

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

**Quarterly Report  
March 2013**

**IGI**

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**ISLAMIC INCOME FUND**

Managed by  
IGI FUNDS LIMITED

## **VISION**

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

## **MISSION**

Our vision will be realized by:

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

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

## **VALUES**

Integrity, Professionalism, Focus on Sustainable Growth

## **Fund Manager's Information**

### **Management Company**

IGI Funds Limited

Rated AM 2- by JCR-VIS

### **Head Office**

7th Floor, The Forum, Suite # 701-703,  
G-20, Khayaban-e-Jami, Block-9, Clifton,  
Karachi-75600, Pakistan

Tel: (92-21) 111-367-444

Fax: (92-21) 35301729

Email: [info@igifunds.com.pk](mailto:info@igifunds.com.pk)

Website: [www.igifunds.com.pk](http://www.igifunds.com.pk)

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

Mr. Javid Hamid (Chairman)

Ms. Maheen Rahman (Chief Executive Officer)

Mr. Khalid Yacob

Mr. Ahmed Alman Aslam

Mr. Abid Naqvi

Mr. M. Asif Saad

Mr. Tariq Qureshi

### **Chief Financial Officer**

Syed Muhammad Zeeshan

### **Company Secretary**

Syed Muhammad Zeeshan

### **Audit Committee**

Mr. Abid Naqvi (Chairman)

Mr. Khalid Yacob (Member)

Mr. Tariq Qureshi (Member)

## **Fund's Information**

### **Trustee**

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

### **Distributors**

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

### **Auditors**

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

### **Legal Advisor**

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

### **Bankers**

Bank Al-falah Limited  
Bank Al-Habib Limited  
Dubai Islamic Bank  
Al Baraka Islamic Bank  
Bank of Khyber  
MCB Bank Limited  
Burj Bank

**IGI Islamic Income Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-audited)**  
**As at 31 March 2013**

	<i>Note</i>	<b>31 March 2013 Unaudited</b>	<b>30 June 2011 Audited</b>
-----Rupees-----			
<b>ASSETS</b>			
Balances with banks	5	55,602,472	11,388,201
Investments	6	107,361,172	187,173,684
Deferred formation cost		715,762	1,036,616
Security Deposit		100,000	100,000
Prepayments & Other receivables	7	1,189,719	3,718,939
<b>Total assets</b>		<b>164,969,125</b>	<b>203,417,440</b>
<b>LIABILITIES</b>			
Payable to the Management Company		241,778	335,566
Remuneration payable to the Trustee		50,816	49,177
Annual fee payable to Securities and Exchange Commission of Pakistan		108,492	308,866
Amount payable on redemption of units		-	100,062
Accrued and other liabilities	9	276,513	410,889
<b>Total liabilities</b>		<b>677,599</b>	<b>1,204,560</b>
<b>Contingency</b>	8		
<b>Net assets attributable to unit holders</b>		<b>164,291,526</b>	<b>202,212,880</b>
<b>Unit holders' Funds</b>		<b>164,291,526</b>	<b>202,212,880</b>
		<b>(Number)</b>	
<b>Number of units in issue</b>		<b>1,629,610</b>	<b>1,973,147</b>
		<b>(Rupees)</b>	
<b>Net assets value per unit</b>		<b>100.8164</b>	<b>102.4824</b>

The annexed notes from 1 to 13 are 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 (Un-audited)**  
**For the nine months period ended 31 March 2013**

