

IGI Income Fund
Condensed Interim Financial Statements
Unaudited
for the nine months period ended
31 March 2012

IGI Income Fund
Condensed Interim Statement of Assets and Liabilities (Unaudited)
As at 31 March 2012

	<i>Note</i>	31 March 2012 Unaudited	<i>30 June 2011 Audited</i>
-----Rupees-----			
Assets			
Bank balances	5	10,941,485	69,355,569
Investments	6	1,131,773,921	658,557,536
Receivable under reverse repurchase transactions		-	99,041,648
Deferred formation cost		18,995	561,781
Security deposits		3,952,438	2,600,000
Prepayments and other receivables		6,778,236	4,170,899
Total assets		1,153,465,075	834,287,433
Liabilities			
Payable to unit holders		5,642,222	-
Remuneration payable to the Management Company		1,616,352	1,337,680
Remuneration payable to the Trustee		165,334	160,829
Annual fee payable to Securities and Exchange Commission of Pakistan		642,028	1,311,114
Accrued and other liabilities		909,392	1,374,189
Total liabilities		8,975,328	4,183,812
Contingency	8		
Net assets attributable to unitholders	<i>Rupees</i>	1,144,489,747	830,103,621
Unit holders' funds	<i>Rupees</i>	1,144,489,747	830,103,621
Number of units in issue	<i>Number</i>	11,318,992	7,986,029
Net assets value per unit	<i>Rupees</i>	101.1123	103.9445

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 Income Fund
Condensed Interim Income Statement (Unaudited)
For the nine months period ended 31 March 2012

Note	Nine months period ended		Quarter ended		
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	
-----Rupees-----					
Income					
Financial Income	9	106,727,676	175,366,064	35,224,879	44,069,900
Net Capital gain / (loss) on sale of investments classified as 'at fair value through profit or loss- held for trading'		3,587,190	(2,056,585)	8,139,432	1,553,210
Net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'		1,898,926	(104,420)	(2,115,067)	(579,470)
Provision for impairment in valuation of investments classified as held for trading and interest accrued thereon		(6,926,615)	(8,381,800)	(2,896,945)	(4,466,649)
Element of income and capital gains included in prices of units sold less those in units redeemed - net		6,017,482	(26,031,809)	(2,207,347)	275,334
Total Income		111,304,659	138,791,450	36,144,952	40,852,325
Expenses					
Remuneration to the Management Company		12,412,400	17,515,178	4,253,530	4,216,571
Remuneration to the Trustee		1,347,177	2,064,378	460,461	496,321
Annual fee to the Securities and Exchange Commission of Pakistan		642,028	1,050,913	220,015	252,994
Brokerage expense and settlement charges		395,828	589,988	125,889	305,548
Bank charges		138,422	112,194	19,884	11,212
Amortisation of deferred formation cost		542,786	541,150	179,386	177,750
Auditors' remuneration		339,589	341,763	93,381	76,630
National Clearing Company of Pakistan Limited charges		174,545	135,000	78,716	45,000
Annual listing fee		30,081	29,171	9,919	10,710
Printing charges		93,878	93,878	31,122	30,780
Rating fee		150,314	153,681	49,686	45,810
Legal and professional charges		-	25,000	-	-
Workers' Welfare Fund	8	-	(7,321,275)	-	-
Total expenses		16,267,048	15,331,019	5,521,989	5,669,326
Net income for the period	<i>Rupees</i>	95,037,611	123,460,431	30,622,963	35,182,999

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 Income Fund
 Condensed Interim Statement of Comprehensive Income (Unaudited)
 For the nine months period ended 31 March 2012

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	-----Rupees-----			
Net income for the period	95,037,611	123,460,431	30,622,963	35,182,999
Other comprehensive income:	-	-	-	-
Total comprehensive income for the period	95,037,611	123,460,431	30,622,963	35,182,999

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 Income Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the nine months period ended 31 March 2012

