



COMPANY INFORMATION

Board of Directors	:	Mr. Muhammad Sohail Dayala (Chairman & Chief Executive Officer)
		Mrs. Halima Dayala Syed Kaleem Akhtar Mr. Ahmad Zakir Hafeez Mr. Muhammad Awais Syed Rashid Ali Mr. Shakeel Ahmed
Audit Committee	:	Mr. Shakeel Ahmed - Chairman Syed Rashid Ali - Member Mrs. Halima Dayala - Member
HR & Remuneration Committee	:	Mr. Shakeel Ahmed - Chairman Mrs. Halima Dayala - Member Mr. Muhammad Sohail Dayala - Member
Company Secretary	:	Mr. Muhammad Awais
Chief Financial Officer	:	Mr. Ahmad Zakir Hafeez
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. 210, Progressive Plaza, Beaumont Road, Civil Lines, 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 Bank Alfalah Limited Standard Chartered Bank (Pakistan) Limited NIB Bank Limited KASB Bank Limited United Bank Limited Bank AL Habib Limited Habib Metropolitan Bank Limited Silk Bank Limited The Bank of Khyber Summit Bank Limited Habib Bank Limited JS Bank Limited Meezan 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.

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 Regulation No. 35 (previously Regulation No. 37) of the Karachi Stock Exchange (Guarantee) Limited, 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 personnel and review of various documents prepared by 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 systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub-Regulation (X) of Listing Regulation No. 35 requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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, 2012.

Karachi: July 30, 2012

Riaz Ahmad, Saqib, Gohar & Company
Chartered Accountants

Engagement Partner: Shahid Kamran

A Member of AGN International Ltd. Accountants Global Network an International Association



NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that Thirteenth Annual General Meeting of Invest and Finance Securities Limited ('the Company') will be held on Friday, September 28, 2012 at 11.00 am at Moosa D. Desai Auditorium, Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi, Pakistan; to transact the following businesses:

Ordinary Business:

1. To confirm the minutes of the Extraordinary General Meeting of the Company held on March 26, 2012;
2. To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended June 30, 2012, together with the Directors' and Auditors' Reports thereon;
3. To appoint the Statutory Auditors for the year ending June 30, 2013, and to fix their remuneration;
4. To transact any other business with the permission of the Chair.

Special Business:

5. To approve and authorize the issuance of bonus shares in proportion of one share for every ten shares held, i.e. at the rate of 10% as recommended by the Board of Directors.

By order of the Board

MUHAMMAD AWAIS
Director & Company Secretary

Karachi: August 16, 2012

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from September 21, 2012 to September 28, 2012 (both days inclusive) and no transfer of shares will be accepted for registration during this period. Transfers received in order at the Office of Company's Share Registrar M/s. Technology Trade (Private) Limited, Dagia House, 241-C, Block-2, P.E.C.H.S., Off: Shahra-e-Quaideen, Karachi, Pakistan ('Registrar') at the close of business on September 20, 2012 will be considered in time to determine the above mentioned entitlement and to attend and vote at the Meeting.
2. Members (Non-CDC) are requested to promptly notify change in their addresses, if any, to the Registrar of the Company. All Members holding their shares through the CDC are requested to please update their particulars with their Participants.
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 Registered Office of the Company, 12th Floor, Corporate Tower, Technocity Building, Hasrat Mohani Road, Off: I. I. Chundrigar Road, Karachi, Pakistan, not less than 48 hours before the time for holding the meeting.
4. a) Individual beneficial owner of CDC entitled to attend and vote at the meeting must bring his/her Participant ID and Account/Sub-Account number along with original NIC or original passport to authenticate his/her identity. In case of Corporate entity, resolution of Board of Directors/Power of Attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.
b) For appointing the proxy; the Individual beneficial owner of CDC shall submit the proxy form as per above requirements together with attested copy of NIC or Passport of the beneficial owner and proxy. In case of corporate entity, the Board of Directors' resolution/power of attorney, alongwith the specimen signature of the nominee, shall be submitted along with the proxy form to the Company.

The proxy form shall be witnessed by two witnesses with their names, addresses, and NIC numbers. The proxy shall produce his/her original NIC or original Passport at the time of meeting.

"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 13th Annual General Meeting of Invest and Finance Securities Limited ("the Company" or "IFSL") to be held on Friday, September 28, 2012 at 11.00 am 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 approve and authorize the issuance of bonus shares in proportion of one share for every ten shares held, i.e. at the rate of 10% as recommended by the Board of Directors.**

The Board of Directors of the Company in its meeting held on July 30, 2012 has approved and recommended the issuance of bonus shares in proportion of one share for every 10 shares held, i.e. at the rate of 10%, to those shareholders whose names appear in the register of Members at the close of business on September 20, 2012. In this respect, a sum of Rs. 60,049,600 shall be capitalized and applied for the issuance of said bonus shares. A certificate of free reserves has been issued by the Auditors.

Therefore following resolutions are proposed to be passed as ordinary resolutions with or without modification(s):

"RESOLVED THAT a sum of Rs. 60,049,600 from the profits of the Company be capitalized and applied to issue 6,004,960 ordinary shares of Rs. 10/- each and be allotted as fully paid bonus shares to those Members whose names appear in the register of Members at the close of business on September 20, 2012 in the proportion of one share for every ten shares held, i.e. at the rate of 10% and that such bonus shares shall rank pari passu as regards dividends and in all other respects with the existing ordinary shares of the Company."

"FURTHER RESOLVED THAT the fractional entitlements of the Members be consolidated into whole shares and the Company Secretary is hereby authorized to sell the same at the Karachi Stock Exchange (Guarantee) Limited and proceeds when realized be given to a charitable institution with the consent of the Chief Executive Officer."

"FURTHER RESOLVED THAT the Chief Executive Officer and/or the Company Secretary be and is/are hereby authorized and empowered to give effect to these resolutions and to do or cause to be done all acts, things and deeds that may be necessary or required for the issuance, allotment and distribution of bonus shares."

The Directors of the Company are interested in this business to the extent of their shareholding in the Company.



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 Financial Statements of the Company for the year ended June 30, 2012, together with the Auditors' Report thereon.

Performance Review

By the grace of Almighty Allah, your Company has performed well during the year under review and earned operating revenue of Rs. 283.106 million as compared to Rs. 100.157 million for the corresponding period. The increase in operating revenue is mainly contributed by capital gains, inter-bank brokerage and dividend income.

The Company earned before and after tax profit of Rs. 222.180 million and Rs. 217.775 million respectively as compared to Rs. 50.772 million and Rs. 48.468 million respectively for the corresponding period. This increase has mainly resulted due to increase in operating revenues. However, return on bank deposits has substantially reduced and has distressed the other income. Further, financial charges have also increased due to more utilization of finance facilities.

The operating results of the Company for the year ended June 30, 2012 are summarized as follows:

	2012 Rupees	2011 Rupees
Operating Revenue	283,105,589	100,156,896
Profit before tax	222,179,950	50,772,082
Profit after tax	217,774,843	48,467,956
Earnings per share	3.63	0.81

Dividend and other appropriations

The Board has recommended the issuance of bonus shares in proportion of one share for every 10 shares held i.e. at the rate of 10% for the year ended June 30, 2012.

Earnings per share

The basic and diluted earnings per share of the Company is Rs. 3.63 as compared to Rs. 0.81 for the corresponding period.

Post Balance Sheet Events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the balance sheet relates and the date of this report except the Board's recommendation for issue of bonus shares which is subject to approval of the Members. The effect of such bonus issue shall be reflected in the subsequent financial statements.



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, approval and adoption. 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, shall retire at the conclusion of Annual General Meeting and being eligible for reappointment have offered themselves for the same. The Board of Directors of your Company, based on the recommendation of the audit committee of the Board, proposed M/s. Riaz Ahmad, Saqib, Gohar & Company, Chartered Accountants, for reappointment as auditors of the Company for the ensuing year.

Corporate Social Responsibility

The Company acknowledges the importance of corporate social responsibility and necessary measures are taken to fulfill its responsibilities.

The Company being a service provider in nature of business undertakes necessary measures in respect of energy conservation and environment protection at its offices premises and safety and health of its employees.

The Company has established proper systems and procedures to avoid corruption and to operate the Company in a professional and ethical manner to protect the clients and also otherwise.

The Company has excellent relationships with its peers, bankers, regulators and other relevant institutions/organizations.

The Directors fully recognizing the social responsibilities are of the view that the provisions for charity, community welfare etc. will be considered in future depending on the Company's profitability/financial health.

The Company's contribution to National Exchequer in the form of taxes and levies is given in the notes to the financial statements.

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 its state of affairs fairly, 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 the preparation of financial statements except for the changes given in notes to the financial statements, if any; and accounting estimates are based on reasonable and prudent judgments.



- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departures therefrom has been adequately disclosed and explained.
- 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, 2012 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, 2012 amounts to approximately Rs. 4,362,131/-.
- k) - During the year six (6) meetings of Board of Directors were held. Attendance by each Director was as follows:

S. No.	Name of Director	No. of meetings eligible to attend	No. of meetings attended
1.	Mr. Muhammad Sohail Dayala	5	5
2.	Mrs. Halima Dayala	4	4
3.	Syed Kaleem Akhtar	6	6
4.	Ahmad Zakir Hafeez	6	6
5.	Mr. Muhammad Awais	4	4
6.	Syed Rashid Ali	6	3
7.	Mr. Shakeel Ahmed	6	6
8.	Mr. Naeem-ul-Hasan	1	1
9.	Mr. Bashir Ahmed Khanani	2	1
10.	Mr. Khalid Iqbal Siddiqui	2	2

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

Mr. Ahmad Zakir Hafeez was co-opted as Director of the Company on August 08, 2011 due to casual vacancy occurred upon resignation of Mr. Aryn Nasiruddin. No meeting was held during the directorship of Mr. Aryn Nasiruddin.