Note	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	<b>31 March 2013</b>	<i>31 March 2012</i>	<b>31 March 2013</b>	<i>31 March 2012</i>
	-----Rupees-----			
<b>INCOME</b>				
Profit on bank and other deposits	<b>4,362,111</b>	9,589,569	<b>1,030,401</b>	2,827,980
Income on investments classified as 'held to maturity'	<b>2,637,238</b>	829,216	<b>793,681</b>	829,216
Income on investments classified as 'fair value through profit or loss-held-for-trading'	<b>8,016,461</b>	31,368,061	<b>2,132,713</b>	8,305,539
Net unrealised appreciation in fair value of investment classified as 'at fair value through profit or loss - held-for-trading'	<b>(520,900)</b>	(217,887)	<b>(504,450)</b>	(2,541,493)
Net capital gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	<b>510,834</b>	(421,679)	<b>900</b>	(816,808)
<b>Total income</b>	<b>15,005,744</b>	41,147,280	<b>3,453,245</b>	8,604,434
<b>EXPENSES</b>				
Remuneration to the Management Company	<b>2,169,984</b>	5,041,861	<b>632,136</b>	1,484,098
Sales Tax on management fee	<b>347,192</b>	806,701	<b>101,143</b>	237,456
Remuneration to the Trustee	<b>449,086</b>	571,578	<b>147,510</b>	168,336
Annual fee to the Securities and Exchange Commission of Pakistan	<b>108,492</b>	252,094	<b>31,605</b>	74,207
Amortization of deferred formation cost	<b>320,854</b>	322,025	<b>105,390</b>	106,561
Auditors' remuneration	<b>303,858</b>	269,116	<b>79,802</b>	95,768
Bank & Settlement charges	<b>9,316</b>	11,397	<b>3,417</b>	2,293
Brokerage Expense	<b>13,425</b>	54,500	<b>4,425</b>	20,000
Printing charges	<b>93,708</b>	96,550	<b>30,780</b>	33,622
Annual listing fee	<b>22,520</b>	29,975	<b>7,397</b>	9,919
Stability rating fee	<b>115,186</b>	131,450	<b>29,970</b>	43,498
<b>Total expenses</b>	<b>3,953,621</b>	7,587,247	<b>1,173,575</b>	2,275,758
<b>Net Income from operating activities</b>	<b>11,052,123</b>	33,560,033	<b>2,279,670</b>	6,328,676
Element of income/ (loss) and capital gains/ (losses) included in prices of units sold less those in units redeemed - net	<b>(96,529)</b>	(6,073,531)	<b>(215,783)</b>	(906,040)
Net income for the period before taxation	<b>10,955,594</b>	27,486,502	<b>2,063,887</b>	5,422,636
Taxation	-	-	-	-
<b>Net income for the period</b>	<b>10,955,594</b>	27,486,502	<b>2,063,887</b>	5,422,636

The annexed notes from 1 to 13 are 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 (Un-audited)**  
**For the nine months period ended 31 March 2013**

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	<i>31 March 2013</i>	<i>31 March 2012</i>	<i>31 March 2013</i>	<i>31 March 2012</i>
	-----Rupees-----			
<b>Net income for the period</b>	<b>10,955,594</b>	27,486,502	<b>2,063,887</b>	5,422,636
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>10,955,594</b>	27,486,502	<b>2,063,887</b>	5,422,636

The annexed notes from 1 to 13 are 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 (Un-audited)**  
**For the nine months period ended 31 March 2013**

	<i>Nine months period ended</i>	
	<b>31 March 2013</b>	<b>31 March 2012</b>
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	<b>10,955,594</b>	27,486,502
<b>Adjustments for:</b>		
Unrealized loss on remeasurement of held for trading investment to fair value	<b>520,900</b>	217,887
Capital Gain on sale of investments classified as fair value through profit & loss- held for trading	<b>(510,834)</b>	421,679
Amortization of deferred formation cost	<b>320,854</b>	322,025
Element of income/ (loss) and capital gains/ (losses) included in prices of units sold less those in units redeemed - net	<b>96,529</b>	6,073,531
	<b>11,383,043</b>	34,521,624
<b>Movement in:</b>		
Investments - net	<b>14,650,078</b>	204,142,268
Profit receivable & Prepayment	<b>2,529,220</b>	(36,801,456)
	<b>17,179,298</b>	167,340,812
Amount payable to unitholder	<b>(100,062)</b>	61,150,181
Payable to the Management Company	<b>(93,788)</b>	(1,450,110)
Remuneration payable to the Trustee	<b>1,639</b>	(24,787)
Annual fee payable to the Securities and Exchange Commission of Pakistan	<b>(200,374)</b>	(93,764)
Accrued and other liabilities	<b>(134,376)</b>	138,441
	<b>(526,961)</b>	59,719,961
<b>Net cash from operating activities</b>	<b>28,035,380</b>	261,582,397
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	<b>50,709,584</b>	327,252,175
Payment against redemption of units	<b>(99,680,074)</b>	(714,452,068)
Dividend paid	<b>(2,987)</b>	(2,198,311)
<b>Net cash (used in) / from financing activities</b>	<b>(48,973,477)</b>	(389,398,204)
Net increase in cash and cash equivalents during the year	<b>(20,938,097)</b>	(127,815,807)
Cash and cash equivalents at beginning of the period	<b>76,540,569</b>	240,900,620
<b>Cash and cash equivalents at end of the period</b>	<b>55,602,472</b>	113,084,813