	Note	Nine months period ended	
		31 March 2012	31 March 2011
		-----Rupees-----	
Net income for the year		95,037,611	123,460,431
Adjustments for:			
Net Capital gain / (loss) on sale of investments classified as 'at fair value through profit or loss- held for trading'		(3,587,190)	2,056,585
Net unrealised appreciation / (diminution) in fair value of investments classified as 'at fair value through profit or loss - held-for-trading'		(1,898,926)	104,420
Provision for impairment in valuation of investments classified as held for trading and interest accrued thereon		6,926,615	8,381,800
Amortisation of deferred formation cost		542,786	541,150
Element of income and capital gains included in prices of units sold less those in units redeemed - net		(6,017,482)	26,031,809
		<u>91,003,414</u>	<u>160,576,195</u>
<i>(Increase) / decrease in assets</i>			
Investments - net		(251,136,978)	(485,075,691)
Receivable under reverse repurchase transaction		99,041,648	186,163,811
Security Deposit		(1,352,438)	
Receivable against interest / mark up		(2,368,652)	10,945,830
Prepaid / receivable others		(238,684)	(10,829)
		<u>(156,055,104)</u>	<u>(287,976,879)</u>
<i>Increase / (decrease) in liabilities</i>			
Payable to the Management Company		278,672	(1,386,215)
Remuneration payable to the Trustee		4,505	(137,974)
Annual fee to the Securities & Exchange Commission of Pakistan		(669,086)	(807,454)
Accrued and other liabilities		(464,797)	(6,614,715)
		<u>(850,706)</u>	<u>(8,946,358)</u>
Net cash from / (used in) operating activities		(65,902,396)	(136,347,042)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution paid		(20,853,582)	(25,158,782)
Amounts received on issue of units		1,620,796,820	1,820,658,495
Payment against redemption of units		(1,368,935,020)	(3,219,877,364)
Net cash (used in) / from financing activities		231,008,218	(1,424,377,651)
Net increase in cash and cash equivalents during the year		<u>165,105,822</u>	<u>(1,560,724,693)</u>
Cash and cash equivalents at beginning of the year		<u>448,687,454</u>	<u>2,069,991,302</u>
Cash and cash equivalents at end of the year	Rupees 10	<u>613,793,276</u>	<u>509,266,609</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 Income Fund
Condensed Interim Distribution Statement (Unaudited)
For the nine months period ended 31 March 2012

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	<i>31 March 2012</i>	<i>31 March 2011</i>	<i>31 March 2012</i>	<i>31 March 2011</i>
	-----Rupees-----			
Undistributed income brought forward at the beginning of the year	31,500,852	139,560,677	8,242,922	11,897,202
Total comprehensive income for the period	95,037,611	123,460,431	30,622,963	35,182,999
Final distribution of bonus @ 3.3679 units for every 100 units held, approved on: 5 July 2011 (2010: @ 5.7434 unit for every 100 units held, approved on 2 July 2010)	(20,132,163)	(118,744,566)	-	-
Final distribution of cash dividend @ Rs. 3.3867 per unit, approved on: 5 July 2011 (2010: @ Rs. 5.7615 per unit approved on 2 July 2010)	(6,914,121)	(13,589,961)	-	-
Interim distribution of bonus @ 2.5038 units for every 100 units held, approved on: 29 September 2011 (2010: Nil)	(16,868,076)	(49,567,749)	-	-
Interim distribution of cash dividend @ Rs. 2.5341 per units, approved on: 29 September 2011 (2010: Nil)	(7,682,557)	(6,545,310)	-	-
Interim distribution of bonus @ 2.8025 units for every 100 units held, approved on: 29 December 2011 (2010: @ 2.1086 units for every 100 units held, approved on 29 December 2010)	(29,818,757)	(22,469,810)	-	-
Interim distribution of cash dividend @ Rs. 2.8172 per units, approved on: 29 December 2011 (2010: @ Rs. 2.1246 per unit, approved on 29 December 2010)	(6,256,904)	(5,023,511)	-	-
Interim distribution of bonus @ 2.3404 units for every 100 units held, approved on: 29 March 2011 (2010: @ 2.3040 units for every 100 units held, approved on: 28 March 2011)	(21,023,499)	(25,902,214)	(21,023,499)	(25,902,214)
Interim distribution of cash dividend @ Rs. 2.3646 per unit, approved on: 29 March 2012 (2010: @ Rs. 2.3267 per unit, approved on 28 March 2011)	(5,251,695)	(7,479,835)	(5,251,695)	(7,479,835)
	(113,947,772)	(249,322,956)	(26,275,194)	(33,382,049)
Undistributed income carried forward	12,590,691	13,698,152	12,590,691	13,698,152

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 Income Fund
Condensed Interim Statement of Movement in Unit Holder's Fund (Unaudited)
For the nine months period ended 31 March 2012

