COMPANY INFORMATION

Board of Directors	:	Mr. Amyn Nasiruddin (Chairman and Chief Executive Officer) Mr. Bashir Ahmed Khanani Mr. Khalid Iqbal Siddiqui Mrs. Nausheen Javed Ahmedjee Syed Kaleem Akhtar Mr. Shakeel Ahmed Syed Rashid Ali
Audit Committee	:	Mrs. Nausheen Javed Ahmedjee - Chairperson Mr. Shakeel Ahmed - Member Syed Kaleem Akhtar - 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. E-42, Executive Floor, Glass Tower, Teen Talwar, Clifton, Karachi, Pakistan.
Share Registrar	:	M/s. Technology Trade (Private) Limited Dagia House, 241-C, Block-2, P.E.C.H.S., Off: Shahrah-e-Quaideen, Karachi, Pakistan.
Bankers	:	MCB Bank Limited Bank Alfalah Limited Mybank 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 Arif Habib Bank Limited Bank Islami Pakistan 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.

NOTICE OF TENTH ANNUAL GENERAL MEETING

Notice is hereby given that Tenth Annual General Meeting of Invest and Finance Securities Limited ('the Company') will be held on Wednesday, October 21, 2009 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, after religious recitals:

1. To confirm the minutes of the Extraordinary General Meeting of the Company held on March 27, 2009;

2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the financial year ended June 30, 2009, together with the Directors' and Auditors' Reports thereon;

3. To appoint the Statutory Auditors for the year ending June 30, 2010, and to fix their remuneration;

4. To transact any other business with the permission of the Chair.

By order of the Board

MUHAMMAD AWAIS
Company Secretary

Karachi: September 16, 2009

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 14, 2009 to October 21, 2009 (both days inclusive) and no transfer of shares will be accepted for registration during this period.

2. Members are requested to immediately notify change in their addresses, if any, to the Share Registrar of the Company; M/s. Technology Trade (Private) Limited, Dagia House, 241-C, Block-2, P.E.C.H.S., Off: Shahra-e-Quaideen, Karachi, Pakistan.

3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the 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 produced (unless it has been provided earlier) 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.

DIRECTORS' REPORT TO THE MEMBERS

BEGIN IN THE NAME OF ALLAH THE MOST GRACIOUS AND MERCIFUL

Dear Member(s)

Assalam-o-Alykum!

I, on behalf of Board of Directors of your Company, am pleased to present herewith Audited Annual Financial Statements of the Company for the financial year ended June 30, 2009, together with the Auditors' Report thereon.

Performance Review

The Company has suffered a loss before tax of Rs. 146.977 million and loss after tax of Rs. 158.500 million for the year ended June 30, 2009 as compared to profit before tax of Rs. 32.856 million and profit after tax of Rs. 20.212 million for the corresponding period. Operating Revenues for the year ended June 30, 2009 are lower by 37% as compared to the corresponding period. Brokerage income has fallen to Rs. 64.710 million as compared to Rs. 126.852 million in the corresponding period. Fees and commission has also decreased to Rs. 0.328 million as compared to Rs. 12.827 million in the corresponding period. These declines in the Company's revenues are due to worst economic and stock market conditions in the period under review, thus resulting in uncertainty and lack of investors' interest. Share prices at Karachi Stock Exchange (Guarantee) Limited remained frozen for nearly three-and-a-half months, which have adversely affected the Company's financial results. The decline in revenues and profits as compared to the corresponding period is mainly due to figures for the half year ended December 31, 2008 that was a tough period for the economy and especially for stock brokerage industry. However, numbers for the second half of the financial year have improved, resulting in profits for this period.

Administrative and general expenses are lowered to Rs. 68.097 as compared to Rs. 89.122 million for the corresponding period. The said decrease is due to expense cutting and closure of some branch offices. Further, key management officials including Chief Executive Officer voluntarily reduced their salaries and benefits during this tough period for the Company. However, administrative expenses include an amount of Rs. 4.633 million that has been written off against client receivables whose probability of recovery is considered insufficient given an estimate of these clients' ability to settle their dues.

Financial charges have increased to Rs. 128.692 million for the year under review as compared to Rs. 69.368 million for the last year due to higher utilization of finance facilities, high mark-up rates and also include mark-up on receivables. The value of investments has decreased due to decrease in shares prices as the KSE-100 index has fallen by 42% during 2008-2009.

