>Expenses</b>			
Remuneration to the Management Company		<b>2,114,159</b>	1,685,713
Remuneration to the Trustee		<b>211,433</b>	186,486
Annual fee to the Securities and Exchange Commission of Pakistan		<b>100,422</b>	80,070
Brokerage expense and other charges		<b>712,473</b>	1,326,711
Bank and settlement charges		<b>11,350</b>	7,124
Amortization of deferred formation cost		<b>65,228</b>	65,228
Auditors' remuneration		<b>128,300</b>	79,120
National Clearing Company of Pakistan Limited Charges		<b>73,117</b>	63,360
CDS transaction fee		<b>10,396</b>	11,857
Annual listing fee		<b>5,060</b>	7,019
Printing charges		<b>31,464</b>	37,812
Credit Rating Fee		<b>30,544</b>	-
Workers' Welfare Fund	<i>10.2</i>	<b>(3,260,282)</b>	-
<b>Total expenses</b>		<b>233,664</b>	3,550,500
<b>Net income for the period</b>	<i>Rupees</i>	<b>16,595,942</b>	121,848,197

The annexed notes 1 to 12 form an integral part of these financial statements.

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

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

\_\_\_\_\_  
**Director**



# IGI Stock Fund

## Condensed Interim Statement of Comprehensive Income (Unaudited)

For the quarter ended 30 September 2010

	<b>For the quarter ended 30 September 2010</b>	For the quarter ended 30 September 2009
	-----Rupees-----	
Net income for the quarter/period	<b>16,595,942</b>	121,848,197
Other comprehensive income during the quarter/period	-	-
<b>Total comprehensive income for the quarter/period</b>	<b><u>16,595,942</u></b>	<u>121,848,197</u>

The annexed notes 1 to 12 form an integral part of these financial statements.

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

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

\_\_\_\_\_  
**Director**

**IGI Stock Fund**  
**Statement of Cash Flows (Unaudited)**

*For the quarter ended 30 September 2010*

	<b>For the quarter ended 30 September 2010</b>	For the quarter ended 30 September 2009
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period/quarter	<b>16,595,942</b>	121,848,197
<b>Adjustment for:</b>		
Amortization of deferred formation cost	<b>65,228</b>	65,228
Capital gains on sale of equity securities - net	<b>(6,374,849)</b>	(47,276,879)
Net unrealised appreciation in fair value of investments classified as 'at fair value through profit or loss- held for trading'	<b>(4,406,457)</b>	(31,327,233)
Element of income and capital gains included in prices of units sold less those in units redeemed - net	<b>1,187,592</b>	(40,936,532)
	<b>7,067,456</b>	2,372,781
<b>Change in:</b>		
Investments - net	<b>186,318,069</b>	(112,314,770)
Dividend receivables	<b>(3,550,024)</b>	(2,571,092)
Deposits	-	(19,214,726)
Interest income and other receivable	<b>(38,619,648)</b>	-
Payable to the Management Company	<b>312,109</b>	319,180
Remuneration payable to the Trustee	<b>(13,318)</b>	8,393
Annual fee payable to the Securities & Exchange Commission of Pakistan	<b>(333,913)</b>	80,070
Redemption of units payable	<b>37,952</b>	-
Accrued and other liabilities	<b>(3,968,640)</b>	(11,427,316)
<b>Net cash (used in) operating activities</b>	<b>147,250,043</b>	(142,747,480)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	<b>113,320,123</b>	1,010,630,990
Dividend paid	<b>(8,674,250)</b>	(6,348,579)
Payment against redemption of units	<b>(166,666,847)</b>	(852,854,553)
<b>Net cash from financing activities</b>	<b>(62,020,974)</b>	151,427,858
Net decrease in cash and cash equivalents during the period/quarter	<b>85,229,069</b>	8,680,378
Cash and cash equivalents at beginning of the period/quarter	<b>4,076,938</b>	34,095,613
<b>Cash and cash equivalents at end of the period/quarter</b>	<b>89,306,007</b>	42,775,991

*Rupees*

The annexed notes 1 to 12 form an integral part of these financial statements.

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

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

\_\_\_\_\_  
**Director**

**IGI Stock Fund**  
**Distribution Statement (Unaudited)**  
*For the quarter ended 30 September 2010*

	<b>For the quarter ended 30 September 2010</b>	For the quarter ended 30 September 2009
	-----Rupees-----	
<b>Undistributed income brought forward at the beginning of the period</b>		
- Realized gains	<b>119,420,348</b>	48,986,624
- Unrealized gains	<b>(7,172,867)</b>	12,777,303
	<b>112,247,481</b>	<b>61,763,927</b>
Total comprehensive income for the period	<b>16,595,942</b>	121,848,197
<b>Distributions during the year</b>		
Final distribution of cash dividend @ Rs.34.5833 per unit for the year ended 30 June 2010, declared on 24 August 2010	<b>(8,674,250)</b>	<b>(6,348,579)</b>
Final distribution of bonus @ 34.2173 units for every 100 units held, for the year ended 30 June 2010, declared on 24 August 2010	<b>(100,205,841)</b>	<b>(41,168,522)</b>
	<b>(108,880,091)</b>	<b>(47,517,101)</b>
<b>Undistributed income carried forward</b>	<b>19,963,332</b>	136,095,023
	<i>Rupees</i>	
<b>Undistributed income carried forward at end of the period</b>		
- Realized gains	<b>15,556,875</b>	104,767,790
- Unrealized gains	<b>4,406,457</b>	31,327,233
	<b>19,963,332</b>	136,095,023
	<i>Rupees</i>	

The annexed notes 1 to 12 form an integral part of these financial statements.

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

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

\_\_\_\_\_  
**Director**

# IGI Stock Fund

## Statement of Movement in Unit Holders' Fund (Unaudited)

For the quarter ended 30 September 2010

	<b>For the quarter ended 30 September 2010</b>	For the quarter ended 30 September 2009
	-----Rupees-----	
Net assets at beginning of the period	<b>427,081,920</b>	249,487,172
Amount realized on issuance of 1,051,610 units (30 September 2009: 7,919,433 units)	<b>113,320,123</b>	1,010,630,990
Amount realized on issuance of Bonus Units of 991,454 units (30 September 2009: 382,678 units)	<b>100,205,841</b>	41,168,522
Amount paid on redemption of 1,562,598 units (30 September 2009: 6,715,573 units)	<b>(166,666,847)</b>	(852,205,470)
	<b>473,941,037</b>	449,081,214
Element of income and capital gains included in prices of units sold less those in units redeemed - net	<b>1,187,592</b>	(40,936,532)
Capital gains on sale of equity securities - net	<b>6,374,849</b>	47,276,879
Net unrealised appreciation in fair value of investments classified as 'at fair value through profit or loss- held for trading'	<b>4,406,457</b>	31,327,233
Others	<b>5,814,636</b>	43,244,085
Total comprehensive income for the period	<b>16,595,942</b>	121,848,197
<b>Distributions made during the period</b>		
Final Distribution of Cash Dividend	<b>(8,674,250)</b>	(6,348,579)
Final Distribution of Bonus Units	<b>(100,205,841)</b>	(41,168,522)
	<b>(108,880,091)</b>	(47,517,101)
Total comprehensive income less distributions for the period	<b>(92,284,149)</b>	74,331,096
<b>Net assets at end of the period</b>	<b>382,844,480</b>	482,475,778

*Rupees*

The annexed notes 1 to 12 form an integral part of these financial statements.

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

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

\_\_\_\_\_  
**Director**

# IGI Stock Fund

## Notes to the Financial Statements

*For the quarter ended 30 September 2010*

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

IGI Stock Fund ("the Fund") has been constituted under Trust Deed dated 10 June 2008 between IGI Funds Limited (IGIFL) as Management Company, incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as Trustee incorporated under the Companies Ordinance, 1984. The Fund has been established under the Rules of business applicable to open ended mutual fund of the Non-Banking Finance Companies.

The Fund received initial subscription up to 30 June 2008. The units of the Fund were initially offered on single day i.e. 15 July 2008, thereafter Fund offers and redeems units at applicable offer and redemption prices respectively. The Fund is an open ended fund listed on Lahore Stock Exchange.

The Fund seeks to generate long term capital appreciation and income, from a portfolio that is substantially constituted of equity and equity related securities. The Fund may also invest a certain portion of its corpus in debt and money market securities in order to meet liquidity requirements from time to time.

The Pakistan Credit Rating Agency Limited has assigned a star rating of 4 star to the scheme subsequent to the quarter ended 30 September 2010.

### **2 BASIS OF PRESENTATION**

This condensed interim financial information has been prepared in accordance with the requirements of the approved accounting standard, International Accounting Standard "Interim Financial Reporting" (IAS 34) as applicable in Pakistan for interim financial reporting. This condensed interim financial required in the financial statements, and information does not include all of the information and disclosures should be read in conjunction with the Fund's financial statements as at and for the year ended 30 June 2010.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the period ended 30 June 2010, except amendments in International Accounting Standard 1 (Revised) 'Presentation of Financial Statements' which became effective for the financial periods beginning on or after 1 January 2009. The application of this standard has resulted in certain increased disclosures including the statement of other comprehensive income which has been reflected in the Fund's condensed interim financial information.

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

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements 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 information are the same as those that were applied to the financial statements as at and for the period ended 30 June 2010.

4.1 The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the period ended 30 June 2010.

#### 5. BANK BALANCE - Local Currency

This represents balance in deposit accounts with banks and carry profit rate of 5% -11% per annum.

#### 6. INVESTMENTS

This represents Fund's investment in Quoted equity securities and are classified as "Financial assets at fair value through profit and loss - Held for trading".