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	<i>31 March 2012</i>	<i>31 March 2011</i>	<i>31 March 2012</i>	<i>31 March 2011</i>
Net assets at beginning of the year	830,103,621	2,436,436,612	1,318,455,690	1,427,411,205
Amount realized / unrealized on issuance of 15,831,792 units (31 March 2011 : 17,925,550 units) and 5,324,713 units (31 March 2011 : 3,594,657 units) for the nine months and quarter ended respectively	1,620,796,820	1,820,658,495	545,025,588	367,769,449
Issuance of 871,576 bonus units in respect of final and interim distributions (31 March 2011 : 2,157,325 units)	87,842,495	216,684,338	21,023,499	25,902,214
Amount paid / payable on redemption of 13,370,405 units (31 March 2011 : 30,592,594 units) and 7,315,933 units (31 March 2010 : 5,547,243 units) for the nine months and quarter ended respectively	(1,369,325,546)	(3,114,346,268)	(746,570,146)	(563,006,023)
	1,169,417,390	1,359,433,177	1,137,934,631	1,258,076,845
Element of income and capital gain included in prices of units sold less those in units redeemed	(6,017,482)	26,031,809	2,207,347	(275,334)
Total comprehensive income for the period before capital gains-realised and unrealised and provision for impairment	96,478,110	134,003,236	27,495,543	38,675,908
Capital (loss) / gain on sale of term finance certificates and treasury bills	3,587,190	(2,056,585)	8,139,432	1,553,210
Provision for impairment in valuation of investments classified as held for trading and interest accrued thereon	(6,926,615)	(8,381,800)	(2,896,945)	(4,466,649)
Net unrealised (diminution) / appreciation in fair value of investments classified as 'at fair value through profit or loss - held for trading'	1,898,926	(104,420)	(2,115,067)	(579,470)
Net reversal of impairment in valuation of investments classified as 'held to maturity'	-	-	-	-
Total comprehensive income for the period - net	95,037,611	123,460,431	30,622,963	35,182,999
<i>Distributions made during the period</i>				
Final distribution of bonus units	(20,132,163)	(118,744,566)	-	-
Final distribution of cash dividend	(6,914,121)	(13,589,961)	-	-
Interim distribution of bonus units	(67,710,332)	(97,939,773)	(21,023,499)	(25,902,214)
Interim distribution of cash dividend	(19,191,156)	(19,048,656)	(5,251,695)	(7,479,835)
	(113,947,772)	(249,322,956)	(26,275,194)	(33,382,049)
Net income less distributions for the period	(18,910,161)	(125,862,525)	4,347,769	1,800,950
Net assets at end of the period	1,144,489,747	1,259,602,461	1,144,489,747	1,259,602,461

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

1 LEGAL STATUS AND NATURE OF BUSINESS

IGI Income Fund (the Fund) has been constituted under Trust Deed dated December 18, 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 end mutual fund and is listed on Lahore Stock Exchange. Units are offered for public subscription on a continuous basis. The units can be redeemed by surrendering them to the Fund.

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

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

The JCR-VIS Credit Rating Company Limited has assigned a rating of A+ to the scheme.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

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

These condensed interim financial statements are unaudited and do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statement of the fund for the year ended 30 June 2011.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial statements are the same as those applied in preparation of the financial statements for the preceding year ended 30 June 2011.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgments and estimates made by the management in the preparation of this condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended 30 June 2011.

The Fund's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2011.

5 BANK BALANCES - local currency

This represents balance in deposit accounts with banks and carry profit rates ranging from 5.00% to 11.30% (June 30, 2011: 5.00% to 11.60% per annum).

		March 2012 Unaudited	June 2011 Audited
-----Rupees-----			
6 INVESTMENTS			
Financial asset at fair value through profit and loss- Held for trading			
Term finance certificates	6.1	181,132,280	38,532,251
Treasury Bills	6.2	502,433,880	500,737,457
Pakistan Investment Bonds	6.3	23,315,722	-
Held to maturity			
Certificates of deposit	6.4	51,251,367	119,287,828
Term deposits	6.5	210,833,805	-
Certificates of Investment	6.6	60,726,813	-
Commercial paper	6.7	102,080,054	-
		424,892,039	119,287,828
		1,131,773,921	658,557,536