These factors have contributed to the decline in the Company's profits and translated into losses as compared to corresponding period. Following is the summary of operational results of the Company during the year:

	(Rupees)
Operating Revenue	124,642,481
Loss before tax	146,976,933
Loss after tax	158,500,332
Loss per share	2.64

The Company, due to worst stock market conditions, closed its five branch offices during the year under review.

Loss/Earnings per share

Loss per share of the Company is PKR 2.64 as compared to earnings per share of PKR 0.39 for the corresponding period.

Dividend and other appropriations

Based on the financial results of the Company and as the Company has suffered a loss, the Board of Directors has not recommended any dividend or other appropriations for the period under consideration.

Post Balance Sheet Events

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

Financial Statements

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

Auditors

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

Compliance with the Code of Corporate Governance

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

Statement of Compliance under the Code of Corporate Governance

a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

b) Proper books of accounts of the Company have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.

d) The financial statements are prepared in accordance with International Financial reporting standards, where applicable and as applicable in Pakistan.

e) The system of internal control is sound in design and has been effectively implemented and monitored.

f) There are no significant doubts upon the Company's ability to continue as a going concern.

g) There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.

h) Key operating and financial data for last six years in summarized form is annexed.

i) There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2009 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, 2009 amounts to approximately Rs. 1,575,000/-.

k) During the year five (5) 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. Amyn Nasiruddin	5	5
2.	Mr. Bashir Ahmed Khanani	5	2
3.	Syed Rashid Ali	5	1
4.	Syed Kaleem Akhtar	3	3
5.	Mr. Khalid Iqbal Siddiqui	2	2
6.	Mrs. Nausheen Javed Ahmedjee	2	2
7.	Mr. Shakeel Ahmed	2	2
8.	Mr. Muhammad Sohail Dayala	3	3
9.	Mrs. Halima Dayala	3	3
10.	Mr. Muhammad Amjad Nazir	3	3
11.	Mr. Arsalan Aftab	2	2
12.	Mr. Javed Yusuf Ahmedjee	-	-

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

Mr. Amyn Nasiruddin and Syed Kaleem Akhtar were co-opted as Directors of the Company on August 19, 2008 and December 18, 2008 respectively due to casual vacancies occurred upon the resignations of Mr. Javed Yusuf Ahmedjee and Mr. Arsalan Aftab, respectively.

The present seven directors, from serial number 1 to 7 above, were elected in Extraordinary General Meeting held on March 27, 2009. Mr. Muhammad Amjad Nazir, Mr. Muhammad Sohail Dayala and Mrs. Halima Dayala were retired on March 27, 2009.

l) Patterns of shareholdings as required under the Companies Ordinance, 1984 and the Code of Corporate Governance are annexed at the end of this report.

m) The Chief Executive Officer, Directors, Chief Financial Officer or the Company Secretary including their respective spouses and minor children have not traded in the shares of the Company.

Economic and Stock Market Review

Pakistan's economy also reflected the global economic conditions during 2008-2009. The country only managed to achieve a GDP growth of 2.0% for the fiscal year, as a result of which major sectors were unable to perform as well. Persistent inflation was also a key worry, as CPI inflation averaged nearly 21% for 2008-2009. This kept interest rates in the economy on the higher side, and the State Bank of Pakistan only announced a policy rate reduction in May, which was its first discount rate reduction since 2002.

The Pakistan Rupee also remained under pressure throughout the year, which resulted in a 17% reduction in foreign investment in the country's economy in 2008-2009. Pakistan's economy, however, has seen some betterment with the onset of the new fiscal year, with international crude oil prices stabilizing around US$60-70/bbl. The country's budget for 2009-2010 also entails an effort to try and maintain fiscal discipline while also providing stimulus to the economy.

The impact of the economic conditions resulted in uncertainty for investors, which affected overall volume of business in the economy. During the year 2008-2009, share prices at the Karachi Stock Exchange remained frozen for nearly three-and-a-half months. The freeze was removed on December 15, 2008, however stock trading volumes have continued to remain low amid investor uncertainty. The KSE-100 Index showed a fall of 42% during 2008-2009, while average daily trading volume at the KSE stood at 160mn shares since the removal of the floor on share prices till the end of 2008-2009.

Pakistan's stock market is likely to continue to take its cues from how the economy fares under the current IMF programme.