							September 2010	June 2010
Equities Securities - quoted					6.1	Rupees	<b>246,740,040</b>	<b>422,276,803</b>
Name of security	As at 01 July 2010	Purchases/ Bonus shares received during the period	Sold during the period	As at 30 September 2010	Cost as at 30 September 2010	Market value (carrying value after revaluation) as at 30 September 2010	Percentage of net assets on the basis of market value	Percentage of total investment on the basis of market value
	----- (Shares) -----			----- (Rupees) -----		----- (percentage) -----		
<i>Banks</i>								
MCB Bank Limited	191,000	33,900	144,500	80,400	15,628,329	15,140,124	3.95%	6.14%
National Bank of Pakistan Limited	585,000	50,000	635,000	-	-	-	0.00%	0.00%
United Bank Limited	664,000	-	365,760	298,240	16,167,590	15,332,518	4.00%	6.21%
Allied Bank Limited	-	390,000	390,000	-	-	-	-	-
<i>Electricity</i>								
Kot Addu Power Company Limited	939,751	80,000	364,456	655,295	27,492,876	26,932,625	7.03%	10.92%
Hub Power Company Limited	1,191,901	-	259,000	932,901	29,815,516	31,056,274	8.11%	12.59%
<i>Oil &amp; Gas</i>								
Attock Petroleum Limited	-	146,846	146,846	-	-	-	-	-
Pakistan State Oil Company Limited	128,000	-	128,000	-	-	-	0.00%	0.00%
Oil & Gas Development Company Limited	250,600	190,918	221,204	220,314	31,589,397	32,101,953	8.39%	13.01%
Pakistan Oilfields Limited	160,000	68,000	113,000	115,000	25,436,715	27,269,950	7.12%	11.05%
Pakistan Petroleum Limited	185,000	146,400	149,000	182,400	29,390,991	31,447,584	8.21%	12.75%
<i>Chemicals</i>								
Engro Corporation Pakistan Limited	213,000	126,300	227,000	112,300	19,955,463	19,563,783	5.11%	7.93%
Fauji Fertilizer Company Limited	372,129	52,000	112,000	312,129	32,441,679	32,723,629	8.55%	13.26%
<i>Fixed Line Telecommunication</i>								
Pakistan Telecommunication Limited	1,215,000	82,000	490,000	807,000	14,415,002	15,171,600	3.96%	6.15%
	<b>6,095,381</b>	<b>1,366,364</b>	<b>3,745,766</b>	<b>3,715,979</b>	<b>242,333,558</b>	<b>246,740,040</b>		

<b>7 DEFERRED FORMATION COST</b>	<b>September 2010</b>	<b>June 2010</b>
Unamortised cost at the beginning of the period	786,767	1,045,552
Amortised to the income statement during the period	(65,228)	(258,785)
Unamortised cost at the end of the period	<i>Rupees</i> <b>721,539</b>	<b>786,767</b>
<b>8 DEPOSITS</b>		
Margin deposit with NCCPL against exposure demand and mark to market losses	<b>3,700,000</b>	3,700,000
Security deposits placed with:		
- NCCPL	<b>2,500,000</b>	2,500,000
- Central Depository Company of Pakistan Limited	<b>100,000</b>	100,000
	<i>Rupees</i> <b>6,300,000</b>	<b>6,300,000</b>
<b>9 PAYABLE TO THE MANAGEMENT COMPANY</b>		
Remuneration payable to the Management Company	<b>630,932</b>	764,082
Formation cost payable	<b>1,293,702</b>	1,293,702
Front end load payable	<b>533,937</b>	67,011
Printing Charges payable	-	21,667
	<i>Rupees</i> <b>2,458,571</b>	<b>2,146,462</b>
<b>10 ACCRUED AND OTHER LIABILITIES</b>	<b>September 2010</b>	<b>June 2010</b>
Auditors' remuneration	<b>83,200</b>	340,000
Brokerage payable	<b>96,857</b>	689,714
Federal Excise Duty payable	<b>23,170</b>	-
Payable to IGI Income Fund	-	-
Credit Rating Fees Payable	<b>140,544</b>	110,000
Workers' Welfare Fund Payable	-	3,260,282
Others liabilities	<b>275,232</b>	187,647
	<i>Rupees</i> <b>619,003</b>	<b>4,587,643</b>
<b>10.1 WORKERS' WELFARE FUND</b>		
Opening balance	<b>3,260,282</b>	-
Charge during the period	-	3,260,282
Reversal during the period	<b>(3,260,282)</b>	-
	<b>-</b>	<b>3,260,282</b>
<b>10.2</b>		
Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. The Mutual Funds Association of Pakistan (MUFAP), on behalf of its members filed a constitutional petition in the High Court of Sindh (SHC) praying it to declare that the funds are not establishments and as a result are not liable to pay contribution to the WWF. The Honorable Court has dismissed the petition on the main ground that the MUFAP (petitioner) cannot be held to be entitled to maintain a petition in respect of its members as MUFAP is not aggrieved party in respect of its members and held that the workers welfare Ordinance 1971 is applicable to		

the establishment of the petitioner and the aggrieved parties may approach the courts in this respect. In response Central Depository Company of Pakistan on behalf of funds under its trusteeship along with a few Collective Investment Schemes (CISs) filed another petition in this regard with the Honorable High Court of Sindh.

The Management Company in pursuance of the order passed by the Honourable High Court of Sindh considered that it is prudent to record the provision for workers welfare fund for the years ended 30 June 2009 of Rs. 1.235 million and 30 June 2010 of Rs.2.025 million and accordingly provision has been recorded in the books and records as at and for the year ended 30 June 2010.

Subsequently, the Ministry of Labour and Manpower (the Ministry) issued certain clarification on 8th and 15th July 2010, which states that mutual funds are not liable for WWF. The letters went on to state that WWF Ordinance 1971 does not have any provisions for the applicability of WWF on those entities whose incomes are exempt from income tax under any provisions of any law, and West Pakistan Shops and Establishment Ordinance, 1969 is not applicable to any public listed company and any organized financial institutions because they are ruled and governed by separate laws such as mutual funds.

MUFAP, on behalf of its member AMCs, obtained a legal opinion to assess the implications of the clarifications issued by the Ministry and based on legal opinion recommended to its members that mutual funds are not required to provide for contribution to WWF and earlier provisioning, made may be reversed and henceforth there is no need for provisioning under the WWF for mutual funds and pension funds.

Based on the clarification received from Ministry and legal opinions obtained by MUFAP, the Management Company has reversed the provision in respect of WWF made as at 30 June 2010 amounting to Rs.3.260 million and subsequent provision made on daily basis till 2 August 2010 during this quarter ended on 30 September 2010.

## **11 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

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. Front end load is charged to unit holder and is payable to the Management Company according to provisions of the offering document of the fund. Investment in Certificate of Deposit of IGI Investment Bank Limited was made at interest rates prevailing in the market. Security deposit are placed with CDC under normal terms of the business.



Transactions and balances with related parties other than those disclosed elsewhere are as follows:

### 11.1 Unit Holders' Fund

	2010										Net asset value as at 30 September
	As at 1 July 2010	Issued for cash	Bonus	Redeemed	As at 30 September 2010	As at 1 July 2010	Issued for cash	Bonus	Redeemed	As at 30 September 2010	
Units					(Rupees)						
<b>Associated Companies / Undertakings</b>											
IGI Investment Bank Limited	1,777,262	653,401	608,132	671,087	2,367,708	648,653,281	73,412,927	61,463,604	73,604,773	709,925,039	249,793,194
IGI Insurance Limited	181,291	-	62,033	-	243,324	21,253,656	-	6,269,634	-	27,523,290	25,670,682
Packages Limited - Employees Provident Fund	61,764	-	21,134	-	82,898	6,265,555	-	2,135,998	-	8,401,553	8,745,739
Packages Limited - Management Staff Pension Fund	69,290	-	23,709	-	92,999	10,244,034	-	2,396,293	-	12,640,327	9,811,395
Packages Limited - Employees Gratuity fund	69,764	-	23,871	-	93,635	10,243,670	-	2,412,676	-	12,656,346	9,878,493
<b>Other Related Parties</b>											
Transactions with employees	706	12,826	234.58	3,084	10,683	149,111	1,409,128	23,759	328,494	1,253,504	1,127,057
<b>Key Management Personnel</b>											
Syed Babar Ali - Group Chairman	621,930	-	212,808	834,738	-	62,743,480	-	21,508,385	58,073,152	26,178,713	-

  

	2009										Net asset value as at 30 September
	As at 1 July 2009	Issued for cash	Bonus	Redeemed	As at 30 September 2009	As at 1 July 2009	Issued for cash	Bonus	Redeemed	As at 30 September 2009	
Units					(Rupees)						
<b>Associated Companies / Undertakings</b>											
IGI Investment Bank Limited	876,223	7,464,056	206,155	6,486,992	2,059,442	116,450,037	972,867,143	22,178,161	824,538,512	286,956,829	286,859,676
IGI Insurance Limited	76,764	-	18,060	94,824	-	10,201,936	-	1,942,972	11,158,931	-	-
Packages Limited - Employees Provident Fund	50,000	-	11,764	-	61,764	6,645,000	-	1,265,555	-	7,910,555	8,603,108
IGI Investment Bank Limited - Group Provident Fund	3,057	-	719	-	3,776	406,275	-	3,777	-	410,052	525,959
Packages Limited - Management Staff Pension Fund	-	69,290	-	-	69,290	-	9,651,469	-	-	9,651,469	9,651,404
Packages Limited - Employees Gratuity fund	-	69,764	-	-	69,764	-	9,717,455	-	-	9,717,455	9,717,428
<b>Other Related Parties</b>											
Transactions with employees	575	3,864	-	2,736	1,703	76,418	514,770	-	341,629	249,559	237,211
<b>Key Management Personnel</b>											
Syed Babar Ali - Group Chairman	503,474	-	118,456	-	621,930	66,911,695	-	12,743,480	-	79,655,175	86,628,630

For the period ended 30 September 2010      For the period ended 30 September 2009

### 11.2 Other transactions

#### Associated Companies / Undertakings

##### IGI Funds Limited - Management Company

Management fee  
Load on units  
Printing charges paid

(Rupees)	
2,114,159	1,402,017
533,937	65,401
21,667	-

##### IGI Finex Securities Limited

Brokerage / Commission  
Federal excise duty / capital value tax

238,801	213,536
38,208	34,166

#### Other Related Parties

##### Central Depository Company of Pakistan Limited

Trustee fee

211,433	178,093
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### 11.3 Other balances

#### Associated Companies / Undertakings

##### IGI Funds Limited - Management Company

Remuneration payable to the Management Company  
Formation cost payable  
Front end load payable  
Printing Charges payable

As at 30 September 2010	As at 30 June 2010
(Rupees)	
630,932	1,685,713
1,293,702	1,293,702
533,937	65,401
-	-

##### IGI Finex Securities Limited

Brokerage / Commission  
Federal excise duty / capital value tax

68,707	181,530
18,801	29,045

#### Other Related Parties

##### Central Depository Company of Pakistan Limited

Trustee fee payable  
Security deposit placed

63,203	65,933
100,000	100,000

## 12 GENERAL

12.1 Figures have been rounded off to the nearest rupee.

12.2 This condensed interim financial information is unaudited. Furthermore, the figures for quarter ended ended 30 September 2010 in this condensed interim financial information has not been reviewed by the auditors.