6.1 Term Finance Certificates

Name of the investee company	Profit / mark-up rate	As as 01 July 2011	Purchased during the period	Sold during the period	As at 31 March 2012	Cost as at 31 March 2012	Market value as at 31 March 2012	% of net assets on the basis of market value	% of total investment on the basis of market value
Quoted investments									
United Bank Limited - IV	13.14%	-	18,000	18,000	-	-	-	0.00%	0.00%
Pakistan Mobile Communication Limited - III	13.56%	-	7,000	-	7,000	33,890,000	33,833,170	2.96%	2.99%
						33,890,000	33,833,170		
Un-quoted investments									
Bank Alfalah Limited - IV	15.00%	3,000	12,000	8,500	6,500	32,040,458	33,837,908	2.96%	2.99%
Bank AlHabib Limited - IV	15.00%	-	10,000	7,000	3,000	15,222,000	15,907,123	1.39%	1.41%
Summit Bank Limited	15.14%	-	4,000	-	4,000	20,000,000	20,127,440	1.76%	1.78%
Engro Fertilizer Limited Sukuk	13.55%	-	12,112	-	12,112	60,560,000	60,560,000	5.29%	5.35%
						127,822,458	130,432,471		
Miscellaneous									
Bunnys Limited	6.1.1	-	4,022	-	4,022	20,110,000	9,885,639	0.86%	0.87%
Vision Developers Private Limited	15.91%	-	2,327	-	2,327	9,308,000	6,981,000	0.61%	0.62%
			6,349	-		29,418,000	16,866,639		
						191,130,458	181,132,280		
Non - Performing Miscellaneous									
Pak Hy Oils Limited	15.86%	-	3,000	3,000	-	-	-	0.00%	0.00%
						191,130,458	181,132,280		

6.1.1 TFCs of Bunnys Limited defaulted on payment of interest on their coupon dates falling due on 30 May 2011 and 30 November 2011. The TFC was classified as non-performing by MUFAP on 14 June 2011. The provision of Rs. 10.22 million (June 2011: nil) and Rs. 1.73 million (June 2011: nil) against principal and interest respectively, has been made in accordance with the provisioning policy of the Fund.

6.2 Treasury Bills

Note	As at 01 July 2011	Purchased during the period	Sold during the period	As at 31 March 2012	Cost as at 31 March 2012	Carrying amount as at 31 March 2012	Market value as at 31 March 2012	% 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									
Maturity upto 3 months	6.2.1	2,090,000	12,205,000	13,640,000	655,000	63,890,110	64,770,447	5.66%	5.72%
Maturity upto 6 months	6.2.2	2,860,000	22,851,000	22,261,000	3,450,000	336,004,700	338,889,562	29.60%	29.94%
Maturity upto 12 months	6.2.3	250,000	16,898,500	16,098,500	1,050,000	95,971,480	99,016,845	8.64%	8.74%
		5,200,000	51,954,500	51,999,500	5,155,000	495,866,290	502,676,854		502,433,880

6.2.1 These represents Market Treasury Bills having face value of Rs. 65.5 million (30 June 2011: Rs. 209 million) and carrying purchase yield ranging between 11.74% to 11.85% per annum (30 June 2011: 13.12% to 13.49%). These Treasury Bills have maturity upto 31 May 2012 (30 June 2011: 08 September 2011).

6.2.2 These represents Market Treasury Bills having face value of Rs. 345 million (30 June 2011: Rs. 286 million) and carrying purchase yield ranging between 11.68% to 11.78% per annum (30 June 2011: 13.31% to 13.67%). These Treasury Bills have maturity upto 26 July 2012 (30 June 2011: 15 December 2011).

6.2.3 These represents Market Treasury Bills having face value of Rs. 105 million (30 June 2011: Rs. 250 million) and carrying purchase yield ranging between 11.69% to 11.92% per annum (30 June 2011: 13.84%). These Treasury Bills have maturity upto 24 January 2013 (30 June 2011: 14 June 2012).

