



COMPANY INFORMATION

Board of Directors	:	Mr. Muhammad Sohail Dayala (Chairman and Chief Executive Officer) Mrs. Halima Dayala Mr. Aryn Nasiruddin Mr. Muhammad Amjad Nazir Mr. Bashir Ahmed Khanani Syed Rashid Ali Mr. Arsalan Aftab
Audit Committee	:	Mrs. Halima Dayala - Chairperson Mr. Muhammad Amjad Nazir - Member Mr. Bashir Ahmed Khanani - Member
Chief Financial Officer & Company Secretary	:	Mr. Arsalan Aftab
Auditors	:	M/s. Riaz Ahmad, Saqib, Gohar & Company Chartered Accountants 5 - Nasim, C.H.S. Major Nazir Bhatti Road, Off: Shaheed-e-Millat Road, Karachi, Pakistan.
Legal Advisor	:	M/s. K. D. Rajani & Company Suit No. E-42, Executive Floor, Glass Tower, Teen Talwar, Clifton, Karachi, Pakistan.
Share Registrar	:	M/s. Technology Trade (Private) Limited Dagia House, 241-C, Block-2, P.E.C.H.S., Off: Shahrah-e-Quaideen, Karachi, Pakistan.
Bankers	:	MCB Bank Limited Standard Chartered Bank (Pakistan) Limited Bank Alfalah Limited Mybank Limited NIB Bank Limited KASB Bank Limited United Bank Limited Bank AL Habib Limited Habib Metropolitan Bank Limited Saudi Pak Commercial Bank Limited The Bank of Khyber Arif Habib Bank Limited Bank Islami Pakistan Limited Habib Bank Limited JS Bank Limited
Registered Office	:	12th Floor, Corporate Tower, Techno City Building, Hasrat Mohani Road, Off: I. I. Chundrigar Road, Karachi, Pakistan.
Website	:	www.investfinance.com.pk



VISION

Our vision is to develop our company on professional and ethical basis in order to become a leading market player in the financial services sector and a valued contributor in the development of financial markets. We seek to create and maximize value by constantly trying to remain abreast of the market's perspective. We aim to work as a partner to help in attaining the best financial outcome for our clients. Our goal is to be the most respected financial services Company.



MISSION

Our mission is to contribute to the ideal growth of capital markets. We are committed to being a balanced intermediary with the highest ethical principles in order to provide clients with the best execution services and innovative products.



NOTICE OF NINTH ANNUAL GENERAL MEETING

Notice is hereby given that ninth Annual General Meeting of Invest and Finance Securities Limited ('the Company' or 'IFSL') will be held on Monday, October 20, 2008 at 02.00 pm at Moosa D. Desai Auditorium, Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi, Pakistan; to transact the following businesses, after religious recitals:

1. To confirm the minutes of the preceding general meeting i.e., the 8th Annual General Meeting of the Company held on September 18, 2007;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the financial year ended June 30, 2008, togetherwith the Directors' Report and to read the Auditors' Report thereon;
3. To appoint the Statutory Auditors of the Company for the ensuing year, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

Special Business

5. To consider, and if thought appropriate, fit and proper, approve and resolve the passing of a special resolution in respect of placement of quarterly accounts on the website of the Company as permitted under circular 19 of 2004 of the Securities and Exchange Commission of Pakistan.

By order of the Board

Arsalan Aftab
Company Secretary

Karachi: September 27, 2008

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 13, 2008 to October 20, 2008 (both days inclusive) and no transfer will be accepted for registration during this period.
2. Members are requested to immediately notify change in their addresses, if any, to the Share Registrar of the Company; M/s. Technology Trade (Private) Limited, Dagia House, 241-C, Block-2, P.E.C.H.S., Off: Shakra-e-Quaideen, Karachi, Pakistan.

3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the abovesaid address of Company's Share Registrar, not less than 48 hours before the time of the meeting.
4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan:
 - a) **For Attending Meeting:**
 - i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (NIC), or original passport at the time of attending the meeting.
 - ii) In case of corporate entity, the Board of Directors' resolution/power of attorney, alongwith the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of meeting.
 - b) **For Appointing Proxies:**
 - i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
 - ii) Two persons, whose names, addresses, and NIC numbers shall be mentioned on the form, shall witness the proxy.
 - iii) Attested copies of NIC or passport of the beneficial owners and proxy shall be furnished alongwith the proxy form.
 - iv) The proxy shall produce his/her original NIC or original passport at the time of the meeting.
 - v) In case of corporate entity, the Board of Directors' resolution/power of attorney, alongwith the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.

"Statement under Section 160(1)(b) of the Companies Ordinance, 1984, concerning the Special Business, is attached alongwith the Notice circulated to the members of the Company, and is deemed an integral part hereof"



STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

This statement is annexed as an integral part of the Notice of the 9th Annual General Meeting of Invest and Finance Securities Limited ("the Company" or "IFSL") to be held on Monday, October 20, 2008 at 02.00 pm at Moosa D. Desai Auditorium, Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi, Pakistan; and sets out the material facts concerning the Special Business to be transacted at the Meeting.

Special Business

- 5. To consider, and if thought appropriate, fit and proper, approve and resolve the passing of a special resolution in respect of placement of quarterly accounts on the website of the Company as permitted under circular 19 of 2004 of the Securities and Exchange Commission of Pakistan.**

The sending of quarterly accounts to all members by mail is a costly and cumbersome exercise. Cost savings can be achieved if Companies are allowed to place accounts on their websites instead of transmitting the same to the Shareholders by post.

The Securities and Exchange Commission of Pakistan ("SECP") vide circular # 19 of 2004 has allowed listed companies to place their quarterly accounts on their websites instead of sending the same to each member by post; which will be treated as compliance with the provisions of Section 245 of the Companies Ordinance, 1984.

The Company already has a website www.investfinance.com.pk. Prior approval of the SECP and Karachi Stock Exchange (Guarantee) Limited would be sought for transmission of quarterly accounts through the Company's website after the approval of the members is obtained. After obtaining the requisite permissions, the Company shall inform its members through an advertisement in the press that subsequent quarterly accounts would be transmitted to them through the Company's website. The Company, however, will supply printed copies of quarterly accounts to the members, on demand, at their registered addresses, free of cost, within one week of receiving such requests.

The Board of Directors of the Company in its meeting held on September 15, 2008 has approved the placement of Quarterly Accounts of the Company on the Company's website and recommended the same to the members for approval. Therefore following resolutions are proposed to be passed as special resolutions with or without modification:

"RESOLVED THAT placement of Quarterly Accounts of Invest and Finance Securities Limited on its website as permitted through Circular No. 19 of 2004 of the Securities and Exchange Commission of Pakistan be and is hereby approved subject to the approval of Karachi Stock Exchange (Guarantee) Limited and Securities and Exchange Commission of Pakistan."

"FURTHER RESOLVED THAT the Chief Executive Officer and/or the Secretary of the Company be and is/are hereby authorized to complete all necessary formalities with regard to the above Resolution and to carry out such acts, deeds and things as may be deemed necessary in this respect."

The Directors of the Company have no direct or indirect interest in the above resolution that would require further disclosure.



DIRECTORS' REPORT TO THE MEMBERS

BEGIN IN THE NAME OF ALLAH THE MOST GRACIOUS AND MERCIFUL

Dear Member(s)

Assalam-o-Alykum!

I, on behalf of Board of Directors of your Company, am pleased to present herewith Audited Annual Financial Statements of the Company for the financial year ended June 30, 2008, together with the Auditors' Report thereon.