Future Prospects and Outlook

We believe that as the government is working out ways to improve the Country's economic performance, the stock market volumes are improving. Near term outlook for Company's business appears promising. Your company is also in the process of exploring new ventures in order to try and diversify its portfolio of operations and has acquired Corporate (Universal) Membership of National Commodity Exchange Limited (NCEL) and has been registered with Securities and Exchange Commission of Pakistan as NCEL Broker.

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

AMYN NASIRUDDIN
Chairman & Chief Executive Officer

Karachi, September 07, 2009

SIX YEARS AT A GLANCE

PARTICULARS	2009	2008	2007	2006	2005	2004
Operating Performance (Rupees in 000)						
Revenue	124,642	197,616	300,408	156,044	45,105	60,256
Operating Expenses	68,097	89,122	52,667	27,822	14,580	12,640
Financial Expenses	128,692	69,368	93,288	70,098	20,183	4,435
Other Income/ (Loss)	3,868	316	2,258	(111)	94	1,315
(Loss)/ Gain on Revaluation of Investments	(78,699)	(6,586)	12,005	-	-	-
(Loss)/Profit before tax	(146,977)	32,856	168,717	58,013	10,393	44,742
(Loss)/Profit after tax	(158,500)	20,212	161,038	55,625	9,318	44,475
Per Ordinary Shares (Rupees)						
Earnings per share	(2.64)	0.39	3.35	3.59	3.10	14.81
Break-up value per share	7.80	10.44	20.26	13.55	29.06	25.96
Dividends (Percentage)						
Cash	-	-	-	-	-	-
Bonus Shares	-	100	-	300	-	-
Assets & Liabilities (Rupees in 000)						
Total Assets	1,042,851	2,344,604	1,254,306	1,542,881	650,165	704,670
Current Assets	826,505	2,117,430	1,062,014	1,357,060	586,445	657,378
Current Liabilities	372,564	1,495,728	541,053	1,014,221	562,574	626,143
Financial Position (Rupees in 000)						
Shareholder's equity	468,365	626,866	486,653	325,615	87,281	77,963
Share Capital	600,496	600,496	240,248	240,248	30,031	30,031
Reserves	(132,131)	26,370	246,406	85,368	57,250	47,932
Shares outstanding- (Number in 000)	60,050	60,050	24,025	24,025	3,003	3,003
Return on Capital Employed-(%)	-33.84%	3.22%	33.09%	17.08%	10.68%	57.05%
Return on total Assets-(%)	-15.20%	0.86%	12.84%	3.61%	1.43%	6.31%
Current ratio-times	2.22	1.42	1.96	1.34	1.04	1.05

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

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No. 37 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 Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes four independent non-executive directors.

2. The Directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. Two casual vacancies occurred in the Board on August 19, 2008 & December 18, 2008 were filled by the Directors within 30 days thereof. The election of Directors was held on March 27, 2009 and thereafter no casual vacancy occurred.

5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.

6. The Board has developed a vision/mission statement, 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 and other executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met 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 an in-house orientation course for its directors during the year to apprise them of their duties and responsibilities.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.

11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully 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 Code.

15. The Board has formed an audit committee. It comprises of three members, of whom two are non-executive directors including the chairperson of the committee.

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 Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has set-up an effective internal audit function.

18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

20. We confirm that all other material principles contained in the Code have been complied with.

AMYN NASIRUDDIN
Chairman and Chief Executive Officer

Karachi, September 07, 2009

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

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

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company 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 perform an opinion on the effectiveess of such internal controls, the Company’s corporate governance procedures and risks.

Further, Sub-Regulation (xiii) of Listing Regulations 37 notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated January 19, 2009 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 transaction before the audit committee. We have not carried out any procedure to determine whether the related party transactions were undertaken at arm’s 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, 2009.

Karachi: September 07, 2009

Riaz Ahmad, Saqib, Gohar & Co.
Chartered Accountants

Audit Engagement Partner: Gohar Manzoor

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

5-Nasim, C.H.S. Major Nazir bhatti Road, Off: Shaheed-e-Millat Road, Karachi. Tel : (92-21) 4945427, 4931736 Fax : (92-21) 4932629
www.rasgco.com E-mail: rasgkhi@rasgco.com & rasg@super.net.pk
Regional Offices at Lahore / Faisalabad

RASG

AGN INTERNATIONAL

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, 2009 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, 2009 and of the loss, its cash flow 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).