6.3 Pakistan Investment Bonds

	As at 01 July 2011	Purchased during the period	Sold during the period	As at 31 March 2012	Cost as at 31 March 2012	Carrying amount as at 31 March 2012	Market value as at 31 March 2012	% of net assets on the basis of market value	% of total investment on the basis of market value
----- (No. of Certificates) -----			----- (Rupees) -----			----- (%) -----			
Pakistan Investment Bonds face value - face value of Rs. 100 each issued on									
Maturity upto 10 years	6.3.1	-	2,120,000	1,870,000	250,000	23,415,800	23,418,482	2.04%	2.06%
			2,120,000	1,870,000	250,000	23,415,800	23,418,482		23,315,722

6.3.1 These represents Market of Pakistan Investment Bonds having face value of Rs. 250 million (30 June 2011: Nil) and carrying purchase yield of 13.99% per annum (30 June 2011: nil). These Pakistan Investment Bonds will mature on 18 August 2021 (30 June 2011: nil).

- 6.4 These certificates carries mark-up rate of 14.50% (2011: 13.75% to 14.50%) and will mature on 27 January 2017 (2011: 11 August 2011 and 27 January 2017). Investment in certificate of deposits of IGI Investment Bank Limited represent 4.53% of total investment on the basis of carrying amount and 4.48% of net assets on the basis of carrying amount.
- 6.5 Term deposit accounts are maintained with various financial institutions and carry profit rates from 12.05% to 12.25% (2011: nil) per annum. These deposits will mature between 09 April 2012 to 30 April 2012 (2011: nil).
- 6.6 These certificates carries mark-up rate of 11.95% (2011: nil) and will mature on 24 May 2012 (2011: nil). Investment in certificate of investment of Pak Kuwait Investment Company Limited represent 5.37% of total investment on the basis of carrying amount and 5.31% of net assets on the basis of carrying amount.
- 6.7 These commercial paper carries mark-up rate of 13.09% (2011: nil) and will mature on 03 August 2012 (2011: nil). Investment in commercial paper represent 9.02% of total investment on the basis of carrying amount and 8.92% of net assets on the basis of carrying amount.
- 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 portfolio shall not be lower than investment grade. However, as of 31 March 2011 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
- Bunnys Limited	Term finance certificates	20,110,000	(10,224,361)	9,885,639	0.85%	0.86%
- Vision Developers Private Limited	Term finance certificates	9,308,000	-	9,308,000	0.80%	0.81%

8 CONTINGENCY - WORKERS' WELFARE FUND

The Finance Act, 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Collective Investment Schemes / mutual funds (CISs) whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the 'WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or income, whichever is higher. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication. However, without prejudice to the above, the Management Company made a provision for WWF contribution in the annual financial statements for the year ended June 30, 2010.

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 had 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, the Honourable Lahore High Court (LHC) in a similar Constitutional Petition relating to the amendments brought in the WWF Ordinance, 1971 through the Finance Act, 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the LHC, will lend further support to the Constitutional Petition which is pending in the SHC. However, pending the decision of the said constitutional petition, the Management Company believes that the Fund is not liable to contribute to WWF. Hence, aggregate unrecognised amount of WWF as at March 31, 2011 amounted to Rs.11.899 million (June 30, 2011: Rs.9.999 million).

9 FINANCIAL INCOME

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	<i>31 March 2012</i>	<i>31 March 2011</i>	<i>31 March 2012</i>	<i>31 March 2011</i>
	-----Rupees-----			
Financial income on;				
Financial asset at fair value through profit and loss-				
<i>Held for Trading</i>				
- Term finance certificates	15,813,129	19,488,152	5,598,656	4,065,455
- Treasury Bills	68,662,565	46,811,403	20,251,325	13,929,812
- Pakistan Investment Bonds	2,888,743	-	49,182	-
Held to maturity				
- Commercial papers	1,757,287	6,552,440	1,757,287	3,023,537
- Certificates of Investments	1,049,580	-	1,049,580	-
- Certificates of Deposit	6,903,094	15,422,703	1,841,093	4,149,061
- Certificates of musharika	-	796,347	-	148,768
- Letter of Placement	284,220	4,085,039	-	22,795
- Term deposits	3,314,920	30,802,826	2,374,885	4,779,890
	13,309,101	57,659,355	7,022,845	12,124,051
- Receivable under reverse repurchase transaction	739,152	20,941,989	-	9,537,030
Others				
- Bank deposits	5,267,224	30,317,665	2,256,972	4,413,552
- Others	47,762	187,500	45,899	-
	106,727,676	175,406,064	35,224,879	44,069,900