Performance Review

The Company has earned a profit before tax of Rs. 32.856 million and profit after tax of Rs. 20.212 million for the year ended June 30, 2008 as compared to Rs. 168.717 and Rs. 161.038 million respectively in the corresponding period. Operating Revenue for the year ended June 30, 2008 is lowered by 38.85% due to reduced return in ready future arbitrage, CFS Transactions and reduced trading volumes in the stock market in the last quarter of the financial year. However, Brokerage Revenue has increased to Rs. 126.852 million from 115.043 million, which is mainly contributed by expansion of Branch network, whereas operating expenses have increased significantly to Rs. 89.122 million from Rs. 52.667 of last year mainly due to overall expansion. As a result of the above factors the profit before tax and after tax has declined by 80.52% and 87.45% respectively. Figuratively speaking, the following are the results of the operations of the Company during the year:

	(Rupees)
Operating Revenue	191,030,133
Profit before tax	32,856,075
Profit after tax	20,212,350
Earnings per share	0.39

At the end of the Financial Year (i.e. on June 30, 2008), the capital of your Company stood at PKR 600.496 million and its total equity at PKR 626.89 million. This depicts an increase of 28.8% mainly attributed to Issue of ordinary shares to the General Public. During the period under review, the Company has offered to public 12 Million ordinary shares. The Issue was fully subscribed on the dates of subscription i.e. February 11, 2008 and February 12, 2008. The ordinary shares of the Company were listed at the Karachi Stock Exchange (Guarantee) Limited on March 20, 2008.

Earnings per share

The basic and diluted earnings per share of the Company is PKR 0.39 as compared to PKR 3.35 of the corresponding period.

Dividend and other appropriations

The impact of the economic conditions of the Country has resulted in uncertainty for investors thus effecting Stock Exchange and ultimate impact on the financial performance of your



Company. The Board of Directors has not recommended any dividend or other appropriations for the period under consideration.

Post Balance Sheet Events

There has been no event subsequent to the balance sheet date that would require an appropriate disclosure or adjustment to the financial statements referred herein.

Financial Statements

These financial statements have been endorsed by Chief Executive Officer and Chief Financial Officer of the Company, recommended for approval by the Audit Committee of the Board, and approved by the Board of Directors for presenting before the members and for members' consideration and approval. The auditors of the Company, M/s. Riaz Ahmad, Saqib, Gohar & Company, Chartered Accountants, audited the financial statements and have issued an unqualified report to the members.

Auditors

The present auditors, M/s. Riaz Ahmad, Saqib, Gohar & Company, Chartered Accountants, retire and being eligible for reappointment offered themselves for the same. The Board of Directors of your Company, based on the recommendation of the audit committee of the Board, propose M/s. Riaz Ahmad, Saqib, Gohar & Company, Chartered Accountants for reappointment as auditors of the Company for the ensuing year.

Compliance with the Code of Corporate Governance

The Statement of Compliance with the Code of Corporate Governance is annexed.

Statement of Compliance under the Code of Corporate Governance

- a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
- d) The financial statements are prepared in accordance with International Financial Reporting Standards, where applicable and as applicable in Pakistan.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.

- g) There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.
- h) Key operating and financial data for last six years in summarized form is annexed.
- i) There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2008 except for those disclosed in financial statements.
- j) The Company operates an approved contributory provident fund for its eligible employees. Value of Investments as per un-audited financial statements for the year ended June 30, 2008 amounts to approximately Rs. 575,000/-.
- k) During the year six (6) meetings of Board of Directors were held. Attendance by each Director was as follows:

Name of Directors	No. of meetings eligible to attend	No. of meetings attended
Mr. Muhammad Sohail Dayala	6	6
Mrs. Halima Dayala	6	6
Mr. Javed Yusuf Ahmedjee	6	5
Mr. Muhammad Amjad Nazir	4	4
Mr. Bashir Ahmed Khanani	4	1
Syed Rashid Ali	4	1
Mr. Arsalan Aftab	4	4

The leave of absence was granted to Directors who could not attend some of the Board meetings.

At the start of period under review (i.e. on July 01, 2007) the Board was comprised of three Directors namely Mr. Muhammad Sohail Dayala, Mrs. Halima Dayala and Mr. Javed Yusuf Ahmedjee. The Company increased the number of Directors in the Annual General Meeting held on September 18, 2007 to seven in order to meet the minimum requirement of number of directors for a listed company.

Mr. Aryn Nasiruddin has been co-opted as Director of the Company on August 19, 2008 due to casual vacancy occurred upon the resignation of Mr. Javed Yusuf Ahmedjee.

- l) Patterns of shareholdings as required under the Companies Ordinance, 1984 and the Code of Corporate Governance are annexed at the end of annual report.
- m) The shares of the Company were listed on the Karachi Stock Exchange (Guarantee) Limited on March 20, 2008. None of the CEO, CFO, Directors, Company Secretary, their spouses and minor children have traded in the shares of the Company thereafter.



Economic and Stock Market Review

Pakistan's economy endured a tough year, along with the global trend in developing economies during financial year 2008. The tough economic environment has been driven by record level of global crude oil prices, which touched a high of US\$147/bbl. Trickle-down effects included record-level inflation of 20% plus towards the end of June 2008. This has resulted due to gradual removal of subsidies from petroleum products and electricity. Also, the State Bank of Pakistan has continued to tighten monetary policy, with an Interim Monetary Policy being announced in May 2008. Rising interest rates have also hampered economic activity, as well as activity at the KSE.

Consequently, Pakistan's balance of payments deficit has also suffered with foreign exchange reserves falling sharply to US\$11.3bn at end June 2008, which had touched a high of US\$16.5bn in October 2007. These have now fallen further to US\$8.9bn in Sep 2008, which denotes that the tough times for Pakistan's economy are still ongoing. GDP growth during financial year 2008 also fell to 5.8%, which was for the first time in five years, and the government has set an even lower target of 5.5% for financial year 2009.

Pakistan's economic performance has also been sluggish owing to the political shifts that have taken place. After the elections in February 2008, the economy has not received as much attention as it should have, with the government mostly content with firefighting till the time it consolidates its control on the country's politics. Privatization activity was at a complete standstill, while foreign investors also did not remain as aggressive with their FDI plans.

The impact of the economic conditions has resulted in uncertainty for investors, which is affecting the overall volume of business in the economy. The KSE-100 Index ended up showing a decline of 10.8% during FY08, and remained plagued with political uncertainty, economic impasse, and deteriorating law and order situation at the country's north-western front. Foreign investors confidence, which had remained high during financial year 2007, began to waver in financial year 2008 and a swift 19% devaluation in the Pak Rupee since April 2008 also caused concern among investors. As foreign investors had mainly invested in banking and oil & gas sectors, the major pressure of selling was also observed in these sectors. The KSE-100 Index, which had been rallying since financial year 2002, faced a stiff correction during financial year 2008.

Future Prospects and Outlook

Financial year 2009 is also likely to be another tough year for Pakistan's economy, which is likely to be characterized by high inflation and falling GDP growth. Your company hopes for better things to come as the presidential election has also taken place. The end of the electoral process is likely to allow the government to deal with the country's economic worries. We believe that once the government begins to focus on the country's economic problems, and if international crude oil prices continue their downward trend, the country could face a better economic environment going forward.



Recently, the KSE has taken extraordinary measures such as special sessions and placing a floor on stock prices in order to avoid any major problem for the overall financial sector. Your Company's Board believes that the current situation at the KSE-100, which is characterized by historically low volumes, is a temporary one and is likely to be improved in the near future.

The Company is at present traveling through the growth phase of the operating cycle with much concentration on quality earnings, which is evident from the expansion of Country wide Branch Network, which will Insha-Allah result in increased brokerage income. At present the Company has nine branches in eight different cities. Furthermore, in addition to strengthen its brokerage business and client base, your Company is also positioning itself to enter into and service other market segments in order to diversify revenue sources and has already established a Corporate Finance Department.

Acknowledgements

The Board of Directors of your Company wishes to place on record its gratitude to the Regulators, its bankers, Members, clients and business partners for their continued cooperation and support. Further, the Board appreciates the valuable, loyal, and commendable services rendered to the Company by its executives and staff members.

In conclusion, we pray to almighty Allah for his blessings, guidance, health and prosperity to us, our company, country and nation.