The annexed notes from 1 to 13 are 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 (Un-audited)**  
**For the nine months period ended 31 March 2013**

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	<b>31 March 2013</b>	<i>31 March 2012</i>	<b>31 March 2013</b>	<i>31 March 2012</i>
	-----Rupees-----			
<b>Undistributed income brought forward at the beginning of the period</b>	<b>4,898,089</b>	22,923,479	<b>1,292,724</b>	5,253,206
Total comprehensive income for the period	<b>10,955,594</b>	27,486,502	<b>2,063,887</b>	5,422,636
<b>Distributions made during the period</b>				
Final distribution of bonus @ 1.9849 units for every 100 units held, approved on: July 05, 2012 (2011: @ 3.2477 units for every 100 units held, approved on: July 05, 2011)	<b>(3,934,659)</b>	(21,398,120)	-	-
Final distribution of cash dividend @ Rs.1.9946 per unit held, approved on: July 05, 2012 (2011: @ Rs.3.2552 per unit held, approved on: July 05, 2011)	<b>(980)</b>	(6,482)	-	-
Interim distribution of bonus @ 2.3962 units for every 100 units held, approved on: September 27, 2012 (2011: @ 2.5536 units for every 100 units held, approved on: September 29, 2011)	<b>(5,635,943)</b>	(9,994,131)	-	-
Interim distribution of cash dividend @ Rs.2.4069 per unit held, approved on: September 27, 2012 (2011: @ 2.5609 per unit held, approved on: September 29, 2011)	<b>(1,183)</b>	(67,123)	-	-
Interim distribution of bonus @ 1.6668 units for every 100 units held, approved on: December 31, 2012 (2011: @ 2.1018 units for every 100 units held, approved on: December 29, 2011)	<b>(2,923,483)</b>	(7,227,028)	-	-
Interim distribution of cash dividend @ Rs.1.6776 per unit held, approved on: December 31, 2012 (2011: @ Rs.2.1287 per unit held, approved on: December 29, 2011)	<b>(824)</b>	(1,041,255)	-	-
Interim distribution of bonus @ 1.6668 units for every 100 units held, approved on: March 26, 2013 (2012: @ 2.24040 units for every 100 units held, approved on: March 29, 2012)	<b>(2,026,154)</b>	(7,241,962)	<b>(2,026,154)</b>	(7,241,962)
Interim distribution of cash dividend @ Rs. Nil per unit approved on March 26, 2013 (2012: @ 2.2220 per unit approved on: 29 March 2012)	-	(1,083,451)	-	(1,083,451)
<b>Undistributed income carried forward</b>	<b>1,330,457</b>	<b>2,350,429</b>	<b>1,330,457</b>	<b>2,350,429</b>

The annexed notes from 1 to 13 are 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 Movement in Unit Holders' Fund (Un-audited)**  
**For the nine months period ended 31 March 2013**