12.3 This condensed interim financial information was authorised for issue by Board of Directors of the Management Company on 25 October 2010.

For IGI Funds Limited  
(Management Company)

Chief Executive

Director

# IGI Islamic Income Fund

Condensed Interim Financial Statements  
For the Quarter ended  
30 September 2010

**IGI Islamic Income Fund**  
**Condensed Interim Statement of Assets and Liabilities (Unaudited)**  
*As at 30 September 2010*

<b>ASSETS</b>	<i>Note</i>	<b>30 September 2010 (Unaudited)</b>	30 June 2010 (Audited)
Bank balances	5	<b>116,701,630</b>	110,179,030
Investments	6	<b>332,040,081</b>	281,767,807
Deferred formation cost	7	<b>1,784,885</b>	1,863,984
Income receivable	8	<b>4,423,439</b>	8,819,760
<b>Total assets</b>		<b>454,950,035</b>	402,630,581
<b>LIABILITIES</b>			
Amount payable on redemption of units		<b>5,292,855</b>	36,870
Payable to the Management Company	9	<b>2,690,380</b>	2,630,657
Remuneration payable to the Trustee		<b>73,344</b>	65,380
Annual fee payable to Securities and Exchange Commission of Pakistan		<b>83,734</b>	166,433
Accrued & other liabilities	10	<b>277,264</b>	714,510
<b>Total liabilities</b>		<b>8,417,577</b>	3,613,850
<b>Net assets attributable to unit holders</b>	<i>Rupees</i>	<b>446,532,458</b>	399,016,731
<b>Unit holders' funds</b>	<i>Rupees</i>	<b>446,532,458</b>	399,016,731
<b>Number of units in issue</b>	<i>Number</i>	<b>4,355,187</b>	3,793,919
<b>Net assets value per unit</b>	<i>Rupees</i>	<b>102.53</b>	105.17

The annexed notes from 1 to 14 an integral part of this condensed interim financial information.

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

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

\_\_\_\_\_  
**Director**

**IGI Islamic Income Fund**  
**Condensed Interim Income Statement (Unaudited)**  
*For the quarter ended 30 September 2010*

	<b>Quarter ended 30 September 2010</b>
<b>INCOME</b>	
Profit on bank and other deposits	3,942,807
Income on investments classified as 'held to maturity'	5,226,726
Income on investments classified as 'fair value through profit & loss - held for trading'	3,090,874
Element of income and capital gain included in prices of units sold less those in units redeemed - net	<u>33,382</u>
<b>Total income</b>	<b>12,293,789</b>
<b>EXPENSES</b>	
Remuneration to the Management Company	1,674,619
Remuneration to the Trustee	223,297
Annual fee to the Securities and Exchange Commission of Pakistan	83,734
Brokerage expense	-
Bank charges	3,175
Amortization of deferred formation cost	79,099
Auditors' remuneration	113,164
Annual listing fee	5,060
Credit rating fee	55,476
Printing charges	31,464
Workers' Welfare Fund	(400,510)
<b>Total expenses</b>	<b>1,868,578</b>
<b>Net Income for the period</b>	<b>Rupees <u><u>10,425,211</u></u></b>

The annexed notes from 1 to 14 an integral part of this condensed interim financial information.

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

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

\_\_\_\_\_  
**Director**

**IGI Islamic Income Fund**  
**Condensed Interim Statement of Comprehensive Income (Unaudited)**  
*For the quarter ended 30 September 2010*

**Quarter ended  
30 September  
2010**

Net Income for the period	<b>10,425,211</b>
Other comprehensive income during the period	-
Total comprehensive income for the period	<i>Rupees</i> <u><u><b>10,425,211</b></u></u>

The annexed notes from 1 to 14 an integral part of this condensed interim financial information.

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

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

\_\_\_\_\_  
**Director**

**IGI Islamic Income Fund**  
**Condensed Interim Distribution Statement (Unaudited)**  
*For the quarter ended 30 September 2010*

	<b>Quarter ended 30 September 2010</b>
<b>Undistributed income brought forward at the beginning of the period</b>	<b>19,624,990</b>
<b>Distributions made during the year</b>	
Final distribution of bonus @ 5.0098 units for every 100 units held, for the year ended 30 June 2010, approved on 2 July 2010	<b>(19,036,369)</b>
Total comprehensive income for the period	<b>10,425,211</b>
<b>Undistributed income carried forward</b>	<i>Rupees</i> <u><u><b>11,013,832</b></u></u>

The annexed notes from 1 to 14 an integral part of this condensed interim financial information.

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

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**Chief Executive**

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**Director**

**IGI Islamic Income Fund**  
**Condensed Interim Statement of Movement in Unit Holders' Fund (Unaudited)**  
*For the quarter ended 30 September 2010*

	<b>Quarter ended 30 September 2010</b>
Net assets at beginning of the period	<b>399,016,731</b>
Amount realized on issuance of 573,580 units	<b>57,731,257</b>
Issuance of 190,069 bonus units in respect of final distribution	<b>19,036,369</b>
Amount paid on redemption of 202,381 units	<b>(20,607,359)</b>
	<b>455,176,998</b>
Element of income and capital gain included in prices of units sold less those in units redeemed - net	<b>(33,382)</b>
Total comprehensive income for the period	<b>10,425,211</b>
<i>Distributions made during the period</i>	
Final distribution of bonus units	<b>(19,036,369)</b>
Total Comprehensive income less distributions for the year	<b>(8,611,158)</b>
<b>Net assets at end of the period</b>	<b>Rupees 446,532,458</b>

The annexed notes from 1 to 14 an integral part of this condensed interim financial information.

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

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

\_\_\_\_\_  
**Director**

**IGI Islamic Income Fund**  
**Condensed Interim Cash Flow Statement (Unaudited)**  
*For the quarter ended 30 September 2010*

	<i>Note</i>	<b>Quarter ended 30 September 2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income for the period		10,425,211
<i>Adjustment for:</i>		
Deferred formation cost		79,099
Element of income and capital gains included in prices of units sold less those in units redeemed		(33,382)
<b>Cash flows from operations before working capital changes</b>		<u>10,470,928</u>
<i>Movement in:</i>		
Payable to the Management Company		59,723
Remuneration payable to the Trustee		7,964
Annual fee to the Securities & Exchange Commission of Pakistan		(82,699)
Accrued & other liabilities		(437,246)
Prepayments & other receivables		4,396,321
		<u>3,944,063</u>
<b>Net cash flows from operating activities</b>		<u>14,414,991</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units		57,731,257
Payment against redemption of units		(15,351,374)
<b>Net cash generated from / (used in) financing activities</b>		<u>42,379,883</u>
<b>Net increase in cash and cash equivalents</b>		<u>56,794,874</u>
Cash and cash equivalents at beginning of the period		<u>289,471,837</u>
Cash and cash equivalents at end of the period	<i>12 Rupees</i>	<u><u>346,266,711</u></u>

The annexed notes from 1 to 14 an integral part of this condensed interim financial information.

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

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

\_\_\_\_\_  
**Director**



# IGI Islamic Income Fund

## Notes to the Condensed Interim Financial Information (Un-audited)

*For the quarter ended 30 September 2010*

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

IGI Islamic Income Fund ("the Fund") was constituted under Trust Deed dated 03 July 2008, between IGI Funds Limited (IGIFL) as Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee incorporated under the Companies Ordinance, 1984. The Fund has been established under the rules of business applicable to open ended mutual Funds. Fund is an open ended Islamic mutual Fund listed on Lahore Stock Exchange. The Fund offers units for public subscription on continuous basis. These can be redeemed by surrendering them to the Fund at the option of the unit holder, except for the units issued to core investors which are not redeemable for a period of two years from the date of initial public offer.

The scheme seek to provide good total return through a combination of current income and long term capital appreciation, consistent with reasonable investment risk in a shariah compliant manner. The Fund invests in shariah compliant deposits, profit bearing accounts, certificate of investments, Musharika and morabaha arrangements and debt securities.

The registered office of the Management Company is situated at 5 F.C.C., Syed Maratib Ali Road, Gulberg, Lahore Pakistan.

### **2. BASIS OF PRESENTATION**

This condensed interim financial information has been prepared in accordance with the requirements of the approved accounting standard, International Accounting Standard "Interim Financial Reporting" (IAS 34) as applicable in Pakistan for interim financial reporting. This condensed interim financial information does not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Fund's financial statements as at and for the period ended 30 June 2010.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the period ended 30 June 2010, except amendments in International Accounting Standard 1 (Revised) 'Presentation of Financial Statements' which became effective for the financial periods beginning on or after 1 January 2009. The application of this standard has resulted in certain increased disclosures including the statement of other comprehensive income which has been reflected in the Fund's condensed interim financial information.

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

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements 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 information are the same as those that were applied to the financial statements as at and for the period ended 30 June 2010.

- 4.1 The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the period ended 30 June 2010.

#### 5. BANK BALANCE - Local Currency

This represents balance in deposit accounts with banks and carry profit rate of 5% -10.50% per annum.

6. INVESTMENTS		30 September 2010	30 June 2010
		-----Rupees-----	
<i>Financial asset at fair value through profit and loss - held for trading</i>			
- Government of Pakistan Ijarah Sukuk Bonds	6.1	102,475,000	102,475,000
<i>Held to maturity</i>			
<i>Term deposits held with</i>			
- Bank Alfalah Limited		179,410,971	179,292,807
- Allied Bank Limited		50,154,110	-
	6.2	229,565,081	179,292,807
		332,040,081	281,767,807

- 6.1 These carry income rate of 12.64% (June: 12.25%) with maturity on 17 September, 2012. This represents 22.95% (June: 25.68% of net assets on the basis of carrying amount. The investment is carried at cost being its fair value.

