

IGI

Investment Bank

Ref: SIC-043(a)-2016

October 03, 2016

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

Subject: **Financial Results For The Year Ended June 30, 2016**

Dear Sir,

We have to inform you that the Board of Directors of our company in their meeting held September 30, 2016 at 04:00 p.m. 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:



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**IGI INVESTMENT BANK LIMITED AND ITS SUBSIDIARY COMPANY
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016**

	2016	2015
	----- (Rupees in '000) -----	
Income from investments	7,175	40,661
Income from lease finance	1,270	1,836
Income from fees, commission and brokerage	128,803	104,428
Other operating revenue	17,207	25,498
	154,455	172,423
Administrative and general expenses	153,179	157,549
	1,276	14,874
Other income	4,760	10,206
	6,036	25,080
Other expenses	3,897	3,268
Finance costs	853	7,355
	1,286	14,457
Reversal of provision against bad and doubtful loans and advances / lease losses - specific - net	28,024	48,332
Provision for residual values against lease losses	-	(1,780)
(Provision) / reversal of provision against:		
Trade debts - net	3,622	116
Other receivables	(1,121)	(8,109)
Loss on termination of lease contracts	(8,775)	(13,172)
Impairment against investments:		
listed equity securities	-	(3,505)
term finance certificates	-	(1,640)
	21,750	20,242
Profit before taxation	23,036	34,699
Taxation - net	(3,465)	(229,399)
Profit / (loss) after taxation	19,571	(194,700)
Other comprehensive income - net of tax	-	-
Total comprehensive income / (loss)	19,571	(194,700)
Profit / (loss) attributable to non-controlling interest	-	-
Profit / (loss) attributable to shareholders of the parent	19,571	(194,700)
	19,571	(194,700)
	----- (Rupee) -----	
Earnings / (loss) per share	0.09	(0.92)

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**IGI INVESTMENT BANK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016**

	2016	2015
	----- (Rupees in '000) -----	
Income		
Income from investments	5,260	36,272
Income from lease finance	1,270	1,836
Income from fee, commission and brokerage	8,250	8,891
	14,780	46,999
Finance costs	6,205	10,857
	8,575	36,142
Administrative and general expenses	29,130	39,750
	(20,555)	(3,608)
Other income	1,791	4,265
	(18,764)	657
Other expenses	2,757	2,070
	(21,521)	(1,413)
Reversal of provision against bad and doubtful loans and advances / lease losses - specific - net	28,024	48,332
Provision for residual values against lease losses	-	(1,780)
Provision against other assets	(197)	(2,206)
Loss on termination of lease contracts	(8,775)	(13,172)
Impairment against investments:		
listed equity securities	-	(3,505)
term finance certificates	-	(1,640)
	-	(5,145)
(Loss) / profit before taxation	(2,469)	24,616
Taxation - net	2,243	(7,112)
(Loss) / profit after taxation	(226)	17,504
Other comprehensive income	-	-
Total comprehensive (loss) / income	(226)	17,504
	----- (Rupees) -----	
(Loss) / earnings per share	(0.001)	0.083

IGI Investment Bank Limited

7th Floor, The Forum, Suite No. 701 - 713, G-20, Block-9, Khayaban-e-Jami, Clifton, Karachi-75600, Pakistan.
Tel: 111-234-234 Fax: 111-567-567

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, 2016 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, 2016 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, 2016 amounting to Rs. 2,212.300 million. Further, the Investment Bank is not in compliance with the minimum equity requirement as specified under the NBFC Regulations for non-deposit taking NBFCs. 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 6.4, 7.3, 8.5 and 12.5 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.

Chartered Accountants

Engagement Partner: **Shahbaz Akbar**

Dated:

Karachi



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of IGI Investment Bank Limited ('the Investment Bank') as at June 30, 2016 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, 2016 and of the loss, 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).

We draw attention towards:

- i) note 1.3 to the financial statements which states that the Investment Bank has accumulated losses at June 30, 2016 amounting to Rs. 2,212.300 million. Further, the Investment Bank is not in compliance with the minimum equity requirement as specified under the NBFC Regulations for non-deposit taking NBFCs. 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; and
- ii) notes 6.5, 7.3, 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.

Chartered Accountants
Engagement Partner: **Shahbaz Akbar**
Dated:
Karachi



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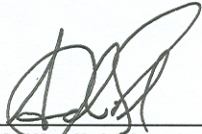
The Annual General Meeting of the Company will be held on October 31, 2016 at 02:30 pm at 7th Floor, The Forum, Suite No. 701-713, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi.

*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, 2016 to October 31, 2016 (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, 2016 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 Ali Abbasi
CFO & Company Secretary

IGI Investment Bank Limited