Riaz Ahmad, Saqib, Gohar & Co.
Chartered Accountants

Karachi: September 07, 2009

Audit Engagement Partner: Gohar Manzoor

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

5-Nasim, C.H.S. Major Nazir bhatti Road, Off: Shaheed-e-Millat Road, Karachi. Tel : (92-21) 4945427, 4931736 Fax : (92-21) 4932629
www.rasgco.com E-mail: rasgkhi@rasgco.com & rasg@super.net.pk
Regional Offices at Lahore / Faisalabad

BALANCE SHEET
AS AT JUNE 30, 2009

ASSETS	Note	2009 Rupees	2008 Rupees
NON-CURRENT ASSETS			
Property and equipment	4	47,301,196	57,713,169
Intangible assets	5	109,095,121	107,597,652
Long-term investments	6	57,120,000	57,120,000
Long-term deposits		2,828,900	4,743,385
		216,345,217	227,174,206
CURRENT ASSETS			
Trade debts	7	633,881,957	954,210,649
Receivable under CFS transactions		-	65,854,763
Trade debts - margin financing		-	321,683,287
Short-term investments	8	149,646,864	526,242,140
Advances, deposits, prepayments and other receivables	9	40,706,663	77,300,527
Receivable from NCCPL		-	163,600,008
Cash and bank balances	10	2,269,924	8,538,726
		826,505,408	2,117,430,100
TOTAL ASSETS		1,042,850,625	2,344,604,306
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
SHARE CAPITAL			
Authorized			
100,000,000 (2008: 100,000,000) ordinary shares of Rs.10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	11	600,496,000	600,496,000
RESERVES			
Accumulated (loss) / profit		(132,130,666)	26,369,666
		468,365,334	626,865,666
SURPLUS ON REVALUATION OF MEMBERSHIP CARDS	12	61,921,400	61,921,400
NON CURRENT LIABILITIES			
Long-term loan	13	140,000,000	160,000,000
Liabilities against assets subject to finance lease	14	-	89,493
CURRENT LIABILITIES			
Current portion of long-term loan	13	40,000,000	100,000,000
Current portion of liabilities against asset subject to finance lease	14	89,493	4,601,625
Short-term running finance	15	180,340,652	1,039,706,704
Trade and other payables	16	152,133,746	351,419,418
		372,563,891	1,495,727,747
CONTINGENCIES AND COMMITMENTS	17	-	-
TOTAL EQUITY AND LIABILITIES		1,042,850,625	2,344,604,306

The annexed notes from 1 to 31 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2009

	Note	2009 Rupees	2008 Rupees
OPERATING REVENUE			
Brokerage income		64,709,871	126,851,527
Dividend income		19,190,032	19,637,088
Gain on sale of investments-net		30,653,183	29,158,196
Income on CFS		5,618,753	7,269,346
Profit on Sukuk Bonds		4,142,143	1,406,794
Fees and commission		328,499	12,827,217
Mark-up on margin financing		-	466,060
		124,642,481	197,616,228
EXPENDITURE			
Administrative and general expenses	18	(68,097,025)	(89,122,043)
Operating profit		56,545,456	108,494,185
Other income	19	3,868,407	316,429
Financial charges	20	(128,691,917)	(69,368,444)
Loss on revaluation of investments carried at fair value through profit and loss account- net		(78,698,879)	(6,586,095)
		(203,522,389)	(75,638,110)
(LOSS)/PROFIT BEFORE TAXATION		(146,976,933)	32,856,075
TAXATION	21		
-Current		(5,697,027)	(12,643,725)
-Prior		(5,826,372)	-
		(11,523,399)	(12,643,725)
(LOSS)/PROFIT AFTER TAXATION		(158,500,332)	20,212,350
Earnings per share - basic and diluted	22	(2.64)	0.39

The annexed notes from 1 to 31 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