- 6.2 Term deposit receipts carry profit rates from 11.25% to 11.50% (June: (11.35% to 11.50%) per annum. These deposits will mature between 02 Oct 2010 to 18 Dec 2010 (June: 03 July 2010 to 19 July 2010). Term deposits represent 51.41% (June: 44.93%) of net assets on the basis of carrying amount.

#### 7. DEFERRED FORMATION COST

Opening balance		1,863,984	-
Formation cost incurred		-	2,137,356
Amortised to the income statement during the period		(79,099)	(273,372)
		1,784,885	1,863,984

#### 8. INCOME RECEIVABLE

Income / Profit receivable on:

- bank balances		3,950,367	5,262,220
- Government of Pakistan Ijarah Sukuk Bonds		473,072	3,557,540
		4,423,439	8,819,760

## 9. PAYABLE TO MANAGEMENT COMPANY

Remuneration payable to the Management Company	550,052	490,329
Formation cost payable	2,137,356	2,137,356
Front end load payable	2,972	2,972
	<u>2,690,380</u>	<u>2,630,657</u>

## 10. ACCRUED AND OTHER LIABILITIES

Auditors' remuneration	85,264	210,000
Credit/ Stability rating fee	155,476	100,000
Annual listing fee	5,060	-
Printing charges	31,464	-
Brokerage payable	-	4,000
Workers' Welfare Fund Payable	10.1	400,510
	<u>277,264</u>	<u>714,510</u>

### 10.1 WORKERS' WELFARE FUND

Opening balance	400,510	-
Charge during the period	-	400,510
Reversal during the period	(400,510)	-
	10.1.1	<u>-</u>
		<u>400,510</u>

**10.1.1** Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. The Mutual Funds Association of Pakistan (MUFAP), on behalf of its members filed a constitutional petition in the High Court of Sindh (SHC) praying it to declare that the funds are not establishments and as a result are not liable to pay contribution to the WWF. The Honorable Court has dismissed the petition on the main ground that the MUFAP (petitioner) cannot be held to be entitled to maintain a petition in respect of its members as MUFAP is not aggrieved party in respect of its members and held that the workers welfare Ordinance 1971 is applicable to the establishment of the petitioner and the aggrieved parties may approach the courts in this respect. In response Central Depository Company of Pakistan on behalf of funds under its trusteeship along with a few Collective Investment Schemes (CISs) filed another petition in this regard with the Honorable High Court of Sindh.

The Management Company in pursuance of the order passed by the Honourable High Court of Sindh considered that it is prudent to record the provision for workers welfare fund for the years ended 30 June 2009 of Rs. 2.44 million and 30 June 2010 of Rs.4.88 million and accordingly provision has been recorded in the books and records as at and for the year ended 30 June 2010.

Subsequently, the Ministry of Labour and Manpower (the Ministry) issued certain clarification on 8th and 15th July 2010, which states that mutual funds are not liable for WWF. The letters went on to state that WWF Ordinance 1971 does not have any provisions for the applicability of WWF on those entities whose incomes are exempt from income tax under any provisions of any law, and West Pakistan Shops and Establishment Ordinance, 1969 is not applicable to any public listed company and any organized financial institutions because they are ruled and governed by separate laws such as mutual funds.

MUFAP, on behalf of its member AMCs, obtained a legal opinion to assess the implications of the clarifications issued by the Ministry and based on legal opinion recommended to its members that mutual funds are not required to provide for contribution to WWF and earlier provisioning, made may be reversed and henceforth there is no need for provisioning under the WWF for mutual funds and pension funds.

Based on the clarification received from Ministry and legal opinions obtained by MUFAP, the Management Company has reversed the provision in respect of WWF made as at 30 June 2010 amounting to Rs.7.321 and subsequent provision made on daily basis till 2 August 2010 during this quarter ended on 30 September 2010.

## **11 CASH AND CASH EQUIVALENTS**

Bank balances	116,701,630	110,179,030
Term deposits receipts maturing within three months	229,565,081	179,292,807
	<u><b>346,266,711</b></u>	<u><b>289,471,837</b></u>

## **12 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS**

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 holding company of the Management Company and IGI Insurance Limited and Packages Limited being the associated companies of the holding company of the Management Company and Tri Pack Films Limited, Tetra Pak Pakistan Limited being the associates of IGI Insurance Limited and Key Management personnel.

Transactions and balances with related parties other than those disclosed elsewhere are as follows:

## 12.1 Unit Holder's Fund

	30 September 2010										
	As at 01 July 2010	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 30 September 2010	As at 01 July 2010	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 30 September 2010	Net asset value as at 30 September 2010
	(Units)					(Rupees)					
<b>Associated Companies / Undertakings</b>											
IGI Investment Bank Limited	500,000	9,965	25,049	-	535,014	52,585,000	1,009,964	2,508,800	-	56,103,764	54,855,013
IGI Insurance Limited	-	-	-	-	-	-	-	-	-	-	-
IGI Funds Limited - Staff Provident Fund	5,340	-	268	-	5,608	561,608	-	-	-	561,608	574,974
IGI Funds Limited - Management Company	-	-	-	-	-	-	-	-	-	-	-
<b>Transactions with employees</b>	<b>4,204</b>	<b>1,655</b>	<b>211</b>	<b>4,071</b>	<b>1,999</b>	<b>442,135</b>	<b>168,212</b>	<b>21,092</b>	<b>411,005</b>	<b>220,434</b>	<b>204,824</b>
<b>Key Management Personnel</b>											
Syed Babar Ali - Group Chairman	401,631	-	20,121	-	421,752	42,239,532	-	2,015,226	-	44,254,758	43,242,276
Syed Javed Hassan	-	-	-	-	-	-	-	-	-	-	-

## 12.2 Other transactions

Associated Companies / Undertakings	Quarter ended 30 September 2010 (Rupees)
<i>IGI Funds Limited - Management Company</i>	
Management fee	1,674,619
<b>Other Related Parties</b>	
<i>Central Depository Company of Pakistan Limited</i>	
Trustee fee	73,344

## 12.3 Other Balances

Associated Companies / Undertakings	30 September 2010 (Unaudited)	30 June 2010 (Audited)
	-----Rupees-----	
<i>IGI Funds Limited - Management Company</i>		
Formation cost paid on behalf of the Fund	2,137,356	2,137,356
Management fee payable	550,052	490,329
Front end load payable	2,972	2,972

## 13 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Chief Executive Officer of the Management Company, as authorized by the Board of Directors has approved distributions of 2.2703 units per for every 100 units (Growth units) held and Rs. 2.2760 per unit (Income units) for the quarter ended 30 September 2010 amounting to Rs. 9.9 million in total, on 01 October 2010. These financial statements do not reflect these distributions and that will be accounted for subsequent to the period end.

## 14 GENERAL

14.1 Figures have been rounded off to the nearest rupee.

14.2 This condensed interim financial information is unaudited. Furthermore, the figures for quarter ended ended 30 September 2010 in this condensed interim financial information has not been reviewed by the auditors.

15.3 This condensed interim financial information was authorised for issue by Board of Directors of the Management Company on 25 October 2010.

For IGI Funds Limited  
(Management Company)

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

\_\_\_\_\_  
Director

# IGI Money Market Fund

Condensed Interim Financial Statements  
For the Quarter ended  
30 September 2010

IGI Money Market Fund  
Statement of Assets and Liabilities  
As at 30 September 2010

<b>ASSETS</b>	<i>Note</i>	<b>September 2010</b>	June 2010
Bank balances	5	<b>496,709,807</b>	378,799,546
Investments	6	<b>552,490,639</b>	435,802,350
Deferred formation cost	7	<b>1,805,874</b>	1,903,854
Interest receivable on bank deposits		<b>4,505,718</b>	5,912,095
Other assets		<b>68,285</b>	91,285
<b>Total assets</b>		<b>1,055,580,323</b>	822,509,130
 <b>LIABILITIES</b>			
Amount payable on redemption of units		<b>11,753,046</b>	3,145,354
Payable to the Management Company	8	<b>2,610,009</b>	2,457,873
Remuneration payable to the Trustee		<b>162,331</b>	159,189
Annual fee payable to Securities and Exchange Commission of Pakistan		<b>192,733</b>	60,344
Accrued and other liabilities	9	<b>420,686</b>	194,174
<b>Total liabilities</b>		<b>15,138,805</b>	6,016,934
 <b>Net assets attributable to unit holders</b>	 <i>Rupees</i>	 <b>1,040,441,518</b>	 816,492,196
 <b>Unit holders' funds</b> (as per statement attached)	 <i>Rupees</i>	 <b>1,040,441,518</b>	 816,492,196
 <b>Number of units in issue</b>	 <i>Numbers</i>	 <b>10,132,669</b>	 8,084,512
 <b>Net assets value per unit</b>	 <i>Rupees</i>	 <b>102.6819</b>	 100.99

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

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

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

\_\_\_\_\_  
**Director**

# IGI Money Market Fund

## Income Statement

For the period ended 30 September 2010

	<i>Note</i>	<b>2010</b>
<b>Income</b>		
Interest income on bank deposits		<b>13,795,109</b>
Interest income on investments classified as 'at fair value through profit or loss- held for trading'		<b>14,853,641</b>
Interest income on investments classified as held to maturity'		<b>613,161</b>
Net unrealised gain in fair value of investments classified as 'at fair value through profit or loss- held for trading'		<b>145,164</b>
Element of income and capital gains included in prices of units sold less those in units redeemed		<b>543,936</b>
<b>Total income</b>		<b>29,951,011</b>
<b>Expenses</b>		
Remuneration to the Management Company		<b>2,178,555</b>
Remuneration to the Trustee		<b>498,223</b>
Annual fee to the Securities and Exchange Commission of Pakistan		<b>189,255</b>
Brokerage expense		<b>31,260</b>
Bank charges		<b>9,448</b>
Amortization of deferred formation cost		<b>97,980</b>
Auditors' remuneration		<b>67,382</b>
Credit rating fee		<b>50,416</b>
Annual listing fee		<b>23,000</b>
Printing & advertisement expense		<b>31,464</b>
Workers Welfare Fund	<i>9.1</i>	<b>(159,860)</b>
<b>Total expenses</b>		<b>3,017,123</b>
<b>Net income for the period</b>	<i>Rupees</i>	<b>26,933,888</b>