For and on behalf of the Board of Directors

MUHAMMAD SOHAIL DAYALA
Chairman and Chief Executive Officer

Karachi, September 15, 2008



SIX YEARS AT A GLANCE

PARTICULARS	2008	2007	2006	2005	2004	2003
Operating Performance (Rupees in 000)						
Revenue	191,030	312,413	156,044	45,105	60,256	12,760
Operating Expenses	89,122	52,667	27,822	14,580	12,640	7,280
Financial Expenses	69,368	93,288	70,098	20,183	4,189	5,270
Other Income/ (Loss)	316	2,258	(111)	94	1,315	3,754
Profit before tax	32,856	168,717	58,013	10,393	44,742	3,964
Profit after tax	20,212	161,038	55,625	9,318	44,475	3,527
Per Ordinary Shares (Rupees)						
Earnings per share	0.39	6.70	3.59	3.10	14.81	3.52
Break-up value per share	10.44	20.26	13.55	29.06	25.96	13.45
Dividends (Percentage)						
Cash	-	-	-	-	-	-
Bonus Shares	100	-	300	-	-	-
Assets & Liabilities (Rupees in 000)						
Total Assets	2,344,604	1,254,306	1,542,881	650,165	704,670	167,343
Current Assets	2,117,430	1,062,014	1,357,060	586,445	657,378	157,393
Current Liabilities	1,495,728	539,549	1,014,221	562,574	626,143	153,856
Financial Position (Rupees in 000)						
Shareholder's equity	626,866	486,653	325,615	87,281	77,963	13,488
Share Capital	600,496	240,248	240,248	30,031	30,031	10,031
Reserves	26,370	246,406	85,368	57,250	47,932	3,457
Shares outstanding- (Number in 000)	60,050	24,025	24,025	3,003	3,003	1,003
Return on Shareholders' Equity-(%)	3.22%	33.09%	17.08%	10.68%	57.05%	26.15%
Return on total Assets-(%)	0.86%	12.84%	3.61%	1.43%	6.31%	2.11%
Current ratio-times	1.42	1.96	1.34	1.04	1.05	1.02

Note:

The above figures are based on audited financial statements of respective years.



STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations of Karachi Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. Since the ordinary shares of the Company were listed on the Karachi Stock Exchange (Guarantee) Limited (KSE) on March 20, 2008, the provisions of the Code became applicable on the Company as such.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes four non-executive directors.
2. The Directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the period under review.
5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.
6. The Board has developed a vision/mission statement and significant policies of the Company. A complete record of particulars of significant policies alongwith the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board arranged an in-house orientation course for its directors during the year to apprise them of their duties and responsibilities.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.



11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully described the silent matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee. It comprises of three members, two of them are non-executive directors including the chairman of the committee.
16. Financial Statements for the third quarter only were presented subsequent upon listing. The meeting of the audit committee was held prior to approval of the third quarter results of the Company as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has set-up an effective internal audit function.
18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other service except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all other material principles contained in the Code have been complied with. However, auditors could not attend the meeting required under Clause XXXII as the ordinary shares of the Company were listed on the Karachi Stock Exchange (Guarantee) Limited on March 20, 2008 and financial statements for the third quarter only were presented subsequent upon listing of the company (i.e. applicability of provisions of Code).

MUHAMMAD SOHAIL DAYALA
Chairman and Chief Executive Officer

Karachi, September 15, 2008

RIAZ AHMAD, SAQIB, GOHAR & COMPANY

Chartered Accountants

Review Report to the Members on Statement of Compliance with best practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Invest and Finance Securities Limited ("the Company") to comply with the Listing Regulations of the Karachi Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the company for the year ended June 30, 2008.

Karachi, September, 15, 2008



Riaz Ahmad, Saqib, Gohar & Co.
Chartered Accountants

RIAZ AHMAD, SAQIB, GOHAR & COMPANY

Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Invest and Finance Securities Limited** as at June 30, 2008 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 company'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 state that:

- (a) in our opinion, proper books of account have been kept by the company 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 company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
 - (iv) 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 company's affairs as at June 30, 2008 and of the profit, its cash flow and changes in equity for the year then ended; and
 - (v) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Karachi, September, 15, 2008



Riaz Ahmad, Saqib, Gohar & Co.
Chartered Accountants

BALANCE SHEET
AS AT JUNE 30, 2008



<u>ASSETS</u>	Note	2008 Rupees	2007 Rupees
NON-CURRENT ASSETS			
Property and equipment	4	57,713,169	57,973,145
Intangible assets	5	107,597,652	107,893,933
Long term investments	6	57,120,000	22,720,000
Long term deposits		4,743,385	3,704,356
		<u>227,174,206</u>	<u>192,291,434</u>
CURRENT ASSETS			
Trade debts	7	954,210,649	675,988,066
Receivable under CFS transactions		65,854,763	25,276,072
Trade debts - margin financing		321,683,287	-
Short term investments	8	526,242,140	180,532,549
Advances, deposits, prepayments and other receivables	9	77,300,527	99,488,446
Receivable from NCCPL		163,600,008	76,532,095
Cash and bank balances	10	8,538,726	4,196,958
		<u>2,117,430,100</u>	<u>1,062,014,186</u>
TOTAL ASSETS		<u>2,344,604,306</u>	<u>1,254,305,620</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
SHARE CAPITAL			
Authorized 100,000,000 (2007: 50,000,000) ordinary shares of Rs.10 each		<u>1,000,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up capital	11	600,496,000	240,248,000
RESERVES			
Share premium account		-	62,584,604
Unappropriated profit		26,369,666	183,820,712
		<u>626,865,666</u>	<u>486,653,316</u>
SURPLUS ON REVALUATION OF MEMBERSHIP CARD	12	61,921,400	61,921,400
NON-CURRENT LIABILITIES			
Long term loan	13	160,000,000	160,000,000
Liabilities against assets subject to finance lease	14	89,493	4,677,770
CURRENT LIABILITIES			
Current portion of long term loan	13	100,000,000	40,000,000
Current portion of liabilities against asset subject to finance lease	14	4,601,625	3,633,073
Short term running finance	15	1,039,706,704	323,751,358
Trade and other payables	16	351,419,418	173,668,703
		<u>1,495,727,747</u>	<u>541,053,134</u>
CONTINGENCIES AND COMMITMENTS	17	-	-
TOTAL EQUITY AND LIABILITIES		<u>2,344,604,306</u>	<u>1,254,305,620</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2008

	Note	2008 Rupees	2007 Rupees
OPERATING REVENUE			
Brokerage income		126,851,527	115,043,206
Dividend income		19,637,088	24,031,830
Gain on sale of investments-net		29,158,196	134,407,580
Income on CFS		7,269,346	18,265,101
Profit on Sukuk Bonds		1,406,794	-
Gain/ (loss) on revaluation of investments carried at fair value through profit and loss account- net		(6,586,095)	12,004,680
Fees and commission		12,827,217	8,660,718
Mark-up on margin financing		466,060	-
		191,030,133	312,413,115
EXPENDITURE			
Administrative and general expenses	18	(89,122,043)	(52,666,659)
Operating profit		101,908,090	259,746,456
Other income	19	316,429	2,258,432
Financial charges	20	(69,368,444)	(93,287,994)
		32,856,075	168,716,894
PROFIT BEFORE TAXATION			
TAXATION	21	(12,643,725)	(7,678,715)
PROFIT AFTER TAXATION		20,212,350	161,038,179
Earnings per share - basic and diluted	22	0.39	3.35

The annexed notes from 1 to 30 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR



CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2008

	Note	2008 Rupees	2007 Rupees
Cash Flows From Operating Activities			
Profit for the year before taxation		32,856,075	168,716,894
Adjustments for:			
Depreciation		9,595,255	9,128,367
Amortization of software		296,281	444,400
Financial charges		69,368,444	93,287,994
Loss on disposal of fixed assets		-	347,314
		79,259,980	103,208,075
Operation profit before working capital changes		112,116,055	271,924,969
(Increase)/decrease in current assets			
Trade debts		(278,222,583)	(411,798,247)
Margin financing-client		(321,683,287)	425,140,470
Receivable under CFS transactions		(40,578,691)	(25,276,072)
Short term investments		(345,709,591)	433,025,189
Advances, deposits, prepayments and other receivables		29,966,369	(76,970,759)
Receivable from NCCPL		(87,067,913)	(76,532,095)
		(1,043,295,696)	267,588,486
Increase/(decrease) in current liabilities			
Trade and other payables		162,155,338	(37,417,211)
Cash(used in)/generated from operations		(769,024,303)	502,096,244
Income tax paid		(20,422,175)	(16,280,998)
Finance Charges paid		(53,773,067)	(94,999,753)
Net cash (used in)/generated from operating activities		(843,219,545)	390,815,493
Cash Flows From Investing Activities			
Purchase of fixed assets		(9,335,279)	(24,562,223)
Long term investments		(34,400,000)	(6,720,000)
Proceeds from disposal of fixed assets		-	15,725,000
Long term deposits		(1,039,029)	(616,806)
Net cash used in investing activities		(44,774,308)	(16,174,029)
Cash Flows From Financing Activities			
Proceeds from issue of share capital		120,000,000	-
Loan obtained from bank		100,000,000	200,000,000
Loan repaid during the year		(40,000,000)	(200,000,000)
Margin finance-bank		-	(425,140,470)
Repo-client		-	(300,000,000)
Lease liabilities paid		(3,619,725)	(3,268,479)
Net cash (used in)/generated from financing activities		176,380,275	(728,408,949)
Net Increase/(decrease) in cash and cash equivalents		(711,613,578)	(353,767,485)
Cash and cash equivalents at the beginning of the year		(319,554,400)	34,213,085
Cash and cash equivalents at the end of the year	23	(1,031,167,978)	(319,554,400)

The annexed notes from 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2008

	Issued, subscribed and paid-up capital		Total	General reserve	Revenue reserve	Total	Total
	issued in cash	as bonus shares	Share capital	Capital reserve	Unappropriated profit	Reserve	
Balance as at July 01, 2006	150,155,000	90,093,000	240,248,000	62,584,604	22,782,533	85,367,137	325,615,137
Profit for the year	-	-	-	-	161,038,179	161,038,179	161,038,179
Balance as at July 30, 2007	150,155,000	90,093,000	240,248,000	62,584,604	183,820,712	246,405,316	486,653,316
Issue of shares	120,000,000	240,248,000	360,248,000	(62,584,604)	(177,663,396)	(240,248,000)	120,000,000
Profit for the year	-	-	-	-	20,212,350	20,212,350	20,212,350
Balance as at June 30, 2008	<u>270,155,000</u>	<u>330,341,000</u>	<u>600,496,000</u>	<u>-</u>	<u>26,369,666</u>	<u>26,369,666</u>	<u>626,865,666</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Driven By Trust



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

1 STATUS AND NATURE OF BUSINESS

Invest and Finance Securities Limited ('the Company') was incorporated under the Companies Ordinance, 1984 on September 27, 1999 as a Private Limited Company and converted into Public Unquoted Company w.e.f. November 27, 2006. Effective March 20, 2008 the Company became a listed Company with its shares quoted on the Karachi Stock Exchange (Guarantee) Limited. During the period the Company has offered 12 Million ordinary shares to the public. The issue was fully subscribed on the dates of subscription i.e. February 11, 2008 and February 12, 2008.

The Company is a Corporate Member of the Karachi Stock Exchange (Guarantee) Limited and the Lahore Stock Exchange (Guarantee) Limited. The principal activities of the Company are share brokerage, money market, equity research, corporate finance and advisory and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase / continuous funding system transactions. The registered office of the company is situated at 12th Floor, Corporate Tower, Technocity Building, Hasrat Mohani Road, Off: I.I. Chundrigar Road, Karachi, Pakistan.

2 BASIS OF MEASUREMENT

2.1 Statement of Compliance

These Financial Statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved Accounting Standards comprise of such International Accounting Standards (IASs) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, or the requirements of the said directives take precedence.

2.2 Accounting Convention

These financial statements have been prepared on the basis of historical cost convention except for Membership cards which are stated on revalued amount and certain short term investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to the nearest rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgment, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.



The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the financial statements are described in note 27.

2.5 New Accounting Standards and IFRIC Interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting period beginning on or after July 01, 2008 and are not relevant to the company's operations or are expected to have significant impact on the company's financial statements other than certain increased disclosures in the certain cases:

- IFRS 8- Operating segment (effective for the period beginning on or after January 01, 2009)
- Revised IFRS 3- Business combination (effective for the period beginning on or after July 01, 2009)
- Revised IAS 1- Presentation of financial statements (effective for annual periods beginning on or after January 01, 2009)
- Revised IAS 23- Borrowing costs (effective for annual periods beginning on or after January 01, 2009)
- IFRIC 12- Service concession arrangements (effective for annual periods beginning on or after January 01, 2008)
- IFRIC 13- Customer loyalty programmes (effective for annual periods beginning on or after July 01, 2008)
- IFRIC 14- The limit on defined benefit assets, minimum funding requirements and their interactions (effective for annual periods beginning on or after January 01, 2008)

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Staff retirement benefits

Defined contribution plan

The Company operates a defined contribution plan i.e. recognized provident fund scheme for all of its eligible employees in accordance with the trust deed and rules made there under. Equal monthly contributions at the rate of 10% of basic salary are made to the fund by the Company and the employees.

3.2 Fixed assets

Tangible

These are stated at cost less accumulated depreciation and impairment, if any.

Depreciation is charged to income applying the reducing balance method over the estimated useful lives of related assets, at the rates specified in note 4 to the financial statements. Full year's depreciation on fixed assets is charged in the year of acquisition, whereas no depreciation is charged in the year of disposal.

Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains and losses on disposal of fixed assets are included in income currently.

The company assesses at each balance sheet date whether there is any indication that a fixed asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the estimated recoverable amount, assets are written down to the recoverable amount.

3.3 Intangibles, Stock Exchange Membership Cards and Rooms

These are stated at cost less impairment, if any. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying value exceeds estimated recoverable amount, these are written down to their estimated recoverable amount.

Intangible assets are capitalized when it is probable that future economic benefits attributable to the asset will flow to the enterprise and the same shall be amortized applying an appropriate depreciation rate.

Membership cards

This is stated at revalued amount. Provision is made for decline other than temporary, if any, in value of this asset.

3.4 Assets subject to finance lease

Assets held under finance lease are accounted for by recording the asset and related liability at the amounts determined on the basis of lower of fair value of the asset and the present value of minimum lease payments.

The outstanding obligation under the lease less finance charges allocated to future periods is shown as a liability.

Financial charges is allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Depreciation is charged on the leased assets on the basis similar to that of owned tangible assets.



3.5 Investments

The management of the Company determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies/reclassifies its investment as subsidiaries, associates and joint ventures, held for trading, held to maturity and available for sale.

All investments are initially recognized at cost, being the fair value of the consideration given including transaction costs associated with the investment except in the case of held for trading investments where transaction costs are charged to profit and loss account when incurred.

Unquoted investments, where active market does not exist and fair value cannot be reasonably calculated, are carried at cost. Provision for impairment in value, if any, is taken to income currently.

Held-to-maturity

Investments with fixed maturity, where management has both the intention and ability to hold to maturity, are classified as held-to-maturity. These investments are initially recorded at cost. Such investments are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. Any gain/loss arising on derecognition/impairment in value of such investments, is recognized in the profit and loss account.

Available-for-sale

Investments which are not held for trading but may be sold in response to the need for liquidity or changes in market rates are classified as available-for-sale. These are initially measured at cost, being the fair value of the consideration given. At subsequent reporting dates, these investments are remeasured at fair value (quoted market price). Any difference in the carrying value and the revalued amount is taken to equity.

Held for trading

Investments which are acquired principally for the purposes of generating a profit from short term fluctuations in price or dealer's margin are classified as held for trading.

3.6 Foreign currency translation

Foreign currency transactions are converted into rupees at the rates of exchange approximating to those ruling at the date of transaction. Assets and liabilities in foreign currencies have been translated into rupees at the rates of exchange approximating those ruling at the balance sheet date. Exchange gains or losses are included in income currently.

3.7 Revenue recognition

- (a) Brokerage, advisory fees, commission and other income are accrued as and when due. Sales and purchases of investments are recognized on the date of transaction.