	Note	2009 Rupees	2008 Rupees
Cash Flows From Operating Activities			
(Loss)/ Profit for the year before taxation		(146,976,933)	32,856,075
Adjustments for:			
Depreciation		7,360,355	9,595,255
Amortization of software		197,531	296,281
Financial charges		128,691,917	69,368,444
Written off club membership		805,000	-
Gain on disposal of assets		(449,322)	-
		136,605,481	79,259,980
		(10,371,452)	112,116,055
Decrease/(increase) in current assets			
Trade debts		320,328,692	(278,222,583)
Margin financing-client		321,683,287	(321,683,287)
Receivable under CFS transactions		65,854,763	(40,578,691)
Short term investments		376,595,276	(345,709,591)
Advances, deposits, prepayments and other receivables		31,016,574	29,966,369
Receivable from NCCPL		163,600,008	(87,067,913)
		1,279,078,600	(1,043,295,696)
(Decrease)/increase in current liabilities			
Trade and other payables		(184,619,545)	162,155,338
Cash generated from/(used in) operations		1,084,087,603	(769,024,303)
Income tax paid		(5,946,109)	(20,422,175)
Finance Charges paid		(143,358,044)	(53,773,067)
Net cash generated from /(used in) operating activities		934,783,450	(843,219,545)
Cash Flow From Investing Activities			
Purchase of fixed assets		(828,060)	(9,335,279)
Long term investments		-	(34,400,000)
Acquisition of membership card		(2,500,000)	-
Proceeds from disposal of fixed assets		4,329,000	-
Long term deposits		1,914,485	(1,039,029)
Net cash generated from /(used in) investing activities		2,915,425	(44,774,308)
Cash Flow From Financing Activities			
Proceeds from issue of share capital		-	120,000,000
Loan obtained from bank		100,000,000	100,000,000
Loan repaid during the year		(180,000,000)	(40,000,000)
Lease liabilities paid		(4,601,625)	(3,619,725)
Net cash (used in)/generated from financing activities		(84,601,625)	176,380,275
Net Increase/(decrease) in cash and cash equivalents		853,097,250	(711,613,578)
Cash and cash equivalents at the beginning of the year		(1,031,167,978)	(319,554,400)
Cash and cash equivalents at the end of the year	23	(178,070,728)	(1,031,167,978)

The annexed notes from 1 to 31 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2009

	Share capital	Share premium	Accumulated profit / (loss)	Total
Balance as at July 01, 2007	240,248,000	62,584,604	183,820,712	486,653,316
Issue of shares for cash	120,000,000	-	-	120,000,000
Issue of bonus shares	240,248,000	(62,584,604)	(177,663,396)	-
Profit for the period	-	-	20,212,350	20,212,350
Balance as at June 30, 2008	600,496,000	-	26,369,666	626,865,666
Loss for the year	-	-	(158,500,332)	(158,500,332)
Balance as at June 30, 2009	600,496,000	-	(132,130,666)	468,365,334

The annexed notes from 1 to 31 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

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 National Commodity Exchange Limited and is engaged in Financial Brokerage, Corporate Finance and Equity 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 (IFRS) 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 judgment estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

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

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

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

2.5 New accounting standards & IFRIC interpretation

The following standards, amendments and interpretations of approved accounting standards, are effective for accounting periods beginning from the date specified below. These are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain increased disclosures.

Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income.

IAS 16 (Amendment), 'Property, plant and equipment' (and consequential amendment to IAS 7, 'Statements of cash flows'). Entities whose ordinary activities comprise renting and subsequently selling assets presents proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to IAS 7 states that cash flows arising from purchases, rentals and sale of those assets are classified as cash flows from operating activities.

IAS 19 (Amendment), 'Employee benefits' (effective from 1 January 2009).

The amendment clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation.

The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.

The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered.

IAS 37, 'Provisions, contingent liabilities and contingent asset's, requires contingent liabilities to be disclosed, not recognized. IAS 19 has been amended to be consistent.

Revised IAS 23-Borrowing costs (effective for annual periods beginning on or after 1 January 2009) removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

Amended IAS 27-Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009) requires accounting for changes in ownership interest by the group in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the group loses control of subsidiary, any interest retained in the former a subsidiary will be measured at fair value with gain or loss recognized in the profit or loss.

IAS 28 (Amendment), ‘investments in associates' (and consequential amendments to IAS 32, 'Financial Instruments: Presentation' and IFRS 7, 'Financial Instruments: Disclosures'). Where an investment in associate is accounted for in accordance with IAS 39 'Financial Instruments: recognition and measurement', only certain rather than all disclosure requirements in IAS 28 need to be made in addition to disclosures required by IAS 32, 'Financial Instruments: Presentation' and IFRS 7 'Financial Instruments: Disclosure'. IAS 29 - Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 28 April 2008).

IAS 31 (Amendment)- 'interest in joint ventures, (and consequential amendments to IAS 32 and IFRS 7). Where an investment in joint venture is accounted for in accordance with IAS 39, only certain rather than all disclosure requirements in IAS 31 need to be made in addition to disclosures required by IAS 32, 'Financial Instruments: Presentation', and IFRS 7 'Financial Instruments: Disclosure'.

