



Investment Bank

Ref: SIC-044(a)-2015

Fax: 111-573-329

October 05, 2015

To,
The General Manager
Karachi Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Financial Results For The Year Ended June 30, 2015

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held October 02, 2015 at 04:30 pm at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi recommended the following:

(i) CASH DIVIDEND

Nil

AND/OR

(ii) BONUS SHARES

Nil

AND/OR

(iii) RIGHT SHARES

Nil

AND/OR

(iv) ANY OTHER ENTITLEMENT/CORPORATE ACTION

Nil

AND/OR

(v) ANY OTHER PRICE-SENSITIVE INFORMATION

The financial results of the Company are as follows:

IGI Investment Bank Limited

IGI INVESTMENT BANK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
	----- (Rupees in '000) -----	
Income		
Income from investments	36,272	14,371
Income from loans and advances	-	1,038
Income from lease finance	1,836	8,183
Income from fee, commission and brokerage	8,891	9,637
	<u>46,999</u>	<u>33,229</u>
Finance costs	10,857	65,734
	<u>36,142</u>	<u>(32,505)</u>
Administrative and general expenses	39,776	46,298
	<u>(3,634)</u>	<u>(78,803)</u>
Other income	4,265	11,684
	631	(67,119)
Other operating expenses	2,044	1,918
	<u>(1,413)</u>	<u>(69,037)</u>
Reversal of provision / (provision) for bad and doubtful loans and advances / lease losses - specific - net	48,332	(44,921)
Provision for residual values against lease losses	(1,780)	-
Provision against other assets	(2,206)	(595)
Loss on sale of assets acquired in settlement of claims	-	(3,633)
Loss on termination of lease contracts	(13,172)	(8,170)
(Impairment) / reversal of impairment against investments:		
unquoted companies	-	(10,064)
listed equity securities	(3,505)	(1,745)
term finance certificates	(1,640)	3,051
	<u>(5,145)</u>	<u>(8,758)</u>
Profit / (loss) before taxation	<u>24,616</u>	<u>(135,114)</u>
Taxation - net	(7,112)	(604)
Profit / (loss) after taxation	<u>17,504</u>	<u>(135,718)</u>
Other comprehensive income	-	-
Total comprehensive income / (loss)	<u>17,504</u>	<u>(135,718)</u>
	----- (Rupee) -----	
Earnings / (loss) per share	<u>0.08</u>	<u>(0.64)</u>

**IGI INVESTMENT BANK LIMITED AND ITS SUBSIDIARY
COMPANY
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015**

	2015	2014
	----- (Rupees in '000) -----	
Income from investments	40,661	15,420
Income from loans and advances	-	1,038
Income from lease finance	1,836	8,183
Income from fees, commission and brokerage	104,428	89,564
Other operating revenue	25,498	15,737
	<u>172,423</u>	<u>129,942</u>
Administrative and general expenses	157,575	137,738
	14,848	(7,796)
Other income	10,206	12,468
Gain on sale of assets classified as held for sale	-	8,875
	<u>25,054</u>	<u>13,547</u>
Other expenses:	3,242	2,356
Finance costs	7,355	62,462
	<u>14,457</u>	<u>(51,271)</u>
Reversal of provision / (provision) for bad and doubtful loans and advances / lease losses - specific - net	48,332	(44,921)
Provision for residual values against lease losses	(1,780)	-
Provision against other assets	(2,206)	(595)
(Provision) / reversal of provision against:		
Trade debts - net	116	2,910
Other receivables	(5,903)	4,056
Loss on termination of lease contracts	(13,172)	(8,170)
Loss on sale of assets acquired in settlement of claims	-	(3,633)
(Impairment) / reversal of impairment against investments:		
unquoted companies	-	(10,064)
listed equity securities	(3,505)	(1,745)
term finance certificates	(1,640)	3,051
	<u>20,242</u>	<u>(59,111)</u>
Profit / (loss) before taxation	<u>34,699</u>	<u>(110,382)</u>
Taxation - current	(8,888)	(3,468)
- deferred	(220,511)	(5,272)
	<u>(229,399)</u>	<u>(8,740)</u>
Loss after taxation	<u>(194,700)</u>	<u>(119,122)</u>
Other comprehensive income - net of tax	-	-
Total comprehensive loss	<u>(194,700)</u>	<u>(119,122)</u>
Loss attributable to non-controlling interest	-	-
Loss attributable to shareholders of the parent	<u>(194,700)</u>	<u>(119,122)</u>
	<u>(194,700)</u>	<u>(119,122)</u>
	----- (Rupee) -----	
Loss per share	<u>(0.92)</u>	<u>(0.56)</u>