- (b) Dividend income on equity investments is recognized, when the right to receive the same is established.
- (c) Capital gains or losses on sale of investments are recognized in the period in which they arise.
- (d) Underwriting commission is recognized when the agreement is executed. Take-up commission is recognized at the time commitment is fulfilled.
- (e) Consultancy and advisory fee, are recognized as and when incurred.

3.8 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates or 0.5% of turnover which ever is higher, if any, and any under/over provisions in respect of prior years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of temporary timing differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.9 Borrowing Cost

The borrowing cost incurred on debts of the company is charged to income.

3.10 Securities sold under repurchase/ purchased under resale agreements

Investments sold with a simultaneous commitment to repurchase at a specified future date (Repo) continue to be recognized in the balance sheet and are measured in accordance with the accounting policies for investments. Amounts received under these agreements are recorded as securities sold under repurchase agreements. The difference between purchase and sale is treated as mark-up expense. Investments purchased with a corresponding commitments to resell at a specified future date (Reverse Repo) are not recognized in the balance sheet. Amounts paid under these obligations are included in fund placements. The difference between purchase and resale price is treated as mark-up/ interest income.

3.11 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to set-off the recognized amounts and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.



3.12 Financial instruments

Financial instrument carried on the balance sheet include investments, receivables, cash and bank balances, finances under mark-up arrangements, other payables, deposits, creditors, accrued and other liabilities. The particular recognition method adopted or disclosed in the individual policy statement associated with each item.

3.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

3.14 Trade debts and other receivables

These are stated net of provision for impairment, if any. Provision is made against the debts considered doubtful.

3.15 Trade and other payables

Trade and other payables are stated at their costs, which is the fair value of consideration received.

3.16 Dividend distributions and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

3.17 Earnings per share

Earning per share is calculated by dividing the profit after tax for the year by the weighted average number of shares outstanding during the year.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents also consist of bank overdrafts repayable on demand, if any.

4. PROPERTY AND EQUIPMENT

Particulars	C O S T			Depreciation Rate %	D E P R E C I A T I O N			Written down value as at June 30, 2008 Rupees
	As at July 01, 2007 Rupees	Additions/ (Disposals)/ *Reclassification Rupees	As at June 30, 2008		As at July 01, 2007	Charge for the year/ (Disposals)/ *Reclassification Rupees	As at June 30, 2008	
Owned -								
Building	27,575,000	-	27,575,000	10	5,120,000	2,245,500	7,365,500	20,209,500
Furniture and fixtures	16,719,243	707,718	17,426,961	10	2,031,097	1,539,586	3,570,683	13,856,278
Office equipments	8,673,571	2,197,812	10,871,383	10	1,070,935	980,045	2,050,980	8,820,403
Computers	5,802,020	3,409,404	9,211,424	33	2,298,337	2,281,319	4,579,656	4,631,768
Vehicles	2,360,000	3,020,345	5,380,345	20	472,000	981,669	1,453,669	3,926,676
	61,129,834	9,335,279	70,465,113		10,992,369	8,028,119	19,020,488	51,444,625
Leased -								
Vehicle	12,071,000	-	12,071,000	20	4,235,320	1,567,136	5,802,456	6,268,544
2008	73,200,834	9,335,279	82,536,113		15,227,689	9,595,255	24,822,944	57,713,169
2007	65,329,854	25,251,223 (17,380,244)	73,200,834		6,934,751	9,128,367 (835,430)	15,227,689	57,973,145

5 INTANGIBLE ASSETS

	Note	2008 Rupees	2007 Rupees
Membership cards	5.1	105,000,000	105,000,000
Club membership		805,000	805,000
Telephone booth		1,200,000	1,200,000
Computer software	5.2	592,652	888,933
		<u>107,597,652</u>	<u>107,893,933</u>

5.1 Membership card

Balance at the beginning and close of the year

2008 Rupees	2007 Rupees
<u>105,000,000</u>	<u>105,000,000</u>



5.2 Computer Software

Particulars	C O S T			Depreciation Rate %	D E P R E C I A T I O N			Written down value as at June 30, 2008 Rupees
	As at July 01, 2007	Additions/ (Disposals)/ *Reclassification	As at June 30, 2008		As at July 01, 2007	Change for the year/(Disposals)/ *Reclassification	As at June 30, 2008	
	Rupees				Rupees			
Owned -								
Computer software	2,000,000	-	2,000,000	33.33	1,111,067	296,281	1,407,348	592,652
2007	2,000,000	-	2,000,000		666,667	444,400	1,111,067	888,933

6 LONG TERM INVESTMENTS

Note

2008
Rupees

2007
Rupees

Related parties:

- Investment in associated company

6,720,000

6,720,000

Other investments

6.1

50,400,000

16,000,000

57,120,000

22,720,000

6.1 During the year the company made investments in the shares of D.H.A Cogen limited amounting to Rs. 34,400,000/=. The break-up value per share as on June 30, 2007 on the basis of Audited accounts was Rs. 9.85/- per share.

7 TRADE DEBTS - Unsecured

2008
Rupees

2007
Rupees

Considered good

954,210,649

675,988,066

8 SHORT TERM INVESTMENTS

Note

2008
Rupees

2007
Rupees

Market
Value

Market
Value

Shares in listed companies (held for trading)

8.1

492,477,350

180,593,164

Unquoted equity securities

100,000 units of MCB Dynamic allocation fund

8,764,790

-

Available for sale

Unquoted sukuk bond of Maple Leaf Cement Factory Ltd.

25,000,000

-

Provision for diminution in the value of investments

-

(60,615)

526,242,140

180,532,549

8.1 Shares in Listed Companies (held for trading)

Number Of Shares		Name of Companies	2008	2007
30-Jun-08	30-Jun-07		Rupees	Rupees
			Market Value	Market Value
104,500	-	Arif Habib Bank Ltd.	2,004,310	-
20,000	1,000	Arif Habib Securities Ltd.	3,229,600	116,600
2,000	1,000	Attock Refinery Ltd.	499,760	116,550
5,000,000	-	*Azgard Nine Ltd.	304,750,000	-
25,000	11,500	Bank Alfalah Ltd.	1,026,500	748,650
120,000	-	Bank Islami Pakistan Ltd.	1,777,200	-
-	2,800	Bank Al-Habib Ltd.	-	186,200
80	377,000	Bosicor Pakistan Ltd.	1,072	6,691,750
-	241,700	Call Mate Telips Telecom Ltd.	-	11,964,150
1,095,000	1,499,000	Dewan Farooq Spinning Mills Ltd.	10,063,050	13,416,050
-	1,000	Dewan Khalid Textile Mills Ltd.	-	21,000
-	2,000	Dewan Sugar Mills Ltd.	-	22,100
-	500	D.G Khan Cement Ltd.	-	58,250
55,250	20,300	Engro Chemicals Ltd.	15,360,053	5,135,900
70	56	Faysal Bank Ltd.	2,453	4,144
9,500	13,500	Fecto Cement Ltd.	170,335	438,750
20,000	20,000	Fauji Fertilizer Bin Qasim Ltd.	712,400	780,000
19,300	50,000	Fauji Fertilizer Co. Ltd.	2,553,775	6,062,500
55,000	48,000	Glaxo Smithkline Pakistan Ltd.	9,350,000	9,000,000
75,000	-	Hub Power co. Ltd.	2,145,000	-
119,000	-	*Jahangir Siddiqui Co. Ltd	63,087,850	-
-	156,388	KASB Bank Ltd.	-	3,596,924
6,300	-	Khursheed Spinning Ltd.	13,545	-
11,500	10,000	Kohat Cement Company Ltd.	421,245	545,000
36,875	16,875	Maple Leaf Cement Factory Ltd.	402,306	411,750
90,000	15,000	National Bank of Pakistan	13,275,000	3,930,000
255,290	-	NIB Bank Ltd.	2,902,647	-
-	500	Nishat Mills Ltd.	-	65,225
-	9,000	Nishat (Chunnian) Ltd.	-	370,350
160,000	203,600	Oil & Gas Development Co. Ltd.	19,897,600	24,391,280
10,250	10,250	PICIC Growth Fund	241,285	346,450
20,000	2,000	Pakistan Oilfields Ltd.	7,296,800	634,000
65,000	291,700	Pakistan Petroleum Limited	15,989,350	76,556,665
20,000	-	Pakistan Telecommunication Ltd.	772,800	-
-	3,000	Prime Commercial Bank Ltd.	-	156,000
4,680	3,900	Security Papers Ltd.	358,769	444,405
50,000	415,500	Sui Southern Gas Company Ltd.	1,403,000	10,719,900
-	50,000	Saitex Spinning Mills Ltd	-	42,500
51,177	-	Taj Textile Mills Ltd.	89,560	-
167,500	-	Telecard Ltd.	1,065,300	-
-	31,074	The Bank of Punjab	-	3,620,121
136,500	-	*United Bank Limited	11,614,785	-
<u>7,804,772</u>	<u>3,508,143</u>		<u>492,477,350</u>	<u>180,593,164</u>