Mr. Muhammad Sohail Dayala was elected/co-opted/appointed as Chairman, Director and Chief Executive Officer of the Company on August 23, 2011 in place of Mr. Naeem-ul-Hasan due to casual vacancy occurred upon his resignation from these offices.

Mr. Muhammad Awais was co-opted as Director of the Company on October 31, 2011 due to casual vacancy occurred upon resignation of Mr. Bashir Ahmed Khanani.

Mrs. Halima Dayala was co-opted as Director of the Company on November 17, 2011 due to casual vacancy occurred upon resignation of Mr. Khalid Iqbal Siddiqui.

The present seven Directors, from serial number 1 to 7 above, were elected in Extraordinary General Meeting held on March 26, 2012.



- During the year five (5) meetings of Audit Committee were held. Attendance by each Member was as follows:

S. No.	Name of Member	No. of meetings eligible to attend	No. of meetings attended
1.	Syed Rashid Ali	2	2
2.	Mr. Shakeel Ahmed	5	5
3.	Syed Kaleem Akhtar	5	5
4.	Mr. Bashir Ahmed KHanani	3	1

Syed Rashid Ali was appointed as Chairman and Member of Audit Committee on October 31, 2011 due to resignation of Mr. Bashir Ahmed Khanani from the office of Director.

The Audit Committee was re-constituted, comprising of members from serial number 1 to 3 above, on April 02, 2012 after the election of Directors held on March 26, 2012.

Mrs. Halima Dayala (Non-Executive Director) has been appointed as Member of Audit Committee, on May 29, 2012, in place of Syed Kaleem Akhtar (Executive Director). Mr. Shakeel Ahmed has been appointed as Chairman of Audit Committee, on May 29, 2012, in place of Syed Rashid Ali. No meeting was held after the appointment of Mrs. Halima Dayala as Member of Audit Committee.

- During the year one (1) meeting of Human Resource and Remuneration Committee (HRRC) was held. Attendance by each Member was as follows:

S. No.	Name of Member	No. of meetings eligible to attend	No. of meetings attended
1.	Mr. Shakeel Ahmed	1	1
2.	Mrs. Halima Dayala	1	1
3.	Mr. Muhammad Sohail Dayala	1	1

The HRRC was constituted on May 29, 2012 in compliance with the requirement of Code of Corporate Governance.

- 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 Directors have gone through two in-house orientation courses/training programs held on August 23, 2011 and April 02, 2012. However, no training program with regard to certification was attended.
- n) The Company is not in default or likely to default in any loans, sukuks or other debt instruments.
- o) The Directors and Executives including their respective spouses and minor children have not traded in the shares of the Company except the following:
- Mr. Muhammad Sohail Dayala, Chief Executive Officer bought 2,422,848 shares of the Company during the year.
 - Mr. Tariq Iqbal, Head of Internal Audit sold 5,000 shares of the Company during the year.

(For the clause 'o' above and clause xxiii of the Code of Corporate Governance the term/expression 'Executive' includes, in addition to Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit and Company Secretary by whatever name called, all other employees of the Company having basic salary of Rs. 1,000,000/- or above in a financial year).



Economic and Industry Review

During the year 2011-12, Pakistan's economy entered a period of weakness on the balance of payments front, with sharp weakening of the Pak Rupee towards the end of the fiscal year. The total current account deficit of US\$4.5bn for 2011-12 summed up the difficulties faced by the government in trying to bridge the huge trade deficit of US\$21.271bn. On the domestic front, problems on the budgetary front continued in 2011-12 as well, with the country estimated to post a budget deficit beyond 6% of GDP once again. Government borrowing from the banking system continued to pile up at a sharp rate. CPI inflation for 2011-12 stood at 11.01% due to high-base effect of the previous year. Once again, the country's GDP grew at a low rate, this time posting a growth of 3.7% in 2011-12, against an initial target of over 4%. The main thrust of the growth came from agriculture, while industrial production suffered due to the energy deficit and circular debt issues hurting the economy.

The KSE-100 Index gained 11.10% during the year 2011-12. The main thrust for the gains in the equity market came with the efforts of the Karachi Stock Exchange and the Securities & Exchange Commission of Pakistan being able to successfully convince the Finance Ministry for suitable amendments to the law for collection of capital gains tax on profits made through trading in shares. Average daily volume during the fiscal year stood at 140mn shares.

Future Prospects and Outlook

Your company has, by the grace of Almighty Allah, seemingly left the worst times in the past, with a healthy bottom line during the fiscal year. While the global economy remains weak, due to the European Union crisis, there are positive signals for Pakistan as the global international crude oil prices have sharply fallen in the last few weeks of 2011-12. Also, the thawing of geo-political relations with the USA and NATO may lead to support for the balance of payments, thus also reducing pressure on the depreciating currency and the government's needs for borrowing.

Your company is now well-entrenched in the inter-bank brokerage space, and is also striding on the commodity market brokerage front in order to supplement equity brokerage and investment incomes. The Company is also trying to explore new avenues / ventures in order to further diversify its portfolio of operations.

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 employees.

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 & Chief Executive Officer

Karachi: July 30, 2012



ANNEXURE TO THE DIRECTORS' REPORT

Memorandum under Section 218 of the Companies Ordinance, 1984

1. The Board of Directors of Invest and Finance Securities Limited ('the Company') in its meeting held on August 23, 2011, approved the appointment of Mr. Muhammad Sohail Dayala as the Chief Executive Officer of the Company, effective from August 23, 2011 for the remainder term of outgoing Chief Executive Officer, i.e., until March 30, 2012. Mr. Muhammad Sohail Dayala was entitled to a managerial remuneration of Rs. 400,000/- per month. The above remuneration was subject to such increments and adjustments, including bonuses as may be granted in accordance with the Company's policies and rules subject to the approval of the Board of Directors. He was also entitled for other perquisites and facilities/benefits as per the Company's policies and rules including, Company maintained car, residence utility bills, cellular phone bills, hospitalization facility (insurance cover) for self, spouse and dependent children, membership of employees' provident fund, etc.

Further, upon expiry of term of Mr. Muhammad Sohail Dayala as Chief Executive Officer on March 30, 2012, he has been re-appointed as Chief Executive Officer of the Company by the Board of Directors on April 02, 2012 with effect from April 01, 2012 on the same remuneration and terms and conditions of employment.

2. The Board of Directors of the Company approved the co-option of Mr. Ahmad Zakir Hafeez, Chief Financial Officer and Mr. Muhammad Awais, Company Secretary as Director (Executive Directors) of the Company effective from August 08, 2011 and October 31, 2011 respectively for the remainder tenure of respective outgoing Directors at their existing remuneration of Rs. 65,000/- and Rs. 75,000/- per month respectively and respective terms and conditions of employment.
3. The election of Directors was held on March 26, 2012 and the Board of Directors has re-appointed Mr. Ahmad Zakir Hafeez, Mr. Muhammad Awais and Syed Kaleem Akhtar as Executive Directors at their existing remuneration of Rs. 65,000/-, Rs. 75,000/- and Rs. 85,000/- per month respectively and terms and conditions of employment. The said remuneration is subject to such increments, adjustments, bonuses and other entitlements as may be granted at any time and from time to time by the Board of Directors and/or in accordance with the Company's policies and rule. They are also entitled for other perquisites and facilities/benefits as per the Company's policies and rules including, Company maintained car, hospitalization facility (insurance cover) for self, spouse and dependent children, membership of employees' provident fund, etc.

In addition, Syed Kaleem Akhtar is also entitled for commission ranging between 10% - 15% (depending on performance/target achievement) of the commission earned by the Company on sale and purchase transactions of the securities of his clients.

No other director(s) is/are concerned or interested in the above referred matters.



SIX YEARS AT A GLANCE

PARTICULARS	2012	2011	2010	2009	2008	2007
Operating Performance (Rupees in 000)						
Revenue	283,105	100,157	293,810	124,642	197,616	300,408
Operating expenses	59,186	59,452	57,144	68,097	89,122	52,667
Financial expenses	6,317	2,939	13,031	128,692	69,368	93,288
Other income / (loss)	729	9,267	7,750	3,868	316	2,258
Gain / (loss) on revaluation on investments	3,849	8,330	(52,603)	(78,699)	(6,586)	12,005
Profit / (loss) before tax	222,180	50,772	178,782	(146,977)	32,856	168,717
Profit / (loss) after tax	217,775	48,468	172,057	(158,500)	20,212	161,038
Per Ordinary Shares (Rupees)						
Earnings per share	3.63	0.81	2.87	(2.64)	0.39	3.35
Break-up value per share	13.95	10.32	10.66	7.80	10.44	20.26
Dividends (Percentage)						
Cash	-	-	11.50%	-	-	-
Bonus shares	10%	-	-	-	100%	-
Assets & Liabilities (Rupees in 000)						
Total assets	951,562	879,344	898,918	1,042,851	2,344,604	1,254,306
Current assets	866,959	786,843	722,085	826,505	2,117,430	1,062,014
Current liabilities	113,954	259,511	196,574	372,564	1,495,728	541,053
Financial Position (Rupees in 000)						
Shareholder's equity	837,608	619,833	640,423	468,365	626,866	486,653
Share capital	600,496	600,496	600,496	600,496	600,496	240,248
Reserves	237,112	19,337	39,927	(132,131)	26,370	246,406
Shares outstanding- (Number in 000)	60,050	60,050	60,050	60,050	60,050	24,025
Return on capital employed-(%)	26.00	7.82	26.87	-33.84	3.22	33.09
Return on total assets-(%)	22.89	5.51	19.14	-15.20	0.86	12.84
Current ratio-times	7.61	3.03	3.67	2.22	1.42	1.96



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE - YEAR ENDED JUNE 30, 2012

This statement is being presented to comply with the Code of Corporate Governance (the CCG) contained in Regulation No. 35 of 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.