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **IGI Investment Bank Limited** ("the Investment Bank") as at June 30, 2015 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Investment Bank's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the Investment Bank as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Investment Bank's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Investment Bank;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Investment Bank's affairs as at June 30, 2015 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Emphasis of matter

We draw attention towards:

- i) note 1.3 to the financial statements which states that the Investment Bank has accumulated losses at June 30, 2015 amounting to Rs. 2,212.074 million (June 30, 2014: Rs. 2,226.077 million). Further, the



Investment Bank is not in compliance with the minimum equity requirement as specified under the NBFC Regulations for NBFCs undertaking leasing and investment finance activities. These conditions, along with other matters as set forth in note 1.3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Investment Bank's ability to continue as a going concern.

- ii) notes 6.5, 7.4, 8.5 and 12.5 to the financial statements which state certain non-compliances with the NBFC Regulations, 2008.

Our opinion is not qualified in respect of the above matters.

The financial statements of the Investment Bank for the year ended June 30, 2014 were audited by another auditor whose audit report dated September 30, 2014 contained an emphasis of matter paragraph on the same issues as described above.

Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated:

Karachi



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of IGI Investment Bank Limited (the Holding Company or the Investment Bank) and its subsidiary company, IGI Finex Securities Limited (here-in-after referred to as 'the Group') as at June 30, 2015 and the related consolidated profit and loss account, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of the Holding Company and its subsidiary company. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of IGI Investment Bank Limited and its subsidiary company as at June 30, 2015 and the results of their operations for the year then ended.

We draw attention towards:

- i) note 1.1.2 to the consolidated financial statements which states that the Investment Bank has accumulated losses at June 30, 2015 amounting to Rs. 2,212.074 million (June 30, 2014: Rs. 2,226.077 million). Further, the Investment Bank is not in compliance with the minimum equity requirement as specified under the NBFC Regulations for NBFCs undertaking leasing and investment finance activities. These conditions, along with other matters as set forth in note 1.1.2 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Investment Bank's ability to continue as a going concern.
- ii) notes 7.4, 8.4, 9.5 and 13.5 to the consolidated financial statements which state certain non-compliances with the NBFC Regulations, 2008.

Our opinion is not qualified in respect of the above matters.

The consolidated financial statements of the Group for the year ended June 30, 2014 were audited by another auditor who (in reliance of the qualified opinion issued on the separate financial statements of IGI Finex Securities Limited by the subsidiary company's auditor on September 29, 2014) had expressed a qualified opinion vide their report dated September 30, 2014 highlighting that in the absence of certainty of future taxable profit against which unused tax losses and deductible temporary differences could be utilised the subsidiary company's auditors were unable to determine if any adjustment was required to the carrying amount of net deferred tax asset. In addition, the audit report dated September 30, 2014 contained an emphasis of matter paragraph on the same issues as described above. The matter relating to deferred taxation has been resolved in the current year by the management of the subsidiary company as explained in note 10.2 to the consolidated financial statements.

Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated:
Karachi



IGI

Investment Bank

The Annual General Meeting of the Company will be held on October 31, 2015 at 09:30 am at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi.

*The above entitlement will be paid to the shareholders whose names will appear in the Register of Members on _____

The Share Transfer Books of the Company will be closed from October 25, 2015 to October 31, 2015 (both days inclusive). Transfers received at THK Associates (Pvt) Limited located at 2nd Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi at the close of business on October 24, 2015 will be treated in time for the purpose of above entitlement to the transferees.

We will be sending you 200 copies of printed accounts for distribution amongst the members of the Exchange in 21 days before the date of AGM.

Yours sincerely,



Adil Ajl Abbasi
CFO & Company Secretary

IGI Investment Bank Limited

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