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	<i>31 March 2013</i>	<i>31 March 2012</i>	<i>31 March 2013</i>	<i>31 March 2012</i>
	-----Rupees-----			
<b>Net assets at beginning of the period</b>	<b>202,212,880</b>	680,474,277	<b>178,512,409</b>	400,314,904
Amount realized on issuance of 497,779 units (2012: 3,201,975 units) and 87,832 units (2012: 88,043) for the nine months and quarter ended respectively	<b>50,709,584</b>	327,252,175	<b>8,890,000</b>	8,967,761
Issuance of 144,427 units in respect of final and interim distributions (31 March 2012: 456,337)	<b>14,520,239</b>	45,861,226	<b>2,026,154</b>	7,241,963
Amount paid on redemption of 985,743 units (2012: 7,010,963 units) and 250,532 units (2012: 887,637) for the nine months and quarter ended respectively	<b>(99,680,074)</b>	(714,452,068)	<b>(25,390,553)</b>	(89,891,800)
	<b>167,762,629</b>	339,135,610	<b>164,038,010</b>	326,632,828
Element of income and capital gains included in prices of units sold less those in units redeemed - net	<b>96,529</b>	6,073,531	<b>215,783</b>	906,040
Total comprehensive income for the period before gains - realised and unrealised	<b>10,965,660</b>	28,126,068	<b>2,567,437</b>	8,780,937
Net unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'	<b>(520,900)</b>	(217,887)	<b>(504,450)</b>	(2,541,493)
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	<b>510,834</b>	(421,679)	<b>900</b>	(816,808)
Total Comprehensive income for the period	<b>10,955,594</b>	<b>27,486,502</b>	<b>2,063,887</b>	<b>5,422,636</b>
Distributions made during the period				
Final distribution of bonus units	<b>(3,934,659)</b>	(21,398,120)	-	-
Final distribution of cash dividend	<b>(980)</b>	(6,482)	-	-
Interim distribution of bonus units	<b>(10,585,580)</b>	(24,463,121)	<b>(2,026,154)</b>	(7,241,962)
Interim distribution of cash dividend	<b>(2,007)</b>	(2,191,829)	-	(1,083,451)
	<b>(14,523,226)</b>	(48,059,552)	<b>(2,026,154)</b>	(8,325,413)
<b>Net assets at end of the period</b>	<b>164,291,526</b>	324,636,091	<b>164,291,526</b>	324,636,091

The annexed notes from 1 to 13 are an integral part of this condensed interim financial information.

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

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

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

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

IGI Islamic Income Fund (the Fund) has been constituted under Trust Deed dated 3 July 2008, 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 Trust deed was subsequently amended through first supplemental trust deed executed on 23 September 2008. Subsequently, the SECP required the Management Company to make certain amendments in the Trust deed to bring it in line with Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and accordingly, the Trust deed was amended through second supplemented trust deed executed on 16 September 2009.

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 Pakistan Credit Rating Agency Limited has assigned fund stability rating of A+(f) to the scheme.

## **2 BASIS OF PRESENTATION**

### **2.1 Statement of compliance**

These condensed interim financial statements 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 for interim financial reporting.

These condensed interim financial and information are unaudited and 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 2012.

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

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

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

The preparation of these condensed interim financial statements 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.

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

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

(Un-audited) (Audited)  
March 31, June 30,  
2013 2012

Note ----- (Rupees) -----

## 5. BANK BALANCES

Bank balances - local currency

5.1 55,602,472 11,388,201

5.1 The deposit accounts with the banks carry profit at the rates ranging from 6% to 11.75% per annum (June 30, 2012: 5% to 11.75% per annum).

## 6. INVESTMENTS

Financial asset classified as 'at fair value through profit or loss' - held-for-trading  
Government of Pakistan Ijarah Sukuk

6.1 74,816,250 122,021,316

Held to maturity  
Commercial papers

6.2 32,544,922 65,152,368  
107,361,172 187,173,684

### 6.1 Government securities - Ijarah Sukuk - held-for-trading

Particulars	Yield per annum	Face value				Carrying value as at March 31, 2013	Market value as at March 31, 2013	Unrealised gain / (loss) on revaluation	% of net assets on the basis of market value	% of total investment on the basis of market value
		As at July 01, 2012	Purchased during the period	Sold / matured during the period	As at March 31, 2013					
(Rupees)										
GOP Ijarah Sukuk - VII	10.28%	83,500,000	3,500,000	53,500,000	33,500,000	34,312,150	33,630,650	(681,500)	20.47%	31.32%
GOP Ijarah Sukuk - VIII	9.26%	23,000,000	-	20,000,000	3,000,000	3,000,000	3,012,300	12,300	1.83%	2.81%
GOP Ijarah Sukuk - IX	9.28%	15,000,000	-	-	15,000,000	15,013,500	15,067,500	54,000	9.17%	14.03%
GOP Ijarah Sukuk - X	10.43%	-	40,000,000	17,000,000	23,000,000	23,011,500	23,105,800	94,300	14.06%	21.52%
		<u>121,500,000</u>	<u>43,500,000</u>	<u>90,500,000</u>	<u>74,500,000</u>	<u>75,337,150</u>	<u>74,816,250</u>	<u>(520,900)</u>	<u>45.53%</u>	<u>69.68%</u>