The Company has applied the principles contained in the CCG 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:

Category	Names
Independent Directors	Syed Rashid Ali Mr. Shakeel Ahmed
Executive Directors	Mr. Muhammad Sohail Dayala Syed Kaleem Akhtar Mr. Ahmad Zakir Hafeez Mr. Muhammad Awais
Non-Executive Directors	Mrs. Halima Dayala

The independent Directors meets the criteria of independence under clause i(b) of the CCG.

2. The Directors have confirmed that none of them is serving as a Director on more than seven 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 NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Casual vacancies occurring on the Board on July 15, 2011, August 23, 2011, October 31, 2011 and November 17, 2011 were filled up by the Directors within 30 days thereof. The election of Directors was held on March 26, 2012 and thereafter no casual vacancy occurred.
5. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with 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, other Executive and Non-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 at least once 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 two in-house orientation courses/training programs for its Directors during the year.



10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient 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 CCG.
15. The Board has formed an audit committee. It comprises of three members, of whom three are Non-Executive Directors and the Chairman of the committee is an Independent Director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises three members, of whom two are Non-Executive Directors and the Chairman of the committee is an Independent Director.
18. The Board has set-up an effective internal audit function.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, 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 the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to Directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm that all other material principles enshrined in the CCG have been complied with.

MUHAMMAD SOHAIL DAYALA
Chairman & Chief Executive Officer

Karachi
July 30, 2012



BALANCE SHEET

AS AT JUNE 30, 2012

<u>ASSETS</u>	Note	2012 Rupees	2011 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	4	34,277,424	39,746,732
Intangible assets	5	46,895,691	46,954,227
Long-term investments		-	2,520,000
Long-term deposits		3,430,000	3,280,000
		<u>84,603,115</u>	<u>92,500,959</u>
CURRENT ASSETS			
Trade debts	6	81,128,622	362,107,843
Short-term investments	7	717,174,965	334,478,390
Advances, deposits, prepayments and other receivables	8	15,074,147	28,549,201
Advance tax - net		17,579,356	15,642,406
Receivable under MTS transactions		-	16,361,220
Receivable from NCCPL - net		18,882,173	246,109
Cash and bank balances	9	17,119,626	29,458,177
		<u>866,958,889</u>	<u>786,843,346</u>
TOTAL ASSETS		<u>951,562,004</u>	<u>879,344,305</u>
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
SHARE CAPITAL			
Authorized capital			
100,000,000 (2011: 100,000,000) ordinary shares of Rs.10/- each		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up capital	10	600,496,000	600,496,000
RESERVES			
Un-appropriated profit		<u>237,112,266</u>	<u>19,337,423</u>
		<u>837,608,266</u>	<u>619,833,423</u>
CURRENT LIABILITIES			
Short-term running finance	11	87,109,110	170,454,027
Trade and other payables	12	26,844,628	89,056,855
		<u>113,953,738</u>	<u>259,510,882</u>
CONTINGENCIES AND COMMITMENTS	13	-	-
TOTAL EQUITY AND LIABILITIES		<u>951,562,004</u>	<u>879,344,305</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
OPERATING REVENUE			
Operating revenues	14	84,651,910	74,839,175
Gain on sale of investments-net		198,453,679	25,317,721
		283,105,589	100,156,896
EXPENDITURES			
Administrative and general expenses	15	(59,186,147)	(59,452,528)
Operating profit		223,919,442	40,704,368
Other income - net	16	729,286	9,267,490
Financial charges	17	(6,317,424)	(2,938,913)
Workers' Welfare Fund		-	(4,591,075)
Gain on re-measurement of investments carried at fair value through profit and loss account- net		3,848,646	8,330,212
		(1,739,492)	10,067,714
PROFIT BEFORE TAXATION		222,179,950	50,772,082
TAXATION	18	(4,405,107)	(2,304,126)
PROFIT AFTER TAXATION		217,774,843	48,467,956
Other comprehensive income		-	-
Total comprehensive income for the year		217,774,843	48,467,956
Earnings per share - basic and diluted	19	3.63	0.81

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
Cash Flows From Operating Activities			
Profit before taxation		222,179,950	50,772,082
Adjustments for:			
Depreciation		5,224,512	5,567,402
Amortization of software		58,536	87,800
Provision for WWF		-	1,015,442
Financial charges		6,317,424	2,938,913
Gain on revaluation of investments carried at fair value through profit and loss - net		(3,848,646)	(8,330,212)
Gain on disposal of long term investments		(47,880,000)	-
Loss on disposal of property, plant and equipment		71,081	26,433
		(40,057,093)	1,305,778
Profit before working capital changes		182,122,857	52,077,860
Changes in working capital			
Decrease/(increase) in current assets			
Trade debts		280,979,221	169,898,457
Receivable under MTS transactions		16,361,220	(16,361,220)
Short term investments		(378,847,929)	(165,088,267)
Advances, deposits, prepayments and other receivables		13,475,054	(2,985,488)
Receivable from NCCPL		(18,636,064)	1,120,790
		(86,668,498)	(13,415,728)
(Decrease)/increase in current liabilities			
Trade and other payables		(62,531,219)	(104,645,815)
Cash generated from / (used in) operations		32,923,140	(65,983,683)
Income tax paid		(6,342,057)	(5,223,838)
Finance charges paid		(5,998,432)	(6,825,778)
Net cash generated from / (used in) operating activities		20,582,651	(78,033,299)
Cash Flow From Investing Activities			
Purchase of property, plant and equipment		(2,536,285)	(7,406,223)
Proceeds from disposal of long term investments		50,400,000	-
Proceeds from disposal of property, plant and equipment		2,710,000	1,255,000
Long term deposits		(150,000)	-
Net cash generated from / (used in) investing activities		50,423,715	(6,151,223)
Cash Flow From Financing Activities			
Dividend paid		-	(69,057,040)
Net cash used in financing activities		-	(69,057,040)
Net increase / (decrease) in cash and cash equivalents		71,006,366	(153,241,562)
Cash and cash equivalents at the beginning of the year		(140,995,850)	12,245,712
Cash and cash equivalents at the end of the year	20	(69,989,484)	(140,995,850)

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2012

	Share capital	Un-appropriated profit / (Accumulated loss)	Total
	-----Rupees-----		
Balance as at June 30, 2010	600,496,000	39,926,507	640,422,507
Dividend paid during the year	-	(69,057,040)	(69,057,040)
Total comprehensive income for the year	-	48,467,956	48,467,956
Balance as at June 30, 2011	<u>600,496,000</u>	<u>19,337,423</u>	<u>619,833,423</u>
Total comprehensive income for the year	-	217,774,843	217,774,843
Balance as at June 30, 2012	<u><u>600,496,000</u></u>	<u><u>237,112,266</u></u>	<u><u>837,608,266</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

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. The registered office of the Company is situated at 12th Floor, Corporate Tower, Techno City Building, Hasrat Mohani Road, Off: I. I. Chundrigar Road, Karachi, Pakistan.

The Company is a Corporate Member of the Karachi Stock Exchange (Guarantee) Limited, the Lahore Stock Exchange (Guarantee) Limited and the Pakistan Mercantile Exchange Limited (formerly National Commodity Exchange Limited) and is accredited by Financial Markets Association of Pakistan as inter-bank broker. The Company is engaged in Financial Brokerage, Corporate Finance and Financial Research.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

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 judgments, 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 25.

2.5 Standards, amendments and interpretations adopted during the year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

2.5.1 New and amended standards and interpretations

The Company has adopted the following new and amended IFRS and IFRIC interpretations which become effective during the year:

IAS 24 Related Party Disclosure (Revised)
IFRS 7 Financial Instruments Disclosures - Amendments enhancing disclosures about transfers of financial assets

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on these financial statements.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

There are certain other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2010 but are considered not to be relevant or to have any significant effect on the Company's operations and are therefore not detailed in these financial statements.