10 CASH AND CASH EQUIVALENTS

	<i>March</i>	<i>March</i>
	<i>2012</i>	<i>2011</i>
	-----Rupees-----	
Bank balances	10,941,485	51,948,711
Certificate of investment maturing within 3 months	60,726,813	-
Term deposit receipts maturing within three months	210,833,805	-
Treasury Bill with maturity within 3 months	331,185,803	233,908,780
Receivable under reverse repurchase transaction	-	223,409,118
	613,687,906	509,266,609

11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

11.1 Unit Holder's Fund

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

	For the nine months period ended 31 March 2011									
	As at 01 July 2010	Issued for cash	Bonus	Redeemed	As at 31 March 2010	As at 1 July 2010	Issued for cash	Bonus	Redeemed	NAV as at 31 March 2011
	Units				(Rupees)					
Associated Companies / Undertakings										
IGI Investment Bank Limited	1,886,792	3,770,152	145,669	5,802,613	-	214,535,751	385,000,000	14,612,793	586,210,044	-
First International Investment Bank Group Provident Fund	4,792	19,868	419	25,079	-	705,047	2,000,000	42,093	2,539,338	-
IGI Insurance Limited	960,743	242,303	88,111	1,291,157	-	100,000,000	25,000,000	8,843,835	130,703,723	-
IGI Finex Securities Limited - Staff Provident Fund	990	-	87	1,077	-	100,000	-	8,695	110,606	-
Packages Limited	-	4,439,195	-	4,439,195	-	-	450,000,000	-	254,370,901	-
Packages Limited - Employees Gratuity Fund	558,187	-	48,881	607,068	-	56,815,001	-	4,903,572	61,938,935	-
Packages Limited - Employees Provident Fund	427,996	-	37,481	465,477	-	43,362,642	-	3,759,864	47,603,002	-
Packages Limited - Staff Pension Fund	665,071	-	133,401	723,312	75,160	105,210,000	-	5,842,524	74,130,903	7,598,602
IGI Funds Limited - Management Company	771,060	91,510	103,484	134,585	831,469	79,925,166	9,300,000	10,401,606	13,750,000	84,061,018
IGI Funds Limited - Staff Provident Fund	5,239.0	-	578.0	5,817.0	-	529,904.0	-	58,122.0	597,438.0	-
Other Related Parties										
Transactions with employees	3,507	5,781	413	9,701	-	372,158	583,687	41,507	980,303	-
Tri Pack Films Limited - Employees Gratuity Fund	-	24,591	1,098	-	25,689	-	2,500,000	110,672	-	2,597,130
Tri Pack Films Limited - Employees Provident Fund	24,068	-	3,276	-	27,344	2,553,173	-	267,666	-	2,764,444
Key Management Personnel										
Syed Babar Ali - Group Chairman	818,970	-	71,719	890,689	-	85,517,452	-	7,194,504	90,417,496	-