* these securities were purchased in the ready market and sold in the future market



9	ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2008 Rupees	2007 Rupees
	Advances - considered good			
	Employees - against salaries		3,304,576	5,202,262
	Income tax - net		17,299,588	9,521,138
	Short term deposits	9.1	37,414,274	74,819,938
	Prepayments		397,837	73,205
	Other receivables		18,884,252	9,871,903
			<u>77,300,527</u>	<u>99,488,446</u>
9.1	This represents deposits with the Karachi Stock Exchange (Guarantee) Limited. against ready, future and provisional exposure.			
10	CASH AND BANK BALANCES		2008 Rupees	2007 Rupees
	Cash in hand		416,701	168,772
	Cash at banks			
	On deposit accounts		221,900	412,401
	On current accounts		7,900,125	3,615,785
			<u>8,122,025</u>	<u>4,028,186</u>
			<u>8,538,726</u>	<u>4,196,958</u>
11	SHARE CAPITAL		2008 Rupees	2007 Rupees
	2008 2007	Ordinary shares of Rs.10/= each		
	(Number of shares)			
	15,015,500 15,015,500	Issued fully paid in cash	150,155,000	150,155,000
	9,009,300 9,009,300	Issued as bonus shares	90,093,000	90,093,000
	12,000,000 -	Issued during the year fully paid in cash	120,000,000	-
	24,024,800 -	Issued during the year fully paid Bonus Shares	240,248,000	-
	<u>60,049,600</u> <u>24,024,800</u>		<u>600,496,000</u>	<u>240,248,000</u>
12	SURPLUS ON REVALUATION OF MEMBERSHIP CARDS			
	The company has revalued its Membership Cards on January 26, 2006. The revaluation was carried out by M/s Anjum Adil & Associates. As a consequence of this revaluation, surplus on revaluation has increased by Rs. 61,921,400.			
13	LONG TERM LOAN		2008 Rupees	2007 Rupees
	Opening balance		200,000,000	133,333,334
	Obtained during the year		100,000,000	200,000,000
			<u>300,000,000</u>	<u>333,333,334</u>
	Less: Repaid during the year		(40,000,000)	(133,333,334)
	Current portion		(100,000,000)	(40,000,000)
			<u>160,000,000</u>	<u>160,000,000</u>

These loans have been obtained from local commercial banks with mark-up rates of 3 month Kibor + 1.75% and 6 months Kibor + 2.00% and are repayable in quarterly installments. One of the loan is secured against charge over current assets of the company and the other loan is secured against mortgage of four properties. Two of the properties are owned by one of the directors of the company and two are owned by the company.

14 LIABILITY AGAINST ASSET SUBJECT TO FINANCE LEASE

Future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:

	2008		2007	
	Minimum lease payments	Present value	Minimum lease payments	Present value
	Rupees	Rupees	Rupees	Rupees
Within one year	4,829,298	4,601,625	4,348,320	3,633,073
After one year but not more than five years	89,734	89,493	4,893,589	4,677,770
Total minimum lease payments	4,919,032	4,691,118	9,241,909	8,310,843
Less: Amounts representing finance charges	227,914	-	931,066	-
Present value of minimum lease payments	4,691,118	4,691,118	8,310,843	8,310,843
Less: Current portion	4,601,625	4,601,625	3,633,073	3,633,073
	89,493	89,493	4,677,770	4,677,770

The Company has entered into lease agreements with a commercial bank for lease of vehicles. Lease rentals are payable in monthly instalments. Financial charges included in lease rentals are determined on the basis of discount factors applied at the rate 13.79%: (2007: 13.09%). At the end of the lease term, the Company has the option to acquire the assets subject to adjustment of security deposits.

15 SHORT TERM RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS- Secured

	2008 Rupees	2007 Rupees
Standard Chartered Bank (Pakistan) Limited	169,304,106	197,855,368
United Bank Limited	650,336,937	-
MCB Bank Limited	140,959,265	5,834,225
Bank AL Falah Limited	47,629,716	69,942,822
KASB Bank Limited	31,476,680	49,765,502
Bank Al-Habib Limited	-	353,441
	<u>1,039,706,704</u>	<u>323,751,358</u>

The Company has aggregate running finance facilities from various banks of Rs. 2.025 billion (June 30, 2007 Rs. 1.525 billion under mark-up arrangements. Mark-up rates varies from 3-6 months Kibor + 1.5% to 3-6 Months Kibor + 2.00% (June 30, 2007: 3-6 Months Kibor+1.5% to 3-6 Months Kibor +3.00%). These arrangements would remain valid for varying periods upto March 31, 2009 and are secured against pledge of listed securities and charge over current assets of the Company.



	Note	2008 Rupees	2007 Rupees
16 TRADE AND OTHER PAYABLES			
Creditors		312,919,859	142,899,250
Accrued liabilities			
Mark-up on short term running finance		21,746,441	7,107,754
Mark-up on long term finance		4,950,881	3,994,191
Accrued expenses and other liabilities		11,802,237	19,667,508
		38,499,559	30,769,453
		<u>351,419,418</u>	<u>173,668,703</u>
17 CONTINGENCIES AND COMMITMENTS			
Continuous Funding System (including transaction to be rolled over) entered into by the company in respect of which the purchase transaction has not been settled as at June 30.		65,854,762	25,276,072
Receivables under future sales transaction of equity securities entered into by the Company in respect of which the sales transaction has not been settled as at June 30.		539,953,349	76,532,095
Underwriting Commitments		21,972,000	-
18 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, allowances and other benefits		26,400,052	16,427,647
Provident fund contribution		1,154,720	-
Traveling, conveyance and vehicle running expenses		2,354,997	1,553,280
Rent, Rates and Taxes		2,522,907	2,097,328
Utility charges		2,450,335	811,899
Postage, telephone and telegram		3,017,685	1,423,027
Repair and maintenance		2,011,248	504,224
Insurance		896,116	648,268
Depreciation	4	9,595,255	9,128,367
Amortization-computer software	5	296,281	444,400
Entertainment		416,021	305,829
Newspaper and periodicals		54,285	23,157
Advertisement		1,421,644	45,914
Printing and stationery		1,578,209	433,345
Legal and professional charges		118,840	345,229
Auditors' remuneration	18.1	195,000	245,000
Service charges		10,919,229	6,365,336
CDC charges		2,856,818	2,668,895
Office expenses		200	214,287
Fees and Subscription	18.2	10,869,069	1,833,262
Commission		8,790,760	6,266,577
Office Supplies		1,020,180	513,773
Medical expenses		-	232,033
Donation	18.3	60,000	3,600
Miscellaneous		122,192	131,982
		<u>89,122,043</u>	<u>52,666,659</u>