Amendment to IAS 32-Financial Instruments: Presentation and IAS 1 -Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009) - Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party pro rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met.

IAS 36 (Amendment), 'impairment of assets'. Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculations should be made.

IAS 38 (Amendment), ‘Intangible assets'. A prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services.

Amendments to IAS 39 Financial Instruments: Recognition and measurement - Eligible hedged items (effective for annual periods beginning on or after 1 July 2009) clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship.

IAS 40 (Amendment), 'investment property' (and consequential amendments to IAS 16). Property that is under construction or development for future use as investment property is within the scope of IAS 40. Where the fair value model is applied, such property is, therefore, measured at fair value.

IAS 41 (Amendment), 'Agriculture' (effective from 1 January 2009). It requires the use of market-based discount rate where fair value calculations are based on discounted cash flows and the removal of the prohibition on taking into account biological transformation when calculating fair value.

IFRS 2 (Amendment), 'Share-based payment'- Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009) clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations.

Revised IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 July 2009) broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent considerations to be measured at fair value, transaction costs other than share and debt issue costs to be expensed, any pre-existing interest in an acquiree to be measured at fair value, with the related gain or loss recognised in profit or loss and any non-controlling (minority) interest to be measured at either fair value, or at its proportionate interests in identifiable assets and liabilities of an acquiree, on a transaction -by-transaction basis.

IFRS 5 (Amendment), 'Non-current assets held-for-sale and discontinued operations' (effective from 1 July 2009). The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control.

IFRS 7 'Financial instruments: Disclosures' (effective for annual periods on or after 28 April 2008) supersedes IAS 30 - Disclosures in the Financial statements of Banks and Similar Financial Institutions and the disclosure requirements of IAS 32 - Financial Instruments: Disclosure and Presentation.

IFRS 8 'Operating segments' (effective for annual periods beginning on or after 1 January 2009) introduces the "management approach" to segment reporting. IFRS 8 will require a change in presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Company's "chief operating decision maker" in order to assess each segment's performance and to allocate resources to them. Currently the Company presents segment information in respect of its business segments.

IFRS 5 Amendment - Improvements to IFRSs - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (effective for annual periods beginning on or after 1 July 2009) specify that: if an entity is committed to a sale plan involving the loss of control a subsidiary, then it would classify all of that subsidiary's assets and liabilities as held for sale when the held for sale criteria in paragraph 6 to 8 of IFRS 5 are met disclosures for discontinued operations would be required by the parent when a subsidiary meets the definition of a discontinued operation.

IFRIC 13- Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008) addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services.

IFRIC 15-Agreement for Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009) clarifies the recognition of revenues by real estate developers for sale of units, such as apartments or houses, ‘off-plan', that is, before construction is complete.

IFRIC 16- Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008) clarifies that net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and only in an amount equal to or less than the net assets of the foreign operation, the hedging instrument may be held by any entity within the group except the foreign operation that is being hedged and that on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss. The Interpretation allows an entity that uses the step-by-step method of consolidation an accounting policy choice to determine the cumulative currency translation adjustment that is reclassified to profit or loss on disposal of a net investment as if the direct method of consolidation had been used.

IFRIC- 17 Distributions of Non-cash Assets to Owners (effective annual periods beginning on or after 1 July 2009) states that when a company distributes non cash assets to its shareholders as dividend, the liability for the dividend is measured at fair value. If there are subsequent changes in the fair value before the liability is discharged, this is recognised in equity. When the non cash asset is distributed, the difference between the carrying amount and fair value is recognised in the income statement.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Staff retirement benefits

Defined contribution plan

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

3.2 Property & 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 recognised 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. Full year's Depreciation on fixed assets is charged in the year of acquisition, whereas no depreciation charged in the year 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 and equipment are determined by comparing proceeds with the carrying amount. These are included in the profit and loss account.

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

3.3 Intangibles, Stock Exchange Membership Cards and Rooms

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

Amortization is Charged to income applying the reducing balance method over the estimated useful lives of related assets, at the rates specified in note 4 to the financial statements. Full year's 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 depreciation rate.

Membership cards

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

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 Investments

The management determines the appropriate classification of its 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.

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

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

Held-to-maturity

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

Available-for-sale

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

Financial assets at fair value through profit or loss account

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss - held for trading'. Subsequent to initial recognition these investments are marked to market and are carried on the Balance Sheet at fair value. Net gains and losses arising on changes in fair values of these investments are taken to the Profit and Loss account.