2.6 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

	Standard or Interpretation	Effective Date (Accounting periods beginning on or after)
IAS 1	Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented	July 01, 2012
IAS 12	Income Tax (Amendments) - Deferred Taxes: Recovery of underlying assets	January 01, 2012
IAS 19	Employee Benefits - Amended Standard resulting from the post-employment benefits and termination benefits projects	January 01, 2013



	Standard or Interpretation	Effective Date (Accounting periods beginning on or after)
IAS 28	Investments in Associates and Joint Ventures (2011) - IAS 28 (2011) makes the amendments to apply IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture."	January 01, 2013
IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 - Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement.	January 01, 2014
IFRS 7	Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) – The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement.	January 01, 2013
IFRIC 20	Stripping cost in the production phase of a surface mining. The interpretation requires production stripping cost in a surface mine to be capitalised if certain criteria are met.	January 01, 2013

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not have material effect on the Company's financial statements in the period of initial application.

In addition to the above, amendments to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2011. The Company expects that such improvements to the standards will not have material effect on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.



Standards		IASB Effective date (annual periods beginning on or after)
IFRS 9	Financial Instruments	January 01, 2015
IFRS 10	Consolidated Financial Statements	January 01, 2013
IFRS 11	Joint Agreements	January 01, 2013
IFRS 12	Disclosure of Interest in Other Entities	January 01, 2013
IFRS 13	Fair Value Measurement	January 01, 2013

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 are made at the rate of 10% of basic salary.

3.2 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress.

These are transferred to specific assets as and when assets are available for use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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. Depreciation is charged from the month the assets are available for use while no depreciation is charged in the month of disposal.

Repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred.

Gains or losses on disposals of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in the profit and loss account of the period to which it relates.



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 Intangible Assets

(a) Membership Cards

These are stated at revalued amount. Provision is made for decline in value other than temporary, if any.

On June 28, 2011, the Company revalued its Membership Cards. The revaluation was carried out by M/s. Tracom (Private) Limited. The membership cards are revalued at Rs. 44,000,000/- (Rupees forty four million only) against original total cost of Rs. 43,078,600/- (Rupees forty three million seventy eight thousand six hundred only) resulting a surplus of Rs. 921,400/- (Rupees nine hundred twenty one thousand four hundred only). As the amount of surplus is very nominal therefore its impact is not accounted for in these financial statements.

(b) Others

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.

Amortization is charged to income applying the reducing balance method over the estimated useful lives of related assets, at the rates specified in note 5 to the financial statements. Full year's amortization on intangible assets is charged in the year of acquisition, whereas no amortization charged in the year of disposal.

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 amortization rate.

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 are 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 Financial Assets

The management determines the appropriate classification of its financial assets (including investments) in accordance with the requirements of International Accounting Standards (IAS) 39: "Financial Instruments Recognition and Measurement", at the time of the purchase and re-evaluates this classification on a regular basis. The Company classifies its financial assets in following categories:



3.5.1 Classification

(i) **Financial assets at fair value through profit or loss account - held for trading**

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuations in market price, interest rate movements or are financial assets included in a portfolio in which a pattern of short-term profit taking exists.

(ii) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivable comprise of trade debts, advances, deposits, cash and bank balances, and other receivables in the balance sheet.

(iii) **Held-to-maturity**

These are financial assets with fixed or determinable payments and fixed maturity which the Company has positive intent and ability to hold to the maturity.

(iv) **Available-for-sale**

These are non-derivatives that are either designated in this category or not classified under any of the other categories.

3.5.2 Regular way contract

Regular purchases and sales of investments are recognized on trade date basis - i.e. on the date when the Company commits to purchase or sell the asset.

3.5.3 Initial recognition and measurement

Financial assets are initially recognized at fair value plus transaction cost except for financial assets carried at fair value through profit or loss – held for trading. Financial assets carried at fair value through profit or loss - held for trading are initially recognized at fair value and transaction cost are expensed in the profit and loss account.

3.5.4 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as following:

a) **'Financial assets at fair value through profit or loss' – held for trading and available for sale**

'Financial assets at fair value through profit or loss' are marked to market using the closing market rates and are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the profit and loss account in the period in which these arise.

'Available for sale' financial assets are marked to market using the closing market rates and are carried on the balance sheet at fair value. Net gains and losses arising on changes in fair value of these financial assets are recognized in other comprehensive income, until the available for sale financial assets are derecognized. At this time, the cumulative gain or loss previously recognized directly in other comprehensive income is reclassified from other comprehensive income to profit or loss as a reclassification adjustment.



Unquoted investments, where active market does not exist and fair value cannot be reasonably calculated, are carried at cost.

b) 'Loans and receivables' and 'held to maturity'

'Loans and receivables' and 'held to maturity' financial assets are carried at amortized cost.

3.5.5 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment in any asset or group of assets. If such indication exists, the recoverable amount of the assets is estimated and impairment losses are recognized immediately as an expense in the profit and loss account. In case of equity securities classified as 'available for sale', a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for 'available for sale' financial assets, the cumulative loss measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in comprehensive income, is reclassified from other comprehensive income and recognized in the profit and loss account. Impairment losses on equity financial assets recognized in profit and loss account are not reversed through profit and loss account.

3.5.6 Derecognition

Financial assets are derecognized when the right to receive cash flows from the financial assets have expired, have been realized or transferred, and the Company has transferred substantially all risks and rewards of ownership.

3.5.7 Reclassification

The Company may choose to reclassify a non-derivative trading financial asset in equity securities out of the 'held for trading' category to the 'available for sale' category if the financial asset is no longer held for the purpose of selling it in the near term. Such reclassifications are made only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. Reclassifications are made at fair value as of the reclassification date which then becomes the new cost and no reversals of fair value gains or losses recorded before the reclassification date are subsequently made.

3.5.8 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.

3.6 Financial Liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Financial liabilities include trade and other payables, running finance under mark-up arrangements, accrued mark-up on borrowing, liabilities against assets subject to finance lease, redeemable capital and dividend payable.



3.7 Foreign Currency Transactions

Foreign currency transactions are converted into rupees at the rates of exchange approximating to those ruling at the date of transaction. Monetary 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.

3.8 Revenue Recognition

- (a) Brokerage, advisory fees, commission and other income are accrued as and when due except for profit on sukuk bonds which is recognised on receipt basis for the reason disclosed in note 14.1.
- (b) Dividend income on equity investments is recognized, when the right to receive the same is established.
- (c) 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, advisory fee and service charges, are recognized as and when earned.
- (f) Unrealized capital gains / (losses) arising from marking to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account in the period in which they arise.

3.9 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, if any, and any under / over provisions in respect of prior year.

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 basis 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. Deferred tax asset for the year works out to Rs.364,233/- but it has not been recognized in the financial statements as it is not reasonably certain that the related tax benefit will be realized.



3.10 Borrowing Cost

The borrowing costs are interest or other auxiliary cost incurred by the Company in connection with borrowing of funds and is treated as periodic cost and charged to profit and loss account. However, borrowing costs incurred on qualifying assets are capitalized as part of the cost of the asset.

3.11 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.

3.12 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.

3.13 Trade Debts and Other Receivables

Trade debts and other receivables are recognized at fair value and subsequently measured at amortized cost. A provision for impairment in trade debts and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

3.14 Trade and Other Payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.15 Dividend Distributions and Appropriations

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

3.16 Earnings Per Share

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

3.17 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on 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, PLANT AND EQUIPMENT

Particulars	C O S T			2012	D E P R E C I A T I O N			WRITTEN DOWN VALUE
	As at July 01, 2011	Additions/ (Disposals)	As at June 30, 2012	Rate	As at July 01, 2011	Charge for the year/ (Disposals)	As at June 30, 2012	As at June 30, 2012
	-----Rupees-----			%	-----Rupees-----			Rupees
Building	27,575,000	-	27,575,000	10	12,842,275	1,473,273	14,315,548	13,259,452
Furniture and fixtures	14,714,585	- (2,551,520)	12,163,065	10	6,171,999	786,238 (1,259,123)	5,699,114	6,463,951
Office equipments	8,959,845	- (904,412)	8,055,433	10	3,578,706	511,803 (404,500)	3,686,009	4,369,424
Computers	6,937,553	96,800	7,034,353	33	5,574,337	463,171	6,037,508	996,845
Vehicle	16,731,068	2,439,485 (2,495,345)	16,675,208	20	7,004,002	1,990,027 (1,506,573)	7,487,456	9,187,752
	74,918,051	2,536,285 (5,951,277)	71,503,059		35,171,319	5,224,512 (3,170,196)	37,225,635	34,277,424

Particulars	C O S T			2011	D E P R E C I A T I O N			WRITTEN DOWN VALUE
	As at July 01, 2010	Additions/ (Disposals)	As at June 30, 2011	Rate	As at July 01, 2010	Charge for the year/ (Disposals)	As at June 30, 2011	As at June 30, 2011
	-----Rupees-----			%	-----Rupees-----			Rupees
Building	27,575,000	-	27,575,000	10	11,205,305	1,636,970	12,842,275	14,732,725
Furniture and fixtures	15,103,563	- (388,978)	14,714,585	10	5,352,565	972,939 (153,505)	6,171,999	8,542,586
Office equipments	9,563,678	- (603,833)	8,959,845	10	3,215,063	631,782 (268,139)	3,578,706	5,381,139
Computers	8,425,333	169,500 (1,657,280)	6,937,553	33	6,302,082	707,314 (1,435,059)	5,574,337	1,363,216
Vehicle	10,953,345	7,236,723 (1,459,000)	16,731,068	20	6,356,560	1,618,397 (970,955)	7,004,002	9,727,066
	71,620,919	7,406,223 (4,109,091)	74,918,051		32,431,575	5,567,402 (2,827,658)	35,171,319	39,746,732



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4.1 Disposal of property, plant and equipment

The following is a statement of assets disposed off during the year with written down value exceeding Rs. 50,000/-.