11.3 Other transactions

	<i>For the Nine months period ended</i>		<i>Quarter ended</i>	
	<i>31 March 2012</i>	<i>31 March 2011</i>	<i>31 March 2012</i>	<i>31 March 2011</i>
	<i>-----Rupees-----</i>		<i>-----Rupees-----</i>	
Associated Companies / Undertakings				
IGI Funds Limited - Management Company				
Management fee	<u>12,412,400</u>	<u>17,515,178</u>	<u>4,253,530</u>	<u>4,216,571</u>
Sales Load	<u>1,793,293</u>	<u>-</u>	<u>136,942</u>	<u>-</u>
Others	<u>-</u>	<u>273,700</u>	<u>-</u>	<u>200,000</u>
IGI Investment Bank				
Placement in Certificate of deposits	<u>25,000,000</u>	<u>390,000,000</u>	<u>-</u>	<u>-</u>
Certificate of deposits matured	<u>90,000,000</u>	<u>445,000,000</u>	<u>25,000,000</u>	<u>130,000,000</u>
Interest income from Certificate of deposit	<u>6,903,070</u>	<u>15,422,703</u>	<u>1,841,093</u>	<u>4,149,061</u>
Interest received from Certificate of deposit	<u>7,250,000</u>	<u>7,250,000</u>	<u>7,250,000</u>	<u>7,250,000</u>
Investment in reverse repurchase transaction	<u>-</u>	<u>301,576,275</u>	<u>-</u>	<u>-</u>
Reverse repurchase transaction matured	<u>89,217,000</u>	<u>202,054,790</u>	<u>-</u>	<u>-</u>
Income under reverse repurchase transaction	<u>739,152</u>	<u>18,071,907</u>	<u>-</u>	<u>9,537,030</u>
Term Finance Certificates - Purchased	<u>41,546,889</u>	<u>191,980,589</u>	<u>-</u>	<u>141,707,718</u>
Term Finance Certificates - Sold	<u>73,724,245</u>	<u>208,291,852</u>	<u>-</u>	<u>183,668,144</u>
Investment in Letter of Placement	<u>90,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Letter of Placement matured	<u>90,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interest income from Letter of placement	<u>284,220</u>	<u>-</u>	<u>-</u>	<u>-</u>
Treasury Bills - purchased	<u>77,925,354</u>	<u>49,949,200</u>	<u>-</u>	<u>49,949,200</u>
Packages Limited				
Treasury Bills - sold	<u>16,919,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Packages Limited - Employees Provident Fund				
Treasury Bills - sold	<u>13,933,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Packages Limited - Employees Gratuity Fund				
Treasury Bills - sold	<u>4,976,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
TETRA PAK - Gratuity Fund				
Term Finance Certificates - Sold	<u>12,432,271</u>	<u>-</u>	<u>-</u>	<u>-</u>
TETRA PAK - Staff Pension Fund				
Term Finance Certificates - Sold	<u>2,958,343</u>	<u>-</u>	<u>-</u>	<u>-</u>
TETRA PAK - Provident Fund				
Term Finance Certificates - Sold	<u>8,116,084</u>	<u>-</u>	<u>-</u>	<u>-</u>
IGI Money Market Fund				
Treasury Bills - purchased	<u>123,438,474</u>	<u>480,952,910</u>	<u>-</u>	<u>39,379,560</u>
Treasury Bills - sold	<u>19,839,010</u>	<u>133,911,277</u>	<u>-</u>	<u>114,024,257</u>
IGI Aggressive Income Fund				
Term Finance Certificates - Purchased	<u>68,702,745</u>	<u>-</u>	<u>20,118,754</u>	<u>-</u>
Term Finance Certificates - Sold	<u>-</u>	<u>39,846,658</u>	<u>-</u>	<u>39,846,658</u>
Treasury Bills - sold	<u>4,964,150</u>	<u>-</u>	<u>-</u>	<u>-</u>
Treasury Bills - purchased	<u>6,803,146</u>	<u>-</u>	<u>-</u>	<u>-</u>
IGI Capital Protected Fund				
Treasury Bills - purchased	<u>13,714,320</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Related Parties				
IGI Finex Securities Limited				
Brokerage/ Commission	<u>36,532</u>	<u>141,058</u>	<u>-</u>	<u>89,979</u>
First International Investment Bank Group Provident Fund				
Treasury Bills - sold	<u>389,538</u>	<u>4,864,850</u>	<u>-</u>	<u>4,864,850</u>
Central Depository Company of Pakistan Limited				
Trustee fee	<u>1,347,177</u>	<u>2,064,378</u>	<u>460,461</u>	<u>496,321</u>

11.4 Other balances

	31 March	30 June
	2012	2011
	Unaudited	Audited
	-----Rupees-----	
Associated Companies / Undertakings		
IGI Funds Limited - Management Company		
Management fee	<u>1,592,019</u>	<u>1,337,680</u>
Sales Load	<u>24,333</u>	<u>-</u>
IGI Investment Bank Limited		
Certificate of deposit	<u>51,251,367</u>	<u>119,287,828</u>
Receivable under reverse repurchase transaction	<u>-</u>	<u>201,164,381</u>
Other Related Parties		
IGI Finex Securities Limited		
Brokerage/ Commission	<u>20,283</u>	<u>5,301</u>
Central Depository Company of Pakistan Limited		
Trustee fee	<u>165,334</u>	<u>160,829</u>

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. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than unrealized capital gains / loss to the unit holders. The management company has declared at period end a sufficient distribution out of accounting income of the Fund for the nine months period ended 31 March 2012 in order to comply with the above stated clause and regulation and intends to distribute not less than 90% of the its annual accounting income, if any, to comply with the above clause and regulation at year end. Accordingly, no tax provision has been made in this condensed interim financial statements for the nine months period ended 31 March 2012.

13 GENERAL

These financial statements were authorised for issue by Board of Directors of the Management Company on **24 April 2012**.

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

Chief Executive

Director