### 6.2 Commercial papers - Sukuk certificates (secured) - held to maturity

Name of the investee company	Rate of return per annum	Face value				Balance as at March 31, 2013			% of net assets on the basis of face value	% of total investment on the basis of face value
		As at July 01, 2012	Purchased during the period	Sold during the period	As at March 31, 2013	Carrying value	Maturity	Rating		
(Rupees)										
Hub Power Company Limited	10.80%	35,000,000	33,000,000	53,000,000	15,000,000	15,084,322	September 12, 2013	AA+	9.13%	13.97%
Engro Fertilizers Limited	-	27,260,000	-	27,260,000	-	-	-	-	-	-
Kot Addu Power Company Limited	10.52%	-	17,000,000	-	17,000,000	17,460,600	June 28, 2013	AA+	10.35%	15.83%
		<u>62,260,000</u>	<u>50,000,000</u>	<u>80,260,000</u>	<u>32,000,000</u>	<u>32,544,922</u>			<u>19.48%</u>	<u>29.80%</u>

**7. INCOME RECEIVABLE**

	<b>31 March 2013 (Un-audited)</b>	30 June 2012 (Audited)
	<b>(Rupees)</b>	
Income / Profit receivable on:		
- Balances with banks	<b>303,901</b>	208,479
- Government of Pakistan Ijarah Sukuk Bonds	<b>859,689</b>	3,510,460
Prepayments	<b>26,129</b>	
	<b><u>1,189,719</u></b>	<b><u>3,718,939</u></b>

**8. CONTINGENCY - CONTRIBUTION TO WORKERS' WELFARE FUND**

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

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

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

During the current period a larger bench of the Honorable High Court of Sindh has passed an order declaring that the amendments introduced in the Workers' Welfare Fund Ordinance, 1971 through Finance Act, 2006 and 2008 respectively do not suffer from any constitutional or legal infirmity. However, the Honorable High Court of Sindh has not addressed the other amendments made in the WWF Ordinance which also includes the question of whether the scope of WWF Ordinance can be extended by referring to shops Ordinance instead of bringing substantive amendment in WWF Ordinance aligned with the scope and purpose of WWF Ordinance. The Legal counsel appointed by Mutual Fund Association of Pakistan is of the opinion that the constitution petitions filed by the Mutual Funds to challenge Workers Welfare Fund have not been affected by the judgment passed by the larger bench of Sindh High Court and the stay granted to Mutual Funds in separate constitutional petitions remains intact. Accordingly, pending the decision of the said constitutional petitions, the Management Company believes that the Fund is not liable to contribute to WWF and hence no provision has been recognised by the Management Company.

Hence, aggregate unrecognised amount of WWF as at March 31, 2013 amounted to Rs.2.224 million (June 30, 2012: Rs.2.004 million). Had the provision been made the net asset value per unit of the Fund would have been lower by Rs. 1.365 per unit (1.35%) (June 30, 2012: Rs. 1.016 per unit (0.99%)).

**9. ACCRUED AND OTHER LIABILITIES**

	<b>31 March 2013 (Un-audited)</b>	30 June 2012 (Audited)
	<b>(Rupees)</b>	
Dividend payable to unit holders	-	131
Brokerage payable	3,400	7,701
Auditors' remuneration	221,983	250,000
Stability Rating fee payable	-	86,165
Printing charges payable	50,080	66,772
Withholding tax payable	1,050	120
	<b><u>276,513</u></b>	<b><u>410,889</u></b>

**9. CASH AND CASH EQUIVALENTS**

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	<b>31 March 2013</b>	31 March 2012	<b>31 March 2013</b>	31 March 2012
	-----Rupees-----			
Bank balances	<b>55,602,472</b>	113,084,813	<b>55,602,472</b>	113,084,813
Term deposits receipts maturing within three months	-	-	-	-
	<b>55,602,472</b>	113,084,813	<b>55,602,472</b>	113,084,813