3.6 Foreign currency translation

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

3.7 Revenue recognition

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

(b) Dividend income on equity investments is recognized, when the right to receive the same is established.

(c) Capital gains or losses on sale of investments are recognized in the period in which they arise.

(d) Underwriting commission is recognized when the agreement is executed. Take-up commission is recognized at the time commitment is fulfilled.

(e) Consultancy and advisory fee, are recognized as and when incurred.

(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.

3.8 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates or 0.5% of turnover which ever is higher, if any, and any under/over provisions in respect of prior 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 bases used in the computation of taxable income. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.9 Borrowing Cost

The borrowing 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.

3.10 Securities sold under repurchase/ purchased under resale agreements

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

3.11 Offsetting

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

3.12 Financial instruments

Financial instrument carried on the balance sheet include investments, receivables, cash and bank balances, finances under mark-up arrangements, other payables, deposits, creditors, accrued and other liabilities. At the time of initial recognition all the financial assets and liabilities are measured at the fair value. The particular recognition method adopted is disclosed in the individual policy statement associated with each item.

3.13 Provisions

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

3.14 Trade debts and other receivables

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.

3.15 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.

3.16 Dividend distributions and appropriations

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

3.17 Earnings per share

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

3.18 Cash and cash equivalents

Cash and cash equivalents comprise of cash 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 AND EQUIPMENT

2009

Particulars	COST				DEPRECIATION			
	As at July 01, 2008	Additions/ (Disposals)/ *Reclassification	As at June 30, 2009	Depreciation Rate	As at July 01, 2008	Charge for the year/ (Disposals)/ *Reclassification	As at June 30, 2009	Written down value as at June 30, 2009
	Rupees			%	Rupees			Rupees
Owned -								
Building	27,575,000	-	27,575,000	10	7,365,500	2,020,950	9,386,450	18,188,550
Furniture and fixtures	17,426,961	- (389,853)	17,037,108	10	3,570,683	1,350,541 (38,985)	4,882,239	12,154,869
Office equipments	10,871,383	243,980 (366,482)	10,748,881	10	2,050,980	873,455 (36,648)	2,887,787	7,861,094
Computers	9,211,424	545,080	9,756,504	33	4,579,656	1,708,360	6,288,016	3,468,488
Vehicle	5,380,345	39,000 (6,248,000) * 11,382,000	10,553,345	20	1,453,669	1,318,857 (3,049,024) * 5,554,416	5,277,918	5,275,427
	70,465,113	828,060 (7,004,335) * 11,382,000	75,670,838		19,020,488	7,272,163 (3,124,657) * 5,554,416	28,722,410	46,948,428
Leased -								
Vehicle	12,071,000	-	689,000	20	5,802,456	88,192	336,232	352,768
		* (11,382,000)				* (5,554,416)		
	82,536,113	828,060 (7,004,335)	76,359,838		24,822,944	7,360,355 (3,124,657)	29,058,642	47,301,196

2008

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

4.1 Disposal of property 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
Motor Vehicle							
Pajero	3,999,000	1,951,512	2,047,488	2,850,000	802,512	Negotiation	Mr. Aziz-ul-Haq, Karachi
Mitsubishi Gallant	2,249,000	1,097,512	1,151,488	1,175,000	23,512	Negotiation	Mr. Zaki Ahmed, Karachi
	6,248,000	3,049,024	3,198,976	4,025,000	826,024		
Furniture & Fixture	389,853	38,985	350,868	108,000	(242,868)	Negotiation	Mr. Arif Hussain, Hyderabad
Office Equipment	366,482	36,648	329,834	196,000	(133,834)	Negotiation	Mr. Arif Hussain, Hyderabad
	7,004,335	3,124,657	3,879,678	4,329,000	449,322		

5 Intangible

	Note	2009 Rupees	2008 Rupees
Membership cards		107,500,000	105,000,000
Club membership		-	805,000
Telephone booth		1,200,000	1,200,000
Computer software	5.1	395,121	592,652
		109,095,121	107,597,652

5.1 Computer Software

2009

Particulars	COST: As at July 01, 2008	COST: Additions/ (Disposals)/ *Reclassification	COST: As at June 30, 2009	Depreciation Rate	DEPRECIATION: As at July 01, 2008	DEPRECIATION: Charge for the year/(Disposals)/ *Reclassification	DEPRECIATION: As at June 30, 2009	Written down value as at June 30, 2009
	Rupees			%	Rupees			Rupees
Owned -								
Computer software	2,000,000	-	2,000,000	33.33	1,407,348	197,531	1,604,879	395,121