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

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

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

\_\_\_\_\_  
**Director**



**IGI Money Market Fund**  
**Statement of Comprehensive Income**  
*For the period ended 30 September 2010*

	<b>2010</b>
Net income for the period	<b>26,933,888</b>
Other comprehensive income during the period	-
<b>Total comprehensive income for the period</b>	<i>Rupees</i> <u><u><b>26,933,888</b></u></u>

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

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

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

\_\_\_\_\_  
**Director**

# IGI Money Market Fund

## Statement of Cash Flows

For the period ended 30 September 2010

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<i>Note</i>	<b>2010</b>
Net income for the period		26,933,888
<b>Adjustments for:</b>		
Amortization of deferred formation cost		97,980
Net unrealised gain in fair value of investments classified as 'at fair value through profit or loss- held for trading'		(145,164)
Element of income and capital gains included in prices of units sold less those in units redeemed		(543,936)
		<u>26,342,768</u>
<b>Change in:</b>		
Investments - net		42,682,741
Interest receivable on bank deposits		1,406,377
Other assets		23,000
Amount payable on redemption of units		8,607,692
Payable to the Management Company		152,136
Remuneration payable to the Trustee		3,142
Annual fee to the Securities & Exchange Commission of Pakistan		132,389
Accrued and other liabilities		226,512
		<u>53,233,989</u>
<b>Net cash (used in) operating activities</b>		<u>79,576,757</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distributions paid		(482,200)
Proceeds from issuance of units		755,814,634
Payment against redemption of units		(557,773,064)
<b>Net cash from financing activities</b>		<u>197,559,370</u>
<b>Cash and cash equivalents at beginning of the period</b>		<u>672,025,825</u>
<b>Cash and cash equivalents at end of the period</b>	<i>Rupees 10</i>	<u><u>949,161,952</u></u>

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

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

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

\_\_\_\_\_  
Director

# IGI Money Market Fund

## Distribution Statement

For the period ended 30 September 2010

	<b>2010</b>
- Realized gain	<b>8,168,359</b>
- Unrealized loss	<b>(127,504)</b>
<b>Undistributed income carried forward</b>	<b>8,040,855</b>
	<i>Rupees</i>
Total comprehensive income for the period	<b>26,933,888</b>
<b>Distributions during the year</b>	
Final distribution of cash dividend @ Rs.0.9648 per unit for the year ended 30 June 2010, declared on 24 August 2010	<b>(482,200)</b>
Final distribution of bonus @ 0.9645 units for every 100 units held, for the year ended 30 June 2010 , declared on 24 August 2010	<b>(7,317,537)</b>
	<b>(7,799,737)</b>
<b>Undistributed income carried forward</b>	<b>27,175,006</b>
<b>Undistributed income carried forward at end of the period</b>	
- Realized gains	<b>27,029,842</b>
- Unrealized gains	<b>145,164</b>
	<b>27,175,006</b>
	<i>Rupees</i>

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

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

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

\_\_\_\_\_  
**Director**

**IGI Money Market Fund**  
**Statement of Movement in Unit Holders' Fund**  
*For the period ended 30 September 2010*

	<b>2010</b>
Net assets at beginning of the period	<b>816,492,196</b>
Amount realized on issuance of 7,485,243 units	<b>755,814,634</b>
Amount paid / payable on redemption of 5,510,239 units	<b>(557,773,064)</b>
Amount realized on issuance of Bonus Units of 73,154 units	<b>7,317,537</b>
	<b><u>1,021,851,303</u></b>
Element of income and capital gains included in prices of units sold less those in units redeemed - net	<b>(543,936)</b>
Net unrealised gain in fair value of investments classified as 'at fair value through profit or loss- held for trading'	<b>145,164</b>
Others	<b>26,788,724</b>
Total comprehensive income for the period	<b>26,933,888</b>
<i>Distributions made during the period</i>	
Final distribution of bonus units	<b>(7,317,537)</b>
Final distribution of cash dividend	<b>(482,200)</b>
	<b>(7,799,737)</b>
Net income less distributions for the period	<b>19,134,151</b>
<b>Net assets at end of the peirod</b>	<b>Rupees <u><u>1,040,441,518</u></u></b>

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

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

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

\_\_\_\_\_  
**Director**

# IGI Money Market Fund

## Notes to the Financial Statements

*For the period ended 30 September 2010*

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

IGI Money Market Fund ("the Fund") was constituted under Trust Deed dated 04 March 2010, between IGI Funds Limited (IGIFL) as Management Company, incorporated under the Companies Ordinance, 1984 and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust deed was registered with Sub-Registrar on 4 March 2010.

The Fund was registered by the Securities and Exchange Commission of Pakistan (SECP) as a notified entity under Regulation 44 of the Non Banking finance Companies and Notified Entities Regulations, 2008 "NBFC Regulations" vide its letter No. NBFC-II/AD/IGI/MMF/218 dated 18 March 2010 and Offering Document was approved by SECP under Regulation 54 of the NBFC Regulations, vide its letter No. NBFC-II/JE/IGI/MMF/354 dated 3 May 2010.

The Fund is an open ended money market mutual fund listed on Lahore Stock Exchange. The Fund offers units for public subscription on continuous basis. These can be redeemed by surrendering them to the Fund at the option of the unit holder, except for the units issued to core investors which are not redeemable for a period of two years from the date of initial public offer.

The Fund invests primarily in the money market and more specifically in cash and near cash instruments such as cash in bank account (excluding TDRs), treasury bills, money market placement, and deposits, certificates of deposits, certificate of musharika (COM), TDRs, commercial papers, and reverse repos. The Fund will not take any direct or indirect exposures to equities.

Subsequent to the quarter ended 30 September 2010, the JCR-VIS Credit Rating Company Limited has assigned stability rating of AA+ to the scheme.

### **2. BASIS OF PRESENTATION**

This condensed interim financial information has been prepared in accordance with the requirements of the approved accounting standard, International Accounting Standard "Interim Financial Reporting" (IAS 34) as applicable in Pakistan for interim financial reporting. This condensed interim financial information does not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Fund's financial statements as at and for the period ended 30 June 2010.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the

financial statements for the period ended 30 June 2010, except amendments in International Accounting Standard 1 (Revised) 'Presentation of Financial Statements' which became effective for the financial periods beginning on or after 1 January 2009. The application of this standard has resulted in certain increased disclosures including the statement of other comprehensive income which has been reflected in the Fund's condensed interim financial information.

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

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements 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 information are the same as those that were applied to the financial statements as at and for the period ended 30 June 2010.

- 4.1** The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the period ended 30 June 2010.

#### **5. BANK BALANCE - Local Currency**

This represents balance in deposit accounts with banks and carry profit rate of 5% -11.60% per annum.

## 6 INVESTMENTS

2010

## Financial asset at fair value through profit and loss- held for trading

Investment in Treasury Bills	6.1	452,434,485
Less: Net unrealised gain in fair value		17,660
		<u>452,452,145</u>

## Held to maturity

Term deposits	6.2	100,038,494
	Rupees	<u>552,490,639</u>

## 6.1 Treasury Bills

Issue date	Maturity date	Yield	Sold / matured during the period	As at 30 June 2010	Cost as at 30 June 2010	Interest accrued	Carrying amount as at 30 June 2010	Market value as at 30 June 2010	% of net assets on the basis of market value	% of total investment on the basis of market value
			------(No. of Certificates)-----			------(Rupees)-----			------(%)-----	

Treasury bills face value - face  
value of Rs. 100 each issued on

01 February 2010	2 August 2010	12.05%	1,000,000	1,000,000	-	-	-	-	-	-	
13 August 2009	12 August 2010	12.00%	1,000,000	1,000,000	-	-	-	-	-	-	
25 March 2010	23 September 2010	12.25%	1,000,000	1,000,000	-	-	-	-	-	-	
25 March 2010	09 September 2010	12.25%	1,000,000	1,000,000	-	-	-	-	-	-	
25 February 2010	26 August 2010	12.07%	2,500,000	2,500,000	-	-	-	-	-	-	
11 March 2010	09 September 2010	12.15%	1,000,000	1,000,000	-	-	-	-	-	-	
11 March 2010	09 September 2010	12.15%	1,000,000	1,000,000	-	-	-	-	-	-	
25 March 2010	23 September 2010	12.21%	500,000	500,000	-	-	-	-	-	-	
10 September 2009	09 September 2010	12.18%	1,800,000	1,800,000	-	-	-	-	-	-	
10 September 2009	09 September 2010	12.18%	2,500,000	2,500,000	-	-	-	-	-	-	
10 September 2009	09 September 2010	12.05%	300,000	300,000	-	-	-	-	-	-	
25 March 2010	23 September 2010	12.00%	1,750,000	1,750,000	-	-	-	-	-	-	
15 July 2010	07 October 2010	12.20%	500,000	-	500,000	49,635,000	265,190	49,900,190	49,904,850	4.80%	9.03%
08 April 2010	07 October 2010	12.20%	500,000	-	500,000	49,635,000	265,190	49,900,190	49,904,850	4.80%	9.03%
29 July 2010	21 October 2010	12.30%	400,000	-	400,000	39,520,560	212,370	39,732,930	39,734,360	3.82%	7.19%
22 April 2010	21 October 2010	12.30%	150,000	-	150,000	14,820,210	79,640	14,899,850	14,900,385	1.43%	2.70%
29 July 2010	21 October 2010	12.30%	1,750,000	-	1,750,000	172,902,450	929,123	173,831,573	173,837,825	16.71%	31.46%
22 April 2010	21 October 2010	12.25%	250,000	-	250,000	24,701,550	132,202	24,833,752	24,833,975	2.39%	4.49%
22 April 2010	21 October 2010	12.23%	950,000	-	950,000	93,898,855	470,345	94,369,200	94,369,105	9.07%	17.08%
29 July 2010	21 October 2010	12.23%	50,000	-	50,000	4,942,045	24,755	4,966,800	4,966,795	0.48%	0.90%
			<u>19,900,000</u>	<u>15,350,000</u>	<u>4,550,000</u>	<u>450,055,670</u>	<u>2,378,815</u>	<u>452,434,485</u>	<u>452,452,145</u>		

- 6.2 Term deposit account is maintained with Allied Bank Limited and carry profit rate of 12.50 % (June 2010: 0.00%) per annum. This deposit will mature on 01 November 2010 (June 2010: NIL). Investment in term deposit receipts represent 18.11% of total investment on the basis of carrying amount and 9.62% of net assets on the basis of carrying amount.