Particulars	Acquisition Cost	Accumulated Depreciation	Written Down Value	Sale Proceed	Gain/(Loss)	Mode of Disposal	Particulars of Buyers
	Rupees						
Motor Vehicle							
Honda Civic	1,161,845	773,199	388,646	1,185,000	796,354	Negotiation	Mr. Faraz
Honda City	933,500	589,374	344,126	450,000	105,874	Negotiation	Mr. Laiq ur Rahman
Honda City	400,000	144,000	256,000	575,000	319,000	Insurance Claim	Jublee General Insurance Company Limited
Furniture & Fixture	2,400,000	1,188,315	1,211,685	325,000	(886,685)	Negotiation	Raza Siddiqi
Office Equipment	435,648	215,703	219,945	100,000	(119,945)	Negotiation	Raza Siddiqi
	<u>5,330,993</u>	<u>2,910,591</u>	<u>2,420,402</u>	<u>2,635,000</u>	<u>214,598</u>		

Aggregate of other items of furniture and fixture, computers and office equipment with individual book values not exceeding Rs. 50,000/-.

620,284	259,605	360,679	75,000	(285,679)
<u>5,951,277</u>	<u>3,170,196</u>	<u>2,781,081</u>	<u>2,710,000</u>	<u>(71,081)</u>

5 Intangible

Membership cards
Telephone booth
Computer software

Note

2012
Rupees

2011
Rupees

45,578,600	45,578,600
1,200,000	1,200,000
117,091	175,627
<u>46,895,691</u>	<u>46,954,227</u>

5.1 Computer Software

Particulars	C O S T			2012	A M O R T I Z A T I O N			WRITTEN DOWN VALUE
	As at July 01, 2011	Additions/ (Disposals)	As at June 30, 2012	Rate	As at July 01, 2011	Charge for the year/ (Disposals)	As at June 30, 2012	As at June 30, 2012
	Rupees			%	Rupees			Rupees
Computer software	2,000,000	-	2,000,000	33.33	1,824,373	58,536	1,882,909	117,091

Particulars	C O S T			2011	A M O R T I Z A T I O N			WRITTEN DOWN VALUE
	As at July 01, 2010	Additions/ (Disposals)	As at June 30, 2011	Rate	As at July 01, 2010	Charge for the year/ (Disposals)	As at June 30, 2011	As at June 30, 2011
	Rupees			%	Rupees			Rupees
Computer software	2,000,000	-	2,000,000	33.33	1,736,573	87,800	1,824,373	175,627

6 TRADE DEBTS - UNSECURED, CONSIDERED GOOD

Receivable against purchase of marketable securities

2012
Rupees

2011
Rupees

<u>81,128,622</u>	<u>362,107,843</u>
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7	SHORT TERM INVESTMENTS	Note	2012 Rupees Market Value	2012 Rupees Market Value
	Financial assets at fair value through profit and loss - Held for trading			
	- Investment in shares of listed companies	7.1	695,818,867	170,155,565
	- Open-end fund units (at redemption price)	7.2	5,001,228	147,946,703
	Available for sale			
	Unquoted Sukuk Bond of Maple Leaf Cement Factory Ltd.		16,354,870	19,658,122
	Less : Impairment loss		-	(3,282,000)
			16,354,870	16,376,122
			717,174,965	334,478,390

7.1 Detail of investment in shares of listed companies:

Number of Shares		Name of Companies	2012 Rupees Market Value	2011 Rupees Market Value
30-Jun-12	30-Jun-11			
		Banks		
-	15,000	Allied Bank Limited	-	962,100
-	80,000	Bank Alfalah Limited	-	765,600
118,912	14,510	Bank Al Habib Limited	3,385,425	427,610
-	105,000	Bank Islami Pakistan Limited	-	357,000
11,000	12,774	MCB Bank Limited	1,828,640	2,545,858
28,125	35,000	Meezan Bank Limited	813,375	611,450
25,000	15,000	National Bank of Pakistan	1,088,500	756,300
363,290	363,290	NIB Bank Limited	722,947	548,568
1,000,000	3,988,839	Silk Bank Limited	2,110,000	10,091,763
650,000	-	Soneri Bank Limited	4,803,500	-
193,065	193,065	Summit Bank Limited	613,947	725,924
150,000	310,927	The Bank of Punjab	1,152,000	1,815,814
-	25,000	United Bank Limited	-	1,547,750
		Chemicals		
-	3,984	Agritech Limited	-	75,696
-	109,000	Arif Habib Corporation Limited	-	2,866,700
55,000	55,000	Descon Oxychem Limited	213,400	334,950
1,055,605	21,756,605	Dewan Salman Fiber Limited	1,731,192	56,784,739
-	50,000	Engro Corporation Limited	-	8,162,500
573,140	65,000	Fatima Fertilizer Co. Limited	14,139,364	1,081,600
350,000	65,000	Fauji Fertilizer Bin Qasim Limited	14,287,000	2,739,750
-	30,000	Fauji Fertilizer Co. Limited	-	4,510,500
5,000	5,000	ICI Pakistan Limited	655,350	759,250
250,000	160,000	Lotte Pakistan PTA Limited	1,757,500	2,212,800
		Construction & Materials		
-	1,180	Attock Cement Limited	-	57,265
500,000	11,580,053	Dewan Cement Limited	1,715,000	19,570,290
-	237,006	D. G. Khan Cement Limited	-	5,448,768
-	5,000	Lucky Cement Limited	-	354,200
		Electricity		
7,900,000	242,000	Hub Power Co. Limited	330,931,000	9,075,000
574,128	70,000	Karachi Electric Supply Corp. Limited	1,860,175	150,500
1,700,000	-	Kohinoor Energy Limited	36,550,000	-
20,000	20,000	Kot Addu Power Co. Limited	900,000	852,200
380,999	40,000	Nishat Chunian Power Limited	5,650,215	548,800
2,321,297	101,882	Nishat Power Limited	34,123,066	1,573,058
		Equity Investment Instruments		
-	16,000	Al Meezan Mutual Fund Limited	-	177,600
-	12,500	PICIC Growth Fund Limited	-	167,250
-	4,500	PICIC Investment Fund Limited	-	26,325



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Number of Shares		Name of Companies	2012 Rupees Market Value	2011 Rupees Market Value
30-Jun-12	30-Jun-11			
Financial Services				
4,006	4,006	Arif Habib Investment Limited	63,615	86,490
50,000	15,000	Jahangir Siddiqui Co. Limited	620,500	97,200
Fixed Line Telecommunication				
-	70,000	Pakistan Telecomm. Co. Limited	-	995,400
169,012	19,041	Telecard Limited	251,828	29,323
150,000	-	Wateen Telecom Limited	300,000	-
Food Producers				
1,100,000	-	Engro Foods Limited	70,895,000	-
24	24	Nestle Pakistan Limited	96,356	131,402
7,000	5,000	Sakrand Sugar Mills Limited	6,440	12,000
-	26	Unilever Pakistan Limited	-	135,862
-	30	Unilever Pakistan Foods Limited	-	44,400
Forestry & Paper				
2,606	2,606	Century Paper & Board Mills Limited	49,384	40,132
125,000	5,616	Security Papers Limited	5,500,000	227,448
Gas Water & Multiutilities				
-	17,000	Sui Southern Gas Co. Limited	-	368,390
Industrial Metals & Mining				
6,000	6,000	International Industries Limited	169,500	297,000
Non Life Insurance				
-	280	Central Insurance Co. Limited	-	18,088
9,888	-	Cyan Limited	706,498	-
Oil & Gas				
9,000	-	National Refinery Limited	2,082,510	-
42,000	-	Oil & Gas Development Corporaton	6,738,480	-
25,000	17,000	Pakistan Oilfields Limited	9,173,500	6,103,170
120,000	25,000	Pakistan Petroleum Limited	22,594,800	5,176,750
90,500	20,500	Pakistan State Oil Co. Limited	21,343,520	5,423,890
11,875	9,500	Shell Pakistan Limited	1,517,981	2,137,595
Personal Goods				
13,704,656	400,000	Azgard Nine Limited	87,709,798	2,208,000
-	889,433	Dewan Farooq Spinning Mills Limited	-	1,796,655
6,000	6,000	Gulshan Spinning Mills Limited	30,000	66,000
-	5,513	Ibrahim Fiber Limited	-	232,759
100,000	100,000	Mohammad Farooq Textile Mills Ltd.	105,000	81,000
50,000	19,000	Nishat (Chunian) Limited	869,500	423,510
-	19,050	Nishat Mills Limited	-	958,977
-	33,500	Saitex Spinning Mills Limited	-	3,350
Pharma & Bio Tech				
62,667	56,970	Glaxo Smithkline Limited	3,963,061	4,375,296
34,069,795	41,534,210		695,818,867	170,155,565



7.2 Detail of investment in open-end fund units :

Number of Units		Name of Investee	2012 Rupees Redemption Price	2011 Rupees Redemption Price
30-Jun-12	30-Jun-11			
45,153	-	Namco Income Fund	5,001,228	-
-	504,128	MCB Cash Management Optimizer Fund	-	50,519,759
-	164,472	PICIC Income Fund	-	16,984,876
-	494,274	PICIC Cash Fund	-	50,014,284
-	9,970	Atlas Money Market Fund	-	5,154,427
-	2,522,593	ABL Cash Fund	-	25,273,357
<u>45,153</u>	<u>3,695,437</u>		<u>5,001,228</u>	<u>147,946,703</u>

8 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2012 Rupees	2011 Rupees
Advances to employees - considered good		460,901	13,614,361
Short term deposits	8.1	2,700,000	250,000
Inter-bank brokerage		2,647,023	4,354,714
Prepayments		148,992	93,552
Other receivables		9,117,231	10,236,574
		<u>15,074,147</u>	<u>28,549,201</u>

8.1 This represents deposits with the Karachi Stock Exchange (Guarantee) Ltd. and the Pakistan Mercantile Exchange Limited (formerly National Commodity Exchange Limited) against exposure.