**10. 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.

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

**10.1 Unit Holder's Fund**

	Nine months period ended 31 March 2013 ( Un audited)									
	As at 01 July 2012	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 March 2013	As at 01 July 2012	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	Net asset value as at March 2013
	(Units)					(Rupees)				
<b>Associated Companies / Undertakings</b>										
Gurmani Foundation	1,103,216	-	79,181	148,158	1,034,239	113,060,235	-	7,961,493	15,000,000	104,268,253
<b>Key Management Personnel - Management Company Employees</b>	9,895	24,563	745	10,333	24,870	1,014,025	2,500,000	74,946	1,055,795	2,507,304
<b>Unit holder holding 10% or more units</b>										
Hamdard Laboratories Waqf Pakistan	241,835	-	18,128	-	259,963	24,783,838	-	1,822,889	-	26,208,534

	Nine months period ended 31 March 2012 ( Un audited)									
	As at 01 July 2011	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 March 2012	As at 01 July 2011	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	Net asset value as at 31 March 2012
	(Units)					(Rupees)				
<b>Associated Companies / Undertakings</b>										
IGI Investment Bank Limited	566,736	573,893	33,341	1,173,970	-	58,651,510	58,920,882	3,342,622	120,715,994	-
IGI Finex Securities Limited	-	573,909	-	573,909	-	-	58,905,800	-	58,905,800	-
Gurmani Foundation	933,029	-	19,484	48,997	903,516	561,608	-	51,437	599,149	588,753
<b>Key Management Personnel - Management Company Employees</b>	3,622	24,543	504	28,287	382	374,786	2,497,261	49,717	2,870,643	38,442
<b>Unit holder holding 10% or more units</b>										
Hamdard Laboratories Waqf Pakist:	401,631	-	29,696	431,327	-	42,239,532	-	2,975,135	43,661,546	-

	Quarter ended 31 March 2013									
	As at 01 January 2013	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 March 2013	As at 01 January 2013	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	Net asset value as at 31 March 2013
	(Units)					(Rupees)				
<b>Associated Companies / Undertakings</b>										
Gurmain Foundation	1,070,876	-	12,766	49,404	1,034,239	107,868,822	-	1,285,932	5,000,000	104,268,253
<b>Key Management Personnel - Management Company Employees</b>	-	24,563	307	-	24,870	-	2,500,000	30,922	-	2,507,304
<b>Unit holder holding 10% or more units</b>										
Hamdard Laboratories Waqf Pakistan	256,755	-	3,209	-	259,964	25,862,773	-	323,229	-	26,208,635

	Quarter ended 31 March 2012									
	As at 01 January 2012	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	As at 31 March 2012	As at 01 January 2012	Issued for cash/ conversion in/ transfer in	Bonus	Redeemed/ conversion out/ transfer out	Net asset value as at 31 March 2012
	(Units)					(Rupees)				
<b>Associated Companies / Undertakings</b>										
Gurmain Foundation	933,029	-	19,484	48,997	903,516	94,543,635	-	1,964,319	5,000,000	91,010,562
<b>Key Management Personnel - Management Company Employees</b>	374	11,136	8	11,136	382	37,838	1,137,000	830	1,145,074	38,442



## 10.2 Other transactions

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	<i>31 March 2013</i>	<i>31 March 2012</i>	<i>31 March 2013</i>	<i>31 March 2012</i>
-----Rupees-----				
<b>Associated Companies / Undertakings</b>				
<i>IGI Funds Limited - Management Company</i>				
Remuneration of the Management Company	2,169,984	5,041,861	632,136	1,484,098
Sales tax on management fee	347,192	806,701	101,143	237,456
Sales load	13,416	169,355	-	-
<b>Other Related Parties</b>				
<i>Central Depository Company of Pakistan Limited</i>				
Trustee fee	449,086	571,578	147,510	168,336

## 10.3 Other balances

	<i>31 March</i>		<i>30 June</i>	
	<i>2013</i>	<i>2012</i>	<i>2012</i>	<i>2012</i>
-----Rupees-----				
<b>Associated Companies / Undertakings</b>				
<i>IGI Funds Limited - Management Company</i>				
Remuneration payable to the management company	208,433	289,223	208,433	289,223
Sales tax on management fee payable	33,346	36,443	33,346	36,443
<b>Other Related Parties</b>				
<i>Central Depository Company of Pakistan Limited</i>				
Trustee fee payable	50,816	49,177	50,816	49,177

## 12. TAXATION

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

## 13. GENERAL

Figures have been rounded off to the nearest rupee.

This condensed interim financial statements was authorised for issue by Board of Directors of the Management Company on **24 April 2013**.

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

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

\_\_\_\_\_  
Director