## 7. DEFERRED FORMATION COST

	30 September 2010	30 June 2010
Formation cost incurred /at the beginning of the period	1,903,854	1,940,156
Amortised to the income statement during the period	(97,980)	(36,302)
Unamortised cost at the end of the period	<u>1,805,874</u>	<u>1,903,854</u>

## 8. PAYABLE TO MANAGEMENT COMPANY

Remuneration payable to the Management Company	669,853	422,717
Formation cost payable	1,940,156	1,940,156
Other payables	-	95,000
	<u>2,610,009</u>	<u>2,457,873</u>

## 9. ACCRUED AND OTHER LIABILITIES

Withholding tax payable	241,792	3,664
Auditors' remuneration	63,132	30,000
Brokerage payable	33,882	650
Credit rating fee payable	50,416	-
Printing charges payable	31,464	-
Workers' Welfare Fund payable	-	159,860
	<u>420,686</u>	<u>194,174</u>

9.1 WORKERS' WELFARE FUND	30 September	
	2010	30 June 2010
	<i>Note</i>	
Opening balance	159,860	-
Charge during the period	-	159,860
Reversal during the period	(159,860)	-
9.1.1	<u>-</u>	<u>159,860</u>

9.1.1 Through the Finance Act, 2008 an amendment was made in section 2(f) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of Industrial Establishment' has been made applicable to any establishment to which West Pakistan Shops and Establishment Ordinance, 1969 applies. The Mutual Funds Association of Pakistan (MUFAP), on behalf of its members filed a constitutional petition in the High Court of Sindh (SHC) praying it to declare that the funds are not establishments and as a result are not liable to pay contribution to the WWF. The Honorable Court has dismissed the petition on the main ground that the MUFAP (petitioner) cannot be held to be entitled to maintain a petition in respect of its members as MUFAP is not aggrieved party in respect of its members and held that the workers' welfare Ordinance 1971 is applicable to the establishment of the petitioner and the aggrieved parties may approach the courts in this respect. In response Central Depository Company of Pakistan on behalf of funds under its trusteeship along with a few Collective Investment Schemes (CISs) filed another petition in this regard with the Honorable High Court of Sindh.

The Management Company in pursuance of the order passed by the Honourable High Court of Sindh considered that it is prudent to record the provision for workers welfare fund for the period from 28 May 2010 to 30 June 2010 of Rs. 0.160 million and accordingly provision has been recorded in the books.

Subsequently, the Ministry of Labour and Manpower (the Ministry) issued certain clarification on 8th and 15th July 2010, which states that mutual funds are not liable for WWF. The letters went on to state that WWF Ordinance 1971 does not have any provisions for the applicability of WWF on those entities whose incomes are exempt from income tax under any provisions of any law, and West Pakistan Shops and Establishment Ordinance, 1969 is not applicable to any public listed company and any organized financial institutions because they are ruled and governed by separate laws such as mutual funds.

MUFAP, on behalf of its member AMCs, obtained a legal opinion to assess the implications of the clarifications issued by the Ministry and based on legal opinion recommended to its members that mutual funds are not required to provide for contribution to WWF and earlier provisioning, made may be reversed and henceforth there is no need for provisioning under the WWF for mutual funds and pension funds.

Based on the clarification received from Ministry and legal opinions obtained by MUFAP, the Management Company has reversed the provision in respect of WWF made for the period from 28 May 2010 to 30 June 2010 amounting to Rs.0.160 million and subsequent provision made on daily basis till 2 August 2010 during this quarter ended on 30 September 2010.

10. CASH AND CASH EQUIVALENTS	30 September	
	2010	30 June 2010
Bank balances	496,709,807	378,799,546
Treasury Bill with maturity within 3 months	452,452,145	293,226,279
	<u>Rupees 949,161,952</u>	<u>672,025,825</u>

#### 11. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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.

Transactions and balances with related parties other than those disclosed elsewhere are as follows:

#### 11.1 Unit Holders' Fund

	30 September 2010								Net asset value as at 30 September 2010
	As at 01 July 2010	Issued for cash/ conversion in/ transfer in	Redeemed/ conversion out / transfer out	As at 30 September 2010	As at 01 July 2010	Issued for cash/ conversion in / transfer in	Redeemed/ conversion out / transfer out	As at 30 September 2010	
----- Units -----									
<b>Associated companies / undertakings</b>									
IGI Investment Bank Limited	995,076	9,598	504,674	500,000	560,491,435	960,049	50,503,000	510,948,484	51,340,950
IGI Insurance Limited	249,411	2,406	251,817	-	24,985,000	240,632	25,252,510	-	-
Packages Limited	-	1,492,125	1,492,125	-	-	150,000,000	150,471,312	-	-
<b>Other Related Parties</b>									
Transactions with employees	11,614	907	12,521	-	1,151,313	91,205	1,260,443	-	-
<b>Key Management Personnel</b>									
Syed Babar Ali - Group Chairman	469,770	496,719	-	966,489	47,133,799	50,453,235	-	97,587,034	99,240,927
<b>Other transactions</b>									

#### 12.2 Associated Companies / Undertakings

	30 September 2010
<b>IGI Funds Limited - Management Company</b>	
Management fee	2,178,555
Listing fee paid	95,000
<b>IGI Finex Securities Limited</b>	
Brokerage / Commission	8,899

#### 12.3 Other Related Parties

<b>Central Depository Company of Pakistan Limited</b>	
Trustee fee	498,223



	<b>30 September 2010</b>	30 June 2010
<b>Other balances</b>		
<b><u>Associated Companies / Undertakings</u></b>		
<b><i>IGI Funds Limited - Management Company</i></b>		
Remuneration payable to the Management Company	<b>669,853</b>	422,717
Formation cost payable	<b>1,940,156</b>	1,940,156
Listing fee payable	-	95,000
<b><i>IGI Finex Securities Limited</i></b>		
Brokerage / Commission	<b>7,274</b>	325
<b>12. <u>Other Related Parties</u></b>		
<b><i>Central Depository Company of Pakistan Limited</i></b>		
Trustee fee payable	<b>162,331</b>	159,189

**13 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE**

The Chief Executive Officer of the Management Company, as authorized by the Board of Directors has approved distributions of 2.3941 units per for every 100 units (Growth units) held and Rs. 2.4008 per unit (Income units) for the quarter ended 30 September 2010 amounting to Rs. 24.33 million in total, in their meeting held on 01 October 2010. These financial statements do not reflect these distributions and that will be accounted for subsequent to the period end.

**14. GENERAL**

**14.1** Figures have been rounded off to the nearest rupee.

**14.2** This condensed interim financial information is unaudited. Furthermore, the figures for quarter ended ended 30 September 2010 in this condensed interim financial information has not been reviewed by the auditors.

**14.3** This condensed interim financial information was authorised for issue by Board of Directors of the Management Company on **25 October 2010**.

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

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

\_\_\_\_\_  
Director

IGI Aggressive Income Fund  
(Formerly POBOP Advantage Plus Fund)  
Condensed Interim Financial Statements  
Unaudited  
for the quarter ended  
30 September 2010

**IGI Aggressive Income Fund (Formerly POBOP Advantage Plus Fund)**  
**Condensed Interim Statement of Assets and Liabilities (Unaudited)**  
*As at 30 September 2010*

	<i>Note</i>	<b>September 2010 (Unaudited)</b>	June 2010 Audited
-----Rupees-----			
<b>Assets</b>			
Bank balances	5	15,983,701	95,636,292
Investments	6	510,091,862	580,049,122
Placements with financial institutions	7	192,417,314	122,000,000
Deferred formation cost		1,303,815	1,491,793
Security Deposit		100,000	100,000
Prepayments and other receivables		21,491,606	14,097,284
<b>Total assets</b>		<b>741,388,298</b>	<b>813,374,491</b>
<b>Liabilities</b>			
Payable to the Management Company		3,455,333	2,449,776
Remuneration payable to the Trustee		285,173	128,697
Annual fee payable to Securities and Exchange Commission of Pakistan		146,919	715,333
Accrued and other liabilities	9	866,697	614,470
<b>Total liabilities</b>		<b>4,754,122</b>	<b>3,908,276</b>
<b>Net assets attributable to unitholders</b>	<i>Rupees</i>	<b>736,634,176</b>	<b>809,466,215</b>
<b>Unit holders' funds</b> (as per statement attached)	<i>Rupees</i>	<b>736,634,176</b>	<b>809,466,215</b>
<b>Number of units in issue</b>	<i>Number</i>	<b>17,389,027</b>	<b>17,389,027</b>
<b>Net assets value per unit</b>	<i>Rupees</i>	<b>42.3620</b>	<b>46.5504</b>

The annexed notes from 1 to 13 are an integral part of these financial statements.

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

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

\_\_\_\_\_  
Director

**IGI Aggressive Income Fund (Formerly POBOP Advantage Plus Fund)**  
**Condensed Interim Income Statement (Unaudited)**  
For the quarter ended 30 September 2010

	<i>Note</i>	For the quarter ended 30 September 2010	For the quarter ended 30 September 2009
-----Rupees-----			
<b>Income</b>			
Financial Income	10	13,624,179	42,632,387
Net Capital loss on sale of investments classified as 'at fair value through profit or loss- held for trading'		(7,782,278)	(278,850)
Net unrealised diminution in fair value of investments classified as 'at fair value through profit or loss- held for trading'		(5,640,688)	(23,935,293)
Provision for non performing term finance certificate classified as held for trading		(68,113,656)	1,506,000
Element of income and capital gains included in prices of units sold less those in units redeemed - net		-	(5,139,758)
<b>Total (Loss)/ Income</b>		<b>(67,912,443)</b>	<b>14,784,486</b>
<b>Expenses</b>			
Remuneration to the Management Company		3,917,759	6,433,674
Remuneration to the Trustee		391,792	573,738
Annual fee to the Securities and Exchange Commission of Pakistan		146,919	241,263
Brokerage expense and capital value tax		57,484	27,783
Bank and settlement charges		2,472	31,988
Amortisation of deferred formation cost		187,978	188,007
Auditors' remuneration		164,640	126,027
CDS transaction fee		978	1,907
Annual listing fee		10,104	10,082
Printing charges		39,469	10,082
Stability rating fee		-	25,915
<b>Total expenses</b>		<b>4,919,595</b>	<b>7,670,466</b>
<b>Net (loss)/ Income for the period</b>	<i>Rupees</i>	<b>(72,832,038)</b>	<b>7,114,020</b>

The annexed notes from 1 to 13 are an integral part of these financial statements.