	2008 Rupees	2007 Rupees
18.1 Auditors' remuneration		
Audit fee	125,000	100,000
Tax advisory, consultancy and certification fees	70,000	145,000
	<u>195,000</u>	<u>245,000</u>
18.2 The fees and subscription amount has increased substantially to Rs. 10.869 million from Rs. 1.833 million mainly due to the fact that during the year the company has become a listed company on the KSE and the listing related expenses have contributed significantly towards this increase.		
18.3 Directors, their spouses and dependents have no interest in donee.		
19 OTHER INCOME		
Return on bank deposit accounts	104,084	2,557,339
Loss on sale of fixed assets	-	(347,314)
Return on CDC and NCCPL Deposits	212,345	48,407
	<u>316,429</u>	<u>2,258,432</u>
20 FINANCIAL AND OTHER CHARGES		
Bank charges	802,535	492,171
Mark-up on short term running finances	44,890,124	46,870,985
Mark-up on repo deal	-	19,396,145
Mark-up on long term financing	22,910,641	25,373,602
Mark-up under finance lease	765,144	1,155,091
	<u>69,368,444</u>	<u>93,287,994</u>
21 TAXATION		
Current	<u>12,643,725</u>	<u>7,678,715</u>
21.1 Reconciliation of tax charge for the year		
Accounting profit	32,856,075	168,716,894
Corporate tax rate	35%	35%
Tax on accounting profit at applicable rate	11,499,626	59,050,913
Tax effect of - Income exempt from tax	(1,433,434)	(27,474,846)
- lower tax rate on certain income	4,151,939	(18,418,363)
- Adjustment due to available tax losses	-	(5,006,339)
- Others	(1,574,406)	(472,650)
	<u>12,643,725</u>	<u>7,678,715</u>
In view of deductible temporary difference of Rs. 9,679,985, no deferred tax asset has been recognized.		
22 EARNINGS PER SHARE		
There is no dilutive effect on the basic earnings per share of the company, which is based on:		
Profit after taxation	<u>20,212,350</u>	<u>161,038,179</u>
Weighted average number of ordinary shares	<u>51,929,052</u>	<u>48,049,600</u>
Earnings per share - basic and diluted	<u>0.39</u>	<u>3.35</u>
23 CASH AND CASH EQUIVALENT		
Cash and bank balances	8,538,726	4,196,958
Short term running finance	(1,039,706,704)	(323,751,358)
	<u>(1,031,167,978)</u>	<u>(319,554,400)</u>



24 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

24.1 Maturities of financial assets and liabilities As at June 30, 2008

	Effective mark-up rate %	Mark-up bearing maturity			Non-mark-up bearing maturity			Total
		Upto one year	Over one year upto five years	Sub-total	Upto one year	Over one year upto five years	Sub-total	
		Rupees						
Financial assets								
Deposits	-	-	-	-	-	4,743,385	4,743,385	4,743,385
Trade debts	-	-	-	-	954,210,649	-	954,210,649	954,210,649
Trade debts Margin financing	16	321,683,287	-	321,683,287	-	-	-	321,683,287
Receivable under CFS transactions	13-14	65,854,763	-	65,854,763	-	-	-	65,854,763
Receivable from NCCPL	-	-	-	-	163,600,008	-	163,600,008	163,600,008
Investments	11.67	-	25,000,000	25,000,000	501,242,140	57,120,000	558,362,140	583,362,140
Advances and other receivables	-	-	-	-	60,000,939	-	60,000,939	60,000,939
Cash and bank balances	2-5	221,900	-	221,900	8,316,826	-	8,316,826	8,538,726
		<u>387,759,950</u>	<u>25,000,000</u>	<u>412,759,950</u>	<u>1,687,370,562</u>	<u>61,863,385</u>	<u>1,749,233,947</u>	<u>2,161,993,897</u>
Financial liabilities								
Long term loan	11.92-12.35	100,000,000	160,000,000	260,000,000	-	-	-	260,000,000
Liabilities against assets subject to finance lease	13.79	4,601,625	89,493	4,691,118	-	-	-	4,691,118
Short term running finance	11.43-12.17	1,039,706,704	-	1,039,706,704	-	-	-	1,039,706,704
Trade and other payables	-	-	-	-	351,419,418	-	351,419,418	351,419,418
		<u>1,144,308,329</u>	<u>160,089,493</u>	<u>1,304,397,822</u>	<u>351,419,418</u>	<u>-</u>	<u>351,419,418</u>	<u>1,655,817,240</u>
On Balance Sheet Gap		(756,548,379)	(135,089,493)	(891,637,872)	1,335,951,144	61,863,385	1,397,814,529	506,176,657

Maturities of financial assets and liabilities As at June 30, 2007

	Effective mark-up rate %	Mark-up bearing maturity			Non-mark-up bearing maturity			Total
		Upto one year	Over one year upto five years	Sub-total	Upto one year	Over one year upto five years	Sub-total	
		Rupees						
Financial assets								
Deposits	-	-	-	-	-	3,704,356	3,704,356	3,704,356
Trade debts	-	-	-	-	-	675,988,066	675,988,066	675,988,066
Receivable under CFS transactions	13-14	25,276,072	-	25,276,072	-	-	-	25,276,072
Receivable from NCCPL	-	-	-	-	76,532,095	-	76,532,095	76,532,095
Investments	-	-	-	-	-	180,532,549	180,532,549	180,532,549
Advances and other receivables	-	-	-	-	89,967,308	-	89,967,308	89,967,308
Cash and bank balances	2-5	412,401	-	412,401	3,784,557	-	3,784,557	4,196,958
		<u>25,688,473</u>	<u>-</u>	<u>25,688,473</u>	<u>170,283,960</u>	<u>860,224,971</u>	<u>1,030,508,931</u>	<u>1,056,197,404</u>
Financial liabilities								
Long term loan	12.09	40,000,000	160,000,000	200,000,000	-	-	-	200,000,000
Liabilities against assets subject to finance lease	13.09	3,633,073	4,677,770	8,310,843	-	-	-	8,310,843
Short term running finance	11.36-12.61	323,751,358	-	323,751,358	-	-	-	323,751,358
Trade and other payables	-	-	-	-	173,668,703	-	173,668,703	173,668,703
		<u>367,384,431</u>	<u>164,677,770</u>	<u>532,062,201</u>	<u>173,668,703</u>	<u>-</u>	<u>173,668,703</u>	<u>705,730,904</u>
On Balance Sheet Gap		(341,695,958)	(164,677,770)	(506,373,728)	(3,384,743)	860,224,971	856,840,228	350,466,500

24.2 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. As indicated in note 24.1, the company is not materially exposed to interest rate risk as most financial instruments are either for a very short term period or not exposed to interest rate risk.

24.3 Liquidity risk

Liquidity risk is the risk that an institution will be unable to meet its net funding requirements. To guard against this risk the company's assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents. The maturity profile is monitored to ensure that adequate liquidity is maintained. The liquidity profile of the company is disclosed in note 24.1

24.4 Credit risk

Credit risk is the risk that one party to a financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The company provides its services to individual and corporate clients. The company is not exposed to credit risk as the debtors are reputable individuals and local and multinational companies.

24.5 Market risk

Market risk is the risk that the values of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issue or the instrument, change in the market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies.

24.5 Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The estimated fair values of all the financial assets and liabilities are not materially different from their book values as at the balance sheet date.

24.6 Foreign exchange risk

Foreign exchange risk arises mainly where receivables and payables exist in foreign currency. The company is not exposed to foreign exchange risk.

25 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the remuneration, including certain benefits to the chief executive, directors and executives of the Company is as follows:



	Chief Executive		Directors		Executives	
	June 2008	June 2007	June 2008	June 2007	June 2008	June 2007
	----- (Rupees) -----					
Remuneration	2,322,581	2,322,581	2,225,806	-	4,478,187	1,901,715
House rent allowance	1,045,161	1,045,161	1,001,613	-	1,300,119	855,788
Utility Allowance	232,258	232,258	222,581	-	288,915	190,175
	<u>3,600,000</u>	<u>3,600,000</u>	<u>3,450,000</u>	<u>-</u>	<u>6,067,221</u>	<u>2,947,678</u>
Number of Persons	<u>1</u>	<u>1</u>	<u>2</u>	<u>-</u>	<u>4</u>	<u>5</u>

The Company provides the company maintained cars to the Chief Executive, one Director and certain Executives.