9 CASH AND BANK BALANCES

	2012 Rupees	2011 Rupees
Cash in hand	54,481	38,886
Cash at banks		
On deposit accounts	16,369,983	26,883,790
On current accounts	695,162	2,535,501
	<u>17,065,145</u>	<u>29,419,291</u>
	<u>17,119,626</u>	<u>29,458,177</u>

10 SHARE CAPITAL

2012 (Number of Shares)	2011	Ordinary shares of Rs.10/- each	2012 Rupees	2011 Rupees
27,015,500	27,015,500	Fully paid in cash	270,155,000	270,155,000
33,034,100	33,034,100	Issued as bonus shares	330,341,000	330,341,000
<u>60,049,600</u>	<u>60,049,600</u>		<u>600,496,000</u>	<u>600,496,000</u>



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11	SHORT TERM RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS- Secured	2012 Rupees	2011 Rupees
	NIB Bank Limited	87,109,110	70,507,047
	Silk Bank Limited	-	99,946,980
		<u>87,109,110</u>	<u>170,454,027</u>

The Company has aggregate running finance facilities from various banks of Rs. 0.75 billion (June 30, 2011 : Rs. 1.1 billion) under mark-up arrangements. Mark-up rates varies from 1-3 months Kibor + 0.85% to 1-3 Months Kibor + 3% (June 30, 2011 : 1-3 Months Kibor+0.85% to 1-3 Months Kibor +3%). These arrangements would remain valid for varying periods up to June 30, 2013 and are secured against pledge of listed securities and charge over current assets of the Company.

12	TRADE AND OTHER PAYABLES	Note	2012 Rupees	2011 Rupees
	Creditors		19,502,079	79,206,170
	Accrued liabilities			
	Mark-up on short term running finance		487,651	168,659
	Workers' Welfare Fund		1,015,442	1,015,442
	Federal excise duty		188,553	1,979,501
	Dividend payable		738,118	745,171
	Accrued expenses and other liabilities		4,912,785	5,941,912
			<u>7,342,549</u>	<u>9,850,685</u>
			<u>26,844,628</u>	<u>89,056,855</u>
13	CONTINGENCIES AND COMMITMENTS			
	Bank Guarantee in favour of Karachi Stock Exchange (Guarantee) Limited from KASB Bank Limited and secured against charge over current assets of the Company		<u>10,000,000</u>	<u>10,000,000</u>
14	OPERATING REVENUES			
	Equity brokerage income		33,615,040	41,971,927
	Inter-bank brokerage		22,587,852	11,226,942
	Commodity brokerage income		324,940	-
	Income on MTS		47,636	1,015,696
	Underwriting commission		-	625,000
	Fees and commission		496,161	1,129,000
	Service charges		4,578,577	10,562,004
	Dividend income		20,626,324	8,198,134
	Profit on Sukuk Bonds	14.1	2,375,380	110,472
			<u>84,651,910</u>	<u>74,839,175</u>

14.1 The Company has recorded profit on receipt basis. Accrued mark up for the period has not been recognized in these financial statements because of the future recovery risk.

		2012 Rupees	2011 Rupees
15 ADMINISTRATIVE AND GENERAL EXPENSES	Note		
Salaries, allowances and other benefits		31,508,508	26,370,514
Traveling, conveyance and vehicle running expenses		2,819,933	2,467,950
Office rent		762,652	2,058,794
Utility charges		2,871,998	2,525,564
Postage, telephone and telegram		1,968,932	1,950,341
Repair and maintenance		1,484,038	3,345,072
Insurance		1,042,846	809,401
Depreciation	4	5,224,512	5,567,402
Amortization-computer software	5.1	58,536	87,800
Entertainment		778,817	297,978
Newspaper and periodicals		54,583	72,593
Advertisement		101,338	132,003
Printing and stationery		438,232	588,316
Legal and professional charges		200,450	452,895
Auditors' remuneration	15.1	250,000	250,000
Service charges		1,967,492	1,057,908
CDC charges		450,490	893,624
Fees and subscription		3,102,561	3,854,540
Commission		3,379,393	5,732,627
Office supplies		620,036	916,604
Medical expenses		100,800	20,602
		<u>59,186,147</u>	<u>59,452,528</u>
15.1 Auditors' remuneration			
Audit fee		190,000	190,000
Half yearly review		30,000	30,000
Code of Corporate Governance		20,000	20,000
Out of pocket expenses		10,000	10,000
		<u>250,000</u>	<u>250,000</u>
16 OTHER INCOME - NET			
Return on bank deposit accounts		603,100	9,269,790
Profit on exposure deposit with exchange		197,267	24,133
Loss on sale of assets		(71,081)	(26,433)
		<u>729,286</u>	<u>9,267,490</u>
17 FINANCIAL CHARGES			
Bank charges		420,287	389,919
Mark-up on short term running finances		5,897,137	2,548,994
		<u>6,317,424</u>	<u>2,938,913</u>
18 TAXATION			
Current	18.1	<u>4,405,107</u>	<u>2,304,126</u>
18.1 Reconciliation of tax charge for the year			
Accounting profit		222,179,950	50,772,082
Corporate tax rate		35%	35%
Tax on accounting profit at applicable rate		<u>77,762,983</u>	<u>17,770,229</u>
Tax effect of - S.I.B & income exempt from tax		(60,298,302)	(6,778,530)
- lower tax rate on certain income		(3,774,349)	(257,720)
- Adjustment due to available tax losses		(12,022,385)	(8,561,302)
- Others		2,737,160	131,449
		<u>4,405,107</u>	<u>2,304,126</u>
19 EARNINGS PER SHARE			
There is no dilutive effect on the basic earnings per share of the Company, which is based on:			
Profit after taxation		217,774,843	48,467,956
Weighted average number of ordinary shares		60,049,600	60,049,600
Earnings per share - basic and diluted	19.1	<u>3.63</u>	<u>0.81</u>



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19.1 Diluted earnings per share has not been calculated as the Company does not have any convertible instrument in issue as at June 30, 2012 and 2011 which would have any effect on the earnings per share if the option exercised.

20 CASH AND CASH EQUIVALENTS	2012 Rupees	2011 Rupees
Cash and bank balances	17,119,626	29,458,177
Short term running finance	(87,109,110)	(170,454,027)
	<u>(69,989,484)</u>	<u>(140,995,850)</u>
21 FINANCIAL INSTRUMENTS BY CATEGORY		
21.1 Financial assets and liabilities		
Financial Assets		
- Loans and receivables		
Loans and advances	3,107,924	17,969,075
Deposits	6,130,000	3,530,000
Trade debts	81,128,622	362,107,843
Other receivables	9,117,231	10,236,574
Receivable from NCCPL	18,882,173	246,109
Receivable under MTS transactions	-	16,361,220
Cash and bank balances	17,119,626	29,458,177
	<u>135,485,576</u>	<u>439,908,998</u>
- Fair value through profit and loss Investments	<u>700,820,095</u>	<u>320,622,268</u>
- Available for sale	<u>16,354,870</u>	<u>16,376,122</u>
Financial Liabilities		
- Financial liabilities at amortised cost		
Short term financing	87,109,110	170,454,027
Accrued mark-up	487,651	168,659
Trade and other payables	26,356,977	88,888,196
	<u>113,953,738</u>	<u>259,510,882</u>

22 Financial Risk Management

The Company's activities are exposed to variety of financial risks namely market risk (including currency risk, interest rate and other price risk), credit risk, liquidity risk. The Company has established adequate procedure to manage each of these risks as explained below:

22.1 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 issuer or the instrument, change in the market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Market risk comprises of currency risk, interest rate risk and other price risk.

22.1.1 Currency risk

Currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to foreign exchange risk because none of the Company's monetary assets and liabilities are denominated in foreign currency.

22.1.2 Yield / Interest rate risk

Yield risk is the risk of decline in earnings due to adverse movements of the yield curve. Interest rate risk is the risk that the value of financial instruments or cash flows relating to financial instruments, will fluctuate due to changes in the market rates. Sensitivity to interest / mark-up rate risk arises from mismatches or gaps in the amounts of interest / mark-up based assets and liabilities that mature or reprice in a given period. The Company manages this risk by matching the repricing of financial assets and liabilities through appropriate policies.