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

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

\_\_\_\_\_  
Director

**IGI Aggressive Income Fund (Formerly POBOP Advantage Plus Fund)**  
**Condensed Interim Statement of Comprehensive Income (Unaudited)**  
*For the quarter ended 30 September 2010*

	<i>For the quarter ending 30 September 2010 Unaudited</i>	<i>For the quarter ending 30 September 2009 Unaudited</i>
	-----Rupees-----	
<b>Net (loss)/ income for the period</b>	<b>(72,832,038)</b>	<b>7,114,020</b>
Other comprehensive income:	-	-
<b>Total comprehensive (loss) / income for the period</b>	<u><u><b>(72,832,038)</b></u></u>	<u><u><b>7,114,020</b></u></u>

The annexed notes from 1 to 13 are an integral part of these financial statements.

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

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

\_\_\_\_\_  
**Director**

**IGI Aggressive Income Fund (Formerly POBOP Advantage Plus Fund)**  
**Condensed Interim Distribution Statement** (Unaudited)  
For the quarter ended 30 September 2010

	<b>For the quarter ended 30 September 2010</b>	For the quarter ended 30 September 2009
	-----Rupees-----	
Undistributed (loss)/ income brought forward at the beginning of the period	<b>(59,985,350)</b>	18,591,000
Net (loss)/ Income for the period	<b>(72,832,038)</b>	7,114,020
Final distribution of bonus Nil (2009: @ 0.1832 units for every 100 units held, approved on: 6 July 2009)	-	(2,146,000)
Final distribution of cash dividend Nil (2009: @ 0.1850 units for every 100 units held, approved on: 6 July 2009)	-	(2,845,000)
<b>Undistributed (loss)/ Income carried forward</b>	<b><u>(132,817,388)</u></b>	<b><u>20,714,020</u></b>

*Rupees*

The annexed notes from 1 to 13 are an integral part of these financial statements.

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

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

\_\_\_\_\_  
Director

**IGI Aggressive Income Fund (Formerly POBOP Advantage Plus Fund)**  
**Condensed Interim Statement of Movement in Unit Holder's Fund** (Unaudited)  
For the quarter ended 30 September 2010

	For the quarter ended 30 September 2010	For the quarter ended 30 September 2009
	-----Rupees-----	
Net assets at beginning of the period	809,466,214	1,367,513,000
Amount realized / unrealized on issuance of NIL units (30 September 2009 : 1,178,552 units)	-	60,196,000
Issuance of NIL bonus units in respect of final and interim distributions (30 September 2009 : 42,486 units)	-	2,146,000
Amount paid / payable on redemption of NIL units (30 September 2009 : 5,775,906 units)	-	(295,225,000)
	<u>809,466,214</u>	<u>1,134,630,000</u>
Element of income and capital gain included in prices of units sold less those in units redeemed	-	5,139,758
Net loss before capital gains- realised and unrealised Net Capital (loss)/ gain on sale of investments classified as 'at fair value through profit or loss- held for trading'	<b>8,704,584</b>	29,822,163
Net unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss- held for trading'	<b>(7,782,278)</b>	(278,850)
Provision for non performing term finance certificate classified as held for trading	<b>(5,640,688)</b>	(23,935,293)
Net (loss)/ income for the period	<b>(68,113,656)</b>	1,506,000
	<b>(72,832,038)</b>	7,114,020
<b>Distributions made during the period</b>		
Final distribution of bonus units	-	(2,146,000)
Final distribution of cash dividend	-	(2,845,000)
	-	(4,991,000)
Net (loss)/ income less distributions for the period	<b>(72,832,038)</b>	2,123,020
<b>Net assets at end of the period</b>	<u><b>736,634,176</b></u>	<u><b>1,141,892,778</b></u>

Rupees

The annexed notes from 1 to 13 are an integral part of these financial statements.

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

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

\_\_\_\_\_  
Director

**IGI Aggressive Income Fund (Formerly POBOP Advantage Plus Fund)**  
**Condensed Interim Cash Flow Statement (Unaudited)**  
For the quarter ended 30 September 2010

<i>Note</i>	<b>For the quarter ended 30 September 2010</b>	For the quarter ended 30 September 2009
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss)/ income for the period	<b>(72,832,038)</b>	7,114,020
Adjustments for:		
Capital (loss) / gain on sale of term finance certificates	<b>7,782,278</b>	278,850
Net unrealised diminution / (appreciation) in fair value of investments classified as 'at fair value through profit or loss- held for trading'	<b>5,640,688</b>	23,935,293
Provision for non performing term finance certificate classified as held for trading and interest accrued thereon	<b>68,113,656</b>	(1,506,000)
Deferred formation cost	<b>187,978</b>	188,007
Element of income and capital gains included in prices of units sold less those in units redeemed	<b>-</b>	5,139,758
	<b>8,892,562</b>	35,149,928
<b>Change in:</b>		
Investments - net	<b>58,837,952</b>	85,173,000
Placements with financial institutions	<b>(70,417,314)</b>	105,000,000
Prepayments and other receivables	<b>(7,394,323)</b>	(10,491,000)
Payable to the Management Company	<b>1,005,557</b>	(351,000)
Remuneration payable to the Trustee	<b>156,476</b>	(20,000)
Annual fee payable to Securities and Exchange Commission of Pakistan	<b>(568,414)</b>	(1,024,000)
Accrued and other liabilities	<b>252,227</b>	2,970,000
<b>Net cash from / (used in) operating activities</b>	<b>(9,235,277)</b>	<b>216,406,928</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distribution paid	-	(2,845,000)
Amounts received on issue of units	-	60,196,000
Payment against redemption of units	-	(295,225,000)
<b>Net cash (used in) / from financing activities</b>	<b>-</b>	<b>(237,874,000)</b>
Net increase in cash and cash equivalents during the period	<b>(9,235,277)</b>	(21,467,072)
Cash and cash equivalents at beginning of the period	<b>95,636,292</b>	139,278,456
<b>Cash and cash equivalents at end of the period</b>	<b>86,401,015</b>	117,811,384

8

Rupees

The annexed notes from 1 to 13 are an integral part of these financial statements.

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

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

\_\_\_\_\_  
Director



**IGI Aggressive Income Fund (Formerly POBOP Advantage Plus Fund)**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
For the quarter ended 30 September 2010

**1 LEGAL STATUS AND NATURE OF BUSINESS**

IGI Aggressive Income Fund (Formally 'POBOP Advantage Plus Fund') (the Fund) was established as an open- end scheme under a trust deed (the Trust Deed) executed between Pak Oman Asset Management Company Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the trustee. The Trust Deed was executed on July 16, 2007 and was approved for the execution by the Securities and Exchange Commission of Pakistan (the SECP) on July 27, 2007 under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules). On November 21, 2008 Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) were notified through S.R.O. 1203(I)/2008.

Subsequent to the year end a second supplemental trust deed dated August 06, 2010 has been signed whereby the management rights of the Fund have been transferred from Pak Oman Asset Management Company Limited to IGI Funds Limited (Management Company of the Fund). The registered address of the Management Company is situated at 5 F.C.C, Syed Maratib Ali Road, Gulburg, Lahore.

The Fund is an open-end fund listed on the Karachi Stock Exchange and was launched on October 25, 2007. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund at the option of the units holders.

**2 BASIS OF PRESENTATION**

**2.1 Statement of compliance**

These condensed interim financial statements (" interim financial information") are unaudited and have been prepared in accordance with the requirements of the approved accounting Standard, International Accounting Standard "Interim Financial Reporting" (IAS 34) as applicable in Pakistan. This condensed interim financial information do not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Fund's annual financial statements for the year ended 30 June 2010.

**2.2** This condensed interim financial information is being submitted to the unit holders as required by listing regulations of Karachi Stock Exchanges and rule 38(g) of the Non Banking Finance Companies and Notified Entities Regulations, 2008.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Fund for the year ended 30 June 2010.

**3.1 Accounting estimates and judgments**

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2010.

**4 FINANCIAL RISK MANAGEMENT**

The Fund's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2010.

**5 BANK BALANCES - local currency**

This represents balance in deposit accounts with banks and carry profit rate of 5.00% (2010: 6.00% to 10.15%).