26 RELATED PARTY TRANSACTIONS

	June 2008	June 2007
Rupees.....	
Brokerage Income Earned From:		
Directors	13,091	28,979
Employees	276,467	149,602
IFSL - Employees provident fund	2,141	-
Contribution to IFSL - Employees provident fund	1,154,720	-
	<u>1,446,419</u>	<u>178,581</u>

27 ACCOUNTING ESTIMATES AND JUDGMENTS

Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of the appellate authorities on certain issues in the past.

Property and equipment

The Company reviews the rate of depreciation/ useful life, residual values and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding affect on the depreciation charge and impairment.

Intangible assets

The company reviews the rate of amortization and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of respective items of intangible asset with a corresponding affect on the amortization charge and impairment.

Investment stated at fair value

The Company has determined fair value of certain investments by using quotations from active market. Fair value estimates are made at a specific point in time based on market conditions and information about financial instruments. These estimates are subjective in nature and involve uncertainties and matter of judgments (e.g. valuation, interest rates, etc.) and therefore cannot be determined with precision.

Trade Debts

The Company reviews its debts portfolio regularly to assess amount of any provision required against such debtors.

28 NUMBER OF EMPLOYEES

The total number of permanent employees at the year end were 74 (2007: 64).

29 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on September 15, 2008 by the Board of Directors of the company.

30 GENERAL

- 30.1 Figures in these financial statements have been rounded off to the nearest rupee.
- 30.2 Receivable from Saiban (Private) Limited was previously shown under the head of advances, deposit, prepayments and other receivable however, now it is being shown under the head of trade debts for comparison and better presentation.
- 30.3 Receivable from NCCPL was previously shown under the head of advances, deposit, prepayments and other receivable however, now it is being shown as a separate line item on the face of the balance sheet for comparison and better presentation.
- 30.4 Long term deposit was previously shown as a separate line item on the face of the balance sheet however, now it is being shown under the head of creditors, accrued and other liabilities for comparison and better presentation as the nature of the deposit has been changed.



CHIEF EXECUTIVE OFFICER



DIRECTOR



PATTERN OF SHAREHOLDING

THE COMPANIES ORDINANCE, 1984 (Section 236(1) and 464)

PATTERN OF SHAREHOLDING

1. Incorporation Number **0040559**
2. Name of the Company **INVEST AND FINANCE SECURITIES LIMITED**
3. Pattern of holding of the shares held by the Shareholders as at **3 0 0 6 2 0 0 8**

4.	Number of Shareholders	Shareholdings			Total Shares held	
	28	1	-	100	Shares	2,195
	5070	101	-	500	Shares	2,525,301
	788	501	-	1000	Shares	780,551
	907	1001	-	5000	Shares	2,290,888
	148	5001	-	10000	Shares	1,158,796
	45	10001	-	15000	Shares	590,121
	18	15001	-	20000	Shares	322,000
	15	20001	-	25000	Shares	341,800
	5	25001	-	30000	Shares	138,113
	8	30001	-	35000	Shares	262,500
	5	35001	-	40000	Shares	191,500
	2	40001	-	45000	Shares	82,955
	2	45001	-	50000	Shares	100,000
	3	50001	-	55000	Shares	154,500
	3	55001	-	60000	Shares	175,500
	1	60001	-	65000	Shares	61,000
	3	70001	-	75000	Shares	219,000
	1	75001	-	80000	Shares	80,000
	1	90001	-	95000	Shares	94,000
	1	95001	-	100000	Shares	100,000
	1	100001	-	105000	Shares	105,000
	1	105001	-	110000	Shares	110,000
	1	115001	-	120000	Shares	118,500
	2	145001	-	150000	Shares	300,000
	2	165001	-	170000	Shares	336,080
	1	185001	-	190000	Shares	186,000
	1	200001	-	205000	Shares	200,500
	1	400001	-	405000	Shares	401,500
	1	575001	-	580000	Shares	576,500
	2	2495001	-	2500000	Shares	5,000,000
	1	4655001	-	4660000	Shares	4,660,000
	1	11995001	-	12000000	Shares	11,996,000
	1	26385001	-	26390000	Shares	26,388,800
	7070			TOTAL		60,049,600



5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, and their spouses and minor children	38,389,600	63.93%
5.2	Associated Companies, undertakings and related parties	-	0.00%
5.3	NIT and ICP	-	0.00%
5.4	Banks, Development Financial Institutions, Non-Banking Finance Companies	6,000	0.01%
5.5	Insurance Companies	27,000	0.04%
5.6	Modarabas and Mutual Funds	22,500	0.04%
5.7	Shareholders holding 10%	38,384,800	63.92%
5.8	General Public		
	a. Local	20,168,519	33.59%
	b. Foreign	-	0.00%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds, Trustees, etc.)	1,435,981	2.39%





PATTERN OF SHAREHOLDING UNDER REGULATION 37(XIX)(I) OF THE CODE OF CORPORATE GOVERNANCE AS ON JUNE 30, 2008

Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1. <u>Associated Companies</u>	-	-	0.00%
2. <u>NIT and ICP</u>	-	-	0.00%
3. <u>Directors, CEO, their Spouses & Minor Children</u>			
Directors and CEO			
3.1 Mr. Muhammad Sohail Dayala	1	11,996,000	19.98%
3.2 Mrs. Halima Dayala	1	26,388,800	43.95%
3.3 Mr. Javed Yusuf Ahmedjee	1	800	0.00%
3.4 Mr. Bashir Ahmed Khanani	1	1,000	0.00%
3.5 Mr. Muhammad Amjad Nazeer	1	1,000	0.00%
3.6 Syed Rahsid Ali	1	1,000	0.00%
3.7 Mr. Arsalan Aftab	1	1,000	0.00%
	7	38,389,600	63.93%
Spouses of Directors and CEO	-	-	0.00%
Minor Children of Directors and CEO	-	-	0.00%
4. <u>Executives</u>	4	2,760,500	4.60%
5. <u>Public Sector Companies & Corporations</u>	68	1,435,981	2.39%
6. <u>Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds</u>	3	55,500	0.09%
7. <u>Individuals</u>	6,988	17,408,019	28.99%
	7,070	60,049,600	100.00%

SHAREHOLDERS HOLDING 10% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY			
Names	Number of Shareholders	Number of Shares held	% of Shareholding
Mr. Muhammad Sohail Dayala	1	11,996,000	19.98%
Mrs. Halima Dayala	1	26,388,800	43.95%



FORM OF PROXY

INVEST AND FINANCE SECURITIES LIMITED

IMPORTANT

This form of Proxy duly completed must be deposited at the Office of the Company's Share Registrar, M/s. Technology Trade (Private) Limited, Dagia House, 241-C, Block-2, P.E.C.H.S., Off: Shakra-e-Quaideen, Karachi, Pakistan, not later than 48 hours before the time of the meeting.

A Proxy should also be a member of the Company.

I/we _____
of _____ being a member (s) of INVEST
AND FINANCE SECURITIES LIMITED and holder of _____ Ordinary Shares as
per Registered Folio No./CDC Participant' ID and Account No. _____ hereby appoint
_____ of
_____ or failing him _____
of _____
who is also member of INVEST AND FINANCE SECURITIES LIMITED vide Registered Folio
No./CDC Participant' ID and Account No. _____ as my/our proxy to vote for me/us
and on my/our behalf at the 9th Annual General Meeting of the Company to be held on
Monday, October 20, 2008 at 02.00 p.m. and any adjournment thereof.

Signed this _____ day of _____ 2008.

Signature
over Rs. 5/-
Revenue
Stamp

Witness: _____
SIGNATURE

Name: _____

CNIC No.: _____

Address: _____

Witness: _____
SIGNATURE

Name: _____

CNIC No.: _____

Address: _____



INVEST AND FINANCE SECURITIES LIMITED

Registrar:

M/s. Technology Trade (Pvt.) Ltd.

Dagia House, 241-C, Block-2, P.E.C.H.S.

Off: Shahrah-e-Quaideen, Karachi, Pakistan.

**AFFIX
CORRECT
POSTAGE**