	2012						Total
	Mark-up bearing maturity			Non-mark-up bearing maturity			
	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	2,700,000	-	2,700,000	-	3,430,000	3,430,000	6,130,000
Trade debts	-	-	-	81,128,622	-	81,128,622	81,128,622
Loan and advances	-	-	-	3,107,924	-	3,107,924	3,107,924
Receivable from NCCPL	-	-	-	18,882,173	-	18,882,173	18,882,173
Investments	5,001,228	16,354,870	21,356,098	695,818,867	-	695,818,867	717,174,965
Other receivables	-	-	-	9,117,231	-	9,117,231	9,117,231
Cash and bank balances	16,369,983	-	16,369,983	749,643	-	749,643	17,119,626
	<u>24,071,211</u>	<u>16,354,870</u>	<u>40,426,081</u>	<u>808,804,460</u>	<u>3,430,000</u>	<u>812,234,460</u>	<u>852,660,541</u>
Financial liabilities							
Short term financing	87,109,110	-	87,109,110	-	-	-	87,109,110
Accrued mark-up	-	-	-	487,651	-	487,651	487,651
Trade and other payables	-	-	-	26,356,977	-	26,356,977	26,356,977
	<u>87,109,110</u>	<u>-</u>	<u>87,109,110</u>	<u>26,844,628</u>	<u>-</u>	<u>26,844,628</u>	<u>113,953,738</u>
On-balance Sheet Gap	(63,037,899)	16,354,870	(46,683,029)	781,959,832	3,430,000	785,389,832	738,706,803
Off-balance Sheet Gap	-	-	-	-	-	-	-

	2011						Total
	Mark-up bearing maturity			Non-mark-up bearing maturity			
	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	-	-	-	250,000	3,280,000	3,530,000	3,530,000
Trade debts	-	-	-	362,107,843	-	362,107,843	362,107,843
Loan and advances	-	-	-	17,969,075	-	17,969,075	17,969,075
Receivable from NCCPL	-	-	-	246,109	-	246,109	246,109
Receivable under MTS transactions	16,361,220	-	16,361,220	-	-	-	16,361,220
Investments	-	16,376,122	16,376,122	318,102,268	2,520,000	320,622,268	336,998,390
Other receivables	-	-	-	10,236,574	-	10,236,574	10,236,574
Cash and bank balances	26,883,790	-	26,883,790	2,574,387	-	2,574,387	29,458,177
	<u>43,245,010</u>	<u>16,376,122</u>	<u>59,621,132</u>	<u>711,486,256</u>	<u>5,800,000</u>	<u>717,286,256</u>	<u>776,907,388</u>
Financial liabilities							
Short term financing	170,454,027	-	170,454,027	-	-	-	170,454,027
Accrued mark-up	-	-	-	168,659	-	168,659	168,659
Trade and other payables	-	-	-	88,888,196	-	88,888,196	88,888,196
	<u>170,454,027</u>	<u>-</u>	<u>170,454,027</u>	<u>89,056,855</u>	<u>-</u>	<u>89,056,855</u>	<u>259,510,882</u>
On-balance Sheet Gap	(127,209,017)	16,376,122	(110,832,895)	622,429,401	5,800,000	628,229,401	517,396,506
Off-balance Sheet Gap	-	-	-	-	-	-	-



22.1.3 Other price risk

Other price risk is the risk of volatility in shares prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. The Company is exposed to price risk because of investments held by the Company and classified in the balance sheet as investments at fair value through profit or loss account. The management believes that 10% increase or decrease in the value of investments at fair value through profit or loss account, while all other factors remaining constant would result in increase or decrease of the Company's profit by Rs.69.582 million (2011: Rs.17.015 million)

22.2 Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting commitments associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and bank balances, marketable securities and availability of funds through an adequate amount of committed credit lines. The Company is not exposed to liquidity risk. The maturity profile is monitored to ensure that adequate liquidity is maintained. The liquidity profile of the Company is disclosed in note 22.1.2.

22.3 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed to perform as contracted. All the financial assets of the Company are exposed to credit risk. To manage the exposure to credit risk, the Company applies credit limit to its customers and in certain cases obtains margin and deposit in the form of cash. The Company has established internal policies for extending credit which captures essential details regarding customers. Based on the review of borrowers credentials as available internally and value of collaterals held as security, the management is confident that credit quality of debts which are not past due nor impaired remains sound at the balance sheet date.

The majority of the Company's transactions, and consequently, the concentration of its credit exposure are with the customers, brokers and other financial institutions. These activities primarily involve collateralized arrangement and may result in credit exposure if the counter party fails to meet its contracted obligations. The Company's exposure to credit risk can only be directly impacted by volatile security markets which may impair the ability of counter parties to satisfy their contractual obligations. The Company seeks to control its credit risk through a variety of reporting and control procedures, including establishing credit limit based upon a review of the counter parties' financial conditions. The Company monitors collateral levels on a regular basis and requests changes in collateral levels as appropriate if considered necessary.

An analysis of the age of significant financial assets that are past due but not impaired are as under:

	2012 Rupees	2011 Rupees
Financial instruments carried at amortised cost		
Trade debts - net	<u>81,128,622</u>	<u>362,107,843</u>
Payments over due		
1-360 days	79,432,689	326,079,644
Above 360 days	1,695,933	36,028,199

An analysis of significant financial assets that are individually impaired are as under. The factors in determining the impairment loss mainly comprises management's assessment of potential loss which is expected to arise on these financial assets.

	2012 Rupees	2011 Rupees
Long term investment	-	2,520,000
Short term investment	16,354,870	16,376,122

The credit quality of Company's bank balances can be assessed with reference to external credit rating as follows:

Bank	Rating Agency	Rating	
		Short term	Medium to long term
Allied Bank Ltd	PACRA	A1+	AA
Bank Al-Falah Ltd	PACRA	A1+	AA
Bank Al- Haib Ltd	PACRA	A1+	AA+
Habib Bank Ltd	JCR-VIS	A1+	AA+
Habib Metropolitan Bank Ltd	PACRA	A1+	AA+
JS Bank Ltd	PACRA	A1	A
KASB Bank Ltd	PACRA	A3	BBB
MCB Bank Ltd	PACRA	A1+	AA+
Meezan Bank Ltd	JCR-VIS	A1+	AA-
NIB Bank Ltd	PACRA	A1+	AA-
Silk Bank Ltd	JCR-VIS	A2	A-
Standard Chartered Bank Ltd	PACRA	A1+	AAA
Summit Bank Ltd	JCR-VIS	-	A-
Tha Bank of Khyber Ltd	PACRA	A2	A-
United Bank Ltd	JCR-VIS	A1+	AA+

22.4 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.

22.5 Financial assets fair value hierarchy

All financial instruments carried at fair value are categorised in three categories defined as follows:

Level 1 - Quoted market prices

Level 2 - Valuation techniques (market observable)

Level 3 - Valuation techniques (non-market observable)

Assets	2012			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
Investment in equity securities - held for trading	700,820,095	-	-	700,820,095
Investment classified as available for sale	-	16,354,870	-	16,354,870
	<u>700,820,095</u>	<u>16,354,870</u>	<u>-</u>	<u>717,174,965</u>

Assets	2011			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
Investment in equity securities - held for trading	318,102,268	-	-	318,102,268
Investment classified as available for sale	-	16,376,122	-	16,376,122
	<u>318,102,268</u>	<u>16,376,122</u>	<u>-</u>	<u>334,478,390</u>



22.6 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital on the basis of the gearing ratio. Gearing ratio is calculated as debt divided by debt plus equity, where debt represents total long term borrowings and equity represents paid-up capital, reserves and accumulated profit / (loss).

	2012 Rupees	2011 Rupees
Total long term borrowings	-	-
Total equity	<u>837,608,266</u>	<u>619,833,423</u>
	<u>837,608,266</u>	<u>619,833,423</u>
Gearing ratio	0%	0%

23 REMUNERATION OF CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the remuneration, including certain benefits to the Chief Executive Officer, Executive Directors and Executives of the Company is as follows:

	Chief Executive Officer		Executive Directors		Executives	
	June 2012	June 2011	June 2012	June 2011	June 2012	June 2011
	----- (Rupees) -----					
Remuneration	2,964,620	2,434,784	2,312,904	2,593,548	4,074,400	3,963,016
House rent allowance	1,334,079	1,095,734	1,040,806	1,167,097	1,833,479	1,783,391
Utility allowance	296,462	243,496	231,290	259,355	407,443	396,303
Commission & bonus	-	-	65,000	9,822	215,000	204,566
	<u>4,595,161</u>	<u>3,774,014</u>	<u>3,650,000</u>	<u>4,029,822</u>	<u>6,530,322</u>	<u>6,347,276</u>
Number of Persons	<u>1</u>	<u>1</u>	<u>4</u>	<u>2</u>	<u>7</u>	<u>9</u>

The Company provides the Company maintained car to the chief executive officer, executive directors and certain executives. The Company does not pay remuneration to any non-executive directors.

24 RELATED PARTY TRANSACTIONS

The related parties comprise of major shareholders, associated companies with or without common directors, directors of the Company and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the entity. The Company considers all members of their management team, including the Chief Executive Officer and Directors to be its key management personnel. Remuneration and benefits to Executives of the Company are in accordance with the terms of the employment. Transactions with other related parties are entered into at rates negotiated with them. The remuneration of Chief Executive Officer, Executive Directors and Executives is disclosed in Note 23 to the financial statements.