**6 INVESTMENTS**

	<i>September 2010 Unaudited</i>	<i>June 2010 Audited</i>
	-----Rupees-----	
<b>Financial asset at fair value through profit and loss- Held for trading</b>		
Sukuk certificates	6.1 <b>105,612,500</b>	234,352,000
Term finance certificates	6.2 <b>404,479,362</b>	<u>345,697,000</u>
	<b>Rupees 510,091,862</b>	<u>580,049,000</u>

6.1 Sukuk Certificates

Name of the investee company	Profit / mark-up rate	As at 30 June 2010	Purchased during the year	Sold during the year	As at 30 September 2010	Cost as at 30 September 2010	Market value as at 30 September 2010 (net of provision)	% of net assets on the basis of market value	% of total investment on the basis of market value
			----- (No. of Certificates) -----		----- (Rupees) -----		----- (%age) -----		
Kohat Cement Company Ltd	15.25%	23,000	-	-	23,000	111,090,000	83,317,500	11.31%	16.33%
New Allied Electronics	14.91%	192,000	-	-	192,000	60,093,264	-	-	-
Pak Electron Limited	14.04%	1,500	-	1,500	-	-	-	-	-
House Building Finance Corporation Ltd	13.24%	22,500	-	22,500	-	-	-	-	-
B.R.R Gardian Modarba	13.65%	6,300	-	-	6,300	31,500,000	22,295,000	3.03%	4.37%
Three Star Hosiery Mills	16.06%	12,000	-	-	12,000	60,000,000	-	-	-
						<b>262,683,264</b>	<b>105,612,500</b>		

6.2 Term Finance Certificates

Name of the investee company	Profit / mark-up rate	As at 30 June 2010	Purchased during the year	Sold during the year	As at 30 September 2010	Cost as at 30 September 2010	Market value as at 30 September 2010	% of net assets on the basis of market value	% of total investment on the basis of market value
			----- (No. of Certificates) -----		----- (Rupees) -----		----- (%age) -----		
Agritech Limited	13.99%	16,800	-	-	16,800	84,164,340	52,876,404	7.18%	10.37%
Azgard Nine Ltd	14.58%	7,500.00	-	-	7,500	37,536,921	23,606,250	3.20%	4.63%
Pakistan Mobile Communication Ltd	13.99%	37,500.00	-	-	37,500	187,500,000	146,900,812	19.94%	28.80%
World Call Telecom Ltd	13.98%	10,250.00	-	-	10,250	51,219,250	49,384,730	6.70%	9.68%
Gharibwal Cement Ltd	15.40%	8,000.00	-	-	8,000	39,976,000	-	0.00%	0.00%
Pak Hy Oils Ltd	14.52%	3,923.00	-	-	3,923	19,615,000	10,204,215	1.39%	2.00%
Vision Developers Pvt Ltd	14.74%	6,000.00	-	-	6,000	30,000,000	22,500,000	3.05%	4.41%
United Bank Limited IV	13.66%	14,600.00	-	-	14,600	68,551,380	68,937,966	9.36%	13.51%
Bank ALFalaha Limited	14.78%	6,000.00	-	-	6,000	30,113,976	30,068,985	4.08%	5.89%
						<b>548,676,867</b>	<b>404,479,362</b>		

6.1.1 Following investments of the Fund are in Sukuks which are below "investment grade" securities;

Sukuk Certificates

Name of non compliant investment	Type of investment	Value of investment before provision	Provision held if any	Value of investment after provisioning	% of net assets	% of total assets
----- (Rupees in '000) -----						
- New Allied Electronics	Sukuk certificates	60,093,264	(60,093,264)	-	0.00%	0.00%
- B.R.R Gardian Modarba	Sukuk certificates	31,500,000	(9,205,000)	22,295,000	3.03%	3.01%
- Three Star Hosiery Mills	Sukuk certificates	60,000,000	(60,000,000)	-	0.00%	0.00%
						<b>(129,298,264)</b>

6.2.1 Following investments of the Fund are in term finance certificates which are below "investment grade" securities;

Term Finance Certificates

Name of non compliant investment	Type of investment	Value of investment before provision	Provision held if any	Value of investment after provisioning	% of net assets	% of total assets
----- (Rupees in '000) -----						
- Agritech Limited	Term finance certificates	84,164,340	(31,287,936)	52,876,404	7.18%	7.13%
- Azgard Nine Ltd	Term finance certificates	37,536,921	(13,930,671)	23,606,250	3.20%	3.18%
- Gharibwal Cement Ltd	Term finance certificates	39,976,000	(39,976,000)	-	0.00%	0.00%
- Pak Hy Oils Ltd	Term finance certificates	19,615,000	(9,410,785)	10,204,215	1.39%	1.38%
						<b>(94,605,392)</b>

7	<b>PLACEMENTS WITH FINANCIAL INSTITUTIONS</b>	<b>September 2010</b>	June 2010
	- Saudi Pak Leasing Company Limited	<b>150,000,000</b>	150,000,000
	- Less: Provision for impairment	<b>(28,000,000)</b>	(28,000,000)
7.1		<b>122,000,000</b>	122,000,000
	- IGI Investment Bank Limited	<b>70,000,000</b>	-
	- Accrued mark-up	<b>417,314</b>	-
7.2		<b>70,417,314</b>	-
Rupees		<b>192,417,314</b>	122,000,000

**7.1** Saudi Pak Leasing Company Limited through its letter dated December 17, 2009 has advised about its inability to repay its obligation and has proposed certain repayment options for the settlement of this placement which are at present under consideration of the Management Company.

In accordance with the requirements of International Accounting Standard 39 'Financial Instruments: Recognition and Measurement' the management has determined the recoverable amount of such investment by applying the discounted cashflow technique and using the proposed repayment schedule. Accordingly, an impairment charge of Rs. 28 million has been recognised as at June 30, 2010. Further no interest accrual has been made against such placement.

**7.2** The placement carry profit rate of 12.80% (2010 : Nil) and will mature on 14 October 2010. The credit rating of IGI Investment Bank Limited is 'A'.

## 8 CASH AND CASH EQUIVALENTS

Bank balances	<b>15,983,701</b>	95,636,292
Certificate of deposits maturing within 3 months	<b>70,417,314</b>	-
Rupees	<b>86,401,015</b>	95,636,292

## 9 ACCRUED AND OTHER LIABILITIES

Accrued expenses		
Auditors' remuneration	<b>614,640</b>	450,000
Brokerage payable	<b>57,484</b>	890
Withholding tax payable	-	18,580
Printing charges payable	<b>79,469</b>	40,000
Annual listing fee	<b>10,104</b>	-
Worker's welfare fund	<b>105,000</b>	105,000
Rupees	<b>866,697</b>	614,470

## 10 FINANCIAL INCOME

Financial income on;	<b>For the quarter ended 30 September 2010</b>	For the quarter ended 30 September 2009
<b>Financial asset at fair value through profit and loss- Held for Trading</b>		
- Sukuk certificates	<b>1,454,477</b>	-
- Term finance certificates	<b>9,721,435</b>	31,536,244
<b>Income on placements and deposits</b>		
- Letter of Placement	-	5,812,959
- Term deposits	-	211,726
- Certificate of Deposits	<b>417,314</b>	-
	<b>417,314</b>	6,024,685
<b>Others</b>		
- Bank deposits	<b>2,030,953</b>	5,069,458
- Others	-	2,000
Rupees	<b>13,624,179</b>	42,632,387

## 10 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 holding company of the management company and IGI Insurance Limited being the holding company of the holding company of the management company and Packages Limited being the holding company of IGI Insurance Limited. Tri Pack Films Limited and Tetra Pak Pakistan Limited being the subsidiary of IGI Insurance Limited.

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, 2007, and the Trust Deed respectively.

Transaction and balances with related parties other than those disclosed elsewhere are as follows:

### 10.1 Unit Holder's Fund

	For the quarter ended 30 September 2010										
	As at 01 July 2010	Issued for cash	Bonus	Redeemed	As at 30 September 2010	As at 1 July 2010	Issued for cash	Bonus	Redeemed	As at 30 September 2010	NAV as at 30 September 2010
	----- Units -----					----- (Rupees) -----					
<b>Associated Companies / Undertakings</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Other Related Parties</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Key Management Personnel</b>	-	-	-	-	-	-	-	-	-	-	-
	For the quarter ended 30 September 2009										
	As at 01 July 2009	Issued for cash	Bonus	Redeemed	As at 30 September 2009	As at 1 July 2009	Issued for cash	Bonus	Redeemed	As at 30 September 2009	NAV as at 30 September 2008
	----- Units -----					----- (Rupees) -----					
<b>Associated Companies / Undertakings</b>											
Pak Oman Investment Company Limite *	3,003,542	-	11,002	-	<b>3,014,544</b>	152,247	-	556	-	152,803	<b>153,512,036</b>
The Bank of Punjab *	14,370,315	-	52,639	52,639	<b>14,370,315</b>	728,418	2,659	-	2,659	728,418	<b>731,791,047</b>
National Industrial Parks Development and Management Company Limited *	3,226,487	-	11,819	-	<b>3,238,306</b>	163,548	-	597	-	164,145	<b>164,906,847</b>
Pak Oman Assets Management Company Limited Provident Fund *	16,195	-	59	-	<b>16,254</b>	821	-	3	-	824	<b>827,715</b>
<b>Key Management Personnel</b>											
Executives	9,652	16,625	24	22,290	<b>4,011</b>	489	901	1	1,141	250	<b>204,255</b>

\* The above were related parties of Pak Oman Asset Management Company

		For the quarter ended 30 September 2010	For the quarter ended 30 September 2009
<b>10.2 Other transactions</b>			
<b>Associated Companies / Undertakings</b>			
<b>IGI Funds Limited - Management Company</b>			
Management fee	<i>Rupees</i>	<u>2,283,747</u>	<u>-</u>
<b>Pak Oman Asset Management Company</b>			
Management fee	<i>Rupees</i>	<u>-</u>	<u>6,433,674</u>
<b>IGI Investment Bank Limited</b>			
Interest income on placement	<i>Rupees</i>	<u>417,314</u>	<u>-</u>
<b>Other Related Parties</b>			
<b>Central Depository Company of Pakistan Limited</b>			
Trustee fee	<i>Rupees</i>	<u>391,792</u>	<u>573,738</u>
<b>10.3 Other balances</b>		<i>September 2010 Unaudited</i>	<i>June 2009 Audited</i>
<b>Associated Companies / Undertakings</b>			
<b>IGI Funds Limited - Management Company</b>			
Management fee	<i>Rupees</i>	<u>1,217,644</u>	<u>-</u>
Formation cost payable	<i>Rupees</i>	<u>2,237,689</u>	<u>-</u>
<b>Pak Oman Asset Management Company</b>			
Management fee	<i>Rupees</i>	<u>-</u>	<u>212,087</u>
Formation cost payable	<i>Rupees</i>	<u>-</u>	<u>2,237,689.00</u>
<b>IGI Investment Bank Limited</b>			
Investment against placement		<u>70,417,314</u>	<u>-</u>
<b>Other Related Parties</b>			
<b>Central Depository Company of Pakistan Limited</b>			
Trustee fee	<i>Rupees</i>	<u>285,173</u>	<u>128,697</u>

## 11 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair market value of the financial assets and liabilities are not significantly different from their carrying values.

## 12 GENERAL

12.1 Figures have been rounded off to the nearest rupee.

12.2 This condensed interim financial information is unaudited. The figures for the three months period ended 30 September 2010 in this condensed interim financial information have not been reviewed by the auditors

## 13 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by Board of Directors of the Management Company on **25 October 2010**.

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

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

\_\_\_\_\_  
Director