Details of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:



	2012 Rupees	2011 Rupees
Brokerage income earned from:		
Directors	46,969	-
Employees	499,423	310,851
Others	-	11,924
	546,392	322,775
Transactions		
Advisory commission	598,387	1,050,000
Rent paid to related party	600,000	1,200,000
Contribution to IFSL - Employees Provident Fund	1,321,053	960,986
	1,321,053	960,986

25 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, plant 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, plant 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.

26 NON-ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on July 30, 2012 has proposed issue of bonus shares in proportion of one share for every ten shares held i.e. at the rate of 10% (2011 : nil) for approval of the members at the forthcoming Annual General Meeting. These financial statements for the year ended June 30, 2012 do not include the effect of this appropriation, which will be accounted for in the subsequent financial statements.

27 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on July 30, 2012 by the Board of Directors of the Company.

28 GENERAL

Figures in these financial statements have been rounded off to the nearest rupee.

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 1 2**

Number of Shareholders	Shareholdings		Total Shares held	
102	1	-	100 Shares	2,332
3033	101	-	500 Shares	1,504,086
336	501	-	1000 Shares	324,954
396	1001	-	5000 Shares	963,292
52	5001	-	10000 Shares	386,844
10	10001	-	15000 Shares	127,563
5	15001	-	20000 Shares	93,000
4	20001	-	25000 Shares	88,163
6	25001	-	30000 Shares	174,161
2	30001	-	35000 Shares	66,000
1	35001	-	40000 Shares	40,000
1	45001	-	50000 Shares	50,000
2	50001	-	55000 Shares	109,123
1	60001	-	65000 Shares	64,800
2	70001	-	75000 Shares	149,026
1	175001	-	180000 Shares	176,257
1	185001	-	190000 Shares	186,179
1	1130001	-	1135000 Shares	1,130,856
1	1245001	-	1250000 Shares	1,250,000
1	2895001	-	2900000 Shares	2,896,994
1	3870001	-	3875000 Shares	3,871,170
1	4005001	-	4010000 Shares	4,006,000
1	15995001	-	16000000 Shares	16,000,000
1	26385001	-	26390000 Shares	26,388,800

3962	TOTAL	60,049,600
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Categories of Shareholders	Shares held	Percentage
5.1 Directors, Chief Executive Officer, and their spouse and minor children	45,348,295	75.52%
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 Financial Institutions	4,008,000	6.67%
5.5 Insurance Companies	-	0.00%
5.6 Modarabas and Mutual Funds	-	0.00%
5.7 Shareholders holding 10%	45,285,794	75.41%
5.8 General Public		
a. Local	10,658,044	17.75%
b. Foreign	-	0.00%
5.9 Others (Joint Stock Companies, Brokrage Houses, Employees Funds, Trustees, etc.)	35,261	0.06%

Pattern of Shareholding under Regulation 35(xvi)(j) of the Code of Corporate Governance as on June 30, 2012

Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1. <u>Associated Companies, Undertakings & Related Parties</u> -	-	-	0.00%
2. <u>Mutual Funds</u>	-	-	0.00%
3. <u>Directors, their Spouses & Minor Children</u>			
Directors			
3.1 Mr. Muhammad Sohail Dayala	1	18,896,994	31.47%
3.2 Mrs. Halima Dayala	1	26,388,800	43.95%
3.3 Syed Kaleem Akhtar	1	24,001	0.04%
3.4 Mr. Ahmad Zakir Hafeez	1	35,000	0.06%
3.5 Mr. Muhammad Awais	1	2,000	0.00%
3.6 Syed Rahsid Ali	1	1,000	0.00%
3.7 Mr. Shakeel Ahmed	1	500	0.00%
	7	45,348,295	75.52%
Spouses of Directors	-	-	0.00%
Minor Children of Directors	-	-	0.00%
4. <u>Executives</u>	1	6,000	0.01%
5. <u>Public Sector Companies & Corporations</u>	-	-	0.00%
6. <u>Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modarabas & Pension Funds</u>	2	4,008,000	6.67%
7. <u>Others (Individuals, Brokerage Houses, Joint Stock Companies, Employees Funds, etc.)</u>	3,952	10,687,305	17.80%
	3,962	60,049,600	100.00%

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY			
Names	Number of Shareholders	Number of Shares held	% of Shareholding
Mrs. Halima Dayala	1	26,388,800	43.95%
Mr. Muhammad Sohail Dayala	1	18,896,994	31.47%

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 ("the Company")** as at June 30, 2012 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;
- 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 Company's affairs as at June 30, 2012 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).

Karachi: July 30, 2012

Riaz Ahmad, Saqib, Gohar & Company
Chartered Accountants

Engagement Partner: Shahid Kamran

A Member of AGN International Ltd. Accountants Global Network an International Association



FORM OF PROXY

INVEST AND FINANCE SECURITIES LIMITED

IMPORTANT

This form of Proxy duly completed must be deposited at the Registered Office of the Company, 12th Floor, Corporate Tower, Technocity Building, Hasrat Mohani Road, Off: I. I. Chundrigar Road, 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 member(s) of INVEST
AND FINANCE SECURITIES LIMITED and holder of _____ Ordinary Shares
as per Registered Folio No./ CDC Investor Account/Participant ID and Investor/Sub Account
No. _____ hereby appoint _____ of

or failing him _____
of _____
who is also member of INVEST AND FINANCE SECURITIES LIMITED vide Registered Folio
No./ CDC Investor Account/Participant ID and Investor/Sub Account No. _____
as my/our proxy to vote for me/us and on my/our behalf at the 13th Annual General
Meeting of the Company to be held on Friday, September 28, 2012 at 11.00 a.m. and
any adjournment thereof.
Signed this _____ day of _____ 2012.

Signature
over
Revenue
Stamp

Witness: _____
SIGNATURE

Name: _____

CNIC No.: _____

Address: _____

Witness: _____
SIGNATURE

Name: _____

CNIC No.: _____

Address: _____



INVEST AND FINANCE SECURITIES LIMITED
12th Floor, Corporate Tower, Technocity Building,
Hasrat Mohani Road, Off: I. I. Chundrigar Road,
Karachi, Pakistan.

**AFFIX
CORRECT
POSTAGE**



IMPORTANT NOTICES/INFORMATION

SUBMISSION OF COPY OF CNIC/NTN CERTIFICATE

Dear Member(s),

In accordance with the Circular/Notice of Securities and Exchange Commission of Pakistan for submission of copy of CNIC/NTN Certificate and printing of CNIC Number on the dividend warrant(s), all Members holding their shares in physical form are requested to kindly provide photocopy of their valid CNIC or NTN Certificate in case of corporate entity, if not provided earlier, mentioning Folio Number and Name of the Company 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. All Members holding their shares in book entry form in CDS are requested to please update their particulars, if not updated, with their Participant(s)/Investor Account Service(s).

DIVIDEND MANDATE UNDER SECTION 250 OF THE COMPANIES ORDINANCE, 1984

Dear Member(s),

In compliance with the Circular/Notice of Securities and Exchange Commission of Pakistan, all Members are hereby informed that they may order the Company to pay them cash dividend, if declared, through their respective bank accounts. Therefore, a Standardized Dividend Mandate Form is being sent separately along with this Annual Report for the year ended June 30, 2012. The Member(s) are hereby requested to return the said Form duly completed in case they desire to opt this option. The Members may use, if they so desire, general Dividend Mandate Form printed at the reverse of this page.

All Member(s) holding their shares in book entry form in CDS are requested to please update their dividend mandate information, if they so desire, with their Participant(s)/Investor Account Service(s).



INVEST & FINANCE SECURITIES LIMITED.

Corporate Member : Karachi Stock Exchange (Guarantee) Ltd.
Lahore Stock Exchange (Guarantee) Ltd.
Pakistan Mercantile Exchange Ltd.

To:

Name of Member: _____

Address: _____

Subject: **DIVIDEND MANDATE FORM**

It is to inform you that under Section 250 of the Companies Ordinance, 1984 a share holder may, if so desire, directs the Company to pay dividend through his/her/its bank account.

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan vide Circular Number 18 of 2012 dated June 05, 2012, we request Mr./ Ms./ M/s. _____
S/O, D/O, W/O _____ being registered shareholder of Invest and Finance Securities Limited holding _____ shares having folio number _____ hereby give the opportunity to authorize the Company to directly credit in your bank account cash dividend, if any, declared by the Company in future.

PLEASE NOTE THAT THIS DIVIDEND MANDATE IS OPTIONAL AND NOT COMPLUSORY, IN CASE YOU DO NOT WISH YOUR DIVIDEND TO BE DIRECTLY CREDITED INTO YOUR BANK ACCOUNT THEN THE SAME SHALL BE PAID TO YOU THROUGH THE DIVIDEND WARRANTS.

Do you wish the cash dividend declared by the Company, if any, is directly credited in your bank account, instead of issue of dividend warrants. Please tick "✓" any of the following boxes:

YES

NO

If yes then please provide the following information:

Transferee Detail	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	
Cell number of Transferee	
Landline number of Transferee, if any	

It is stated that the above-mentioned information is correct, that I will intimate the changes in the above-mentioned information to the Company and the concerned Share Registrar as soon as these occur.

Signature of the member/shareholder

Date: _____

Registered Office : 12th Floor, Corporate Tower, Technocity Building, Hasrat Mohani Road,
Off I.I. Chundrigar Road, Karachi, Pakistan.

Tel. : + (92) (21) 32276932 - 35 Fax : + (92) (21) 32276969

www.investfinance.com.pk