2008

Particulars	COST: As at July 01, 2007	COST: Additions/ (Disposals)/ *Reclassification	COST: As at June 30, 2008	Depreciation Rate	DEPRECIATION: As at July 01, 2007	DEPRECIATION: Charge for the year/(Disposals)/ *Reclassification	DEPRECIATION: As at June 30, 2008	Written down value as at June 30, 2008
	Rupees			%	Rupees			Rupees
Owned -								
Computer software	2,000,000	-	2,000,000	33.33	1,111,067	296,281	1,407,348	592,652

6 Long Term Investments

	Note	2009 Rupees	2008 Rupees
Related parties:			
- Investment in associated company		6,720,000	6,720,000
Other investments	6.1	50,400,000	50,400,000
		57,120,000	57,120,000

6.1 The break-up value per share as on June 30, 2008 on the basis of audited accounts was Rs. 9.83/- per share.

7 TRADE DEBTS - Unsecured

	2009 Rupees	2008 Rupees
Considered good	633,881,957	954,210,649

8 SHORT TERM INVESTMENTS

	Note	2009 Rupees Market Value	2008 Rupees Market Value
Financial assets at fair value through profit and loss - Held for trading			
Investment of shares in listed companies	8.1	124,646,864	492,477,350
Unquoted equity securities			
100,000 units of MCB Dynamic allocation fund		-	8,764,790
Available for sale			
Unquoted sukuk bond of Maple Leaf Cement Factory Ltd.		25,000,000	25,000,000
		149,646,864	526,242,140

8.1 Detail of investment of shares in listed companies:

Number Of Shares 30-Jun-09	Number Of Shares 30-Jun-08	Name of Companies	2009 Rupees Market Value	2008 Rupees Market Value
116,111	104,500	Arif Habib Bank Ltd.	811,616	2,004,310
109,325	20,000	Arif Habib Securities Ltd.	3,021,743	3,229,600
3	-	Arif Habib Ltd.	201	-
8	-	Adamjee Insurance Co. Ltd.	672	-
-	2,000	Attock Refinery Ltd.	-	499,760
74,039	5,000,000	Azgard Nine Ltd.	1,639,223	304,750,000
98,965	25,000	Bank Alfalah Ltd.	1,044,080	1,026,500
120,000	120,000	Bank Islami Pakistan Ltd.	764,400	1,777,200
1,000	-	Bifo Industries Ltd.	35,430	-
80	80	Bosicor Pakistan Ltd.	557	1,072
4,997,500	-	Dewan Cement Ltd.	13,743,125	-
1,095,000	1,095,000	Dewan Farooq Spinning Mills Ltd.	1,314,000	10,063,050

Number Of Shares 30-Jun-09	Number Of Shares 30-Jun-08	Name of Companies	2009 Rupees Market Value	2008 Rupees Market Value
35,000	-	Descon Oxychem Ltd.	263,900	-
1,000,000	-	Dewan Salman Fiber Ltd.	1,490,000	-
227,400	-	D.G Khan Cement Ltd.	6,742,410	-
1,000	-	D.S. Industries Ltd.	3,090	-
83,200	55,250	Engro Chemicals Ltd.	10,685,376	15,360,053
80	70	Faysal Bank Ltd.	774	2,453
9,500	9,500	Fecto Cement Ltd.	148,770	170,335
-	20,000	Fauji Fertilizer Bin Qasim Ltd.	-	712,400
10,000	19,300	Fauji Fertilizer Co. Ltd.	869,500	2,553,775
55,000	55,000	Glaxo Smithkline Pakistan Ltd.	6,589,550	9,350,000
169	-	Habib Bank Ltd.	14,544	-
75,000	75,000	Hub Power co. Ltd.	2,031,750	2,145,000
8,000	-	ICI Pakistan Ltd.	1,122,000	-
174,065	119,000	Jahangir Siddiqui Co. Ltd.	4,036,567	63,087,850
6,300	6,300	Khursheed Spinning Ltd.	2,583	13,545
12,650	11,500	Kohat Cement Ltd.	92,092	421,245
500	-	MCB Bank Ltd.	77,515	-
36,875	36,875	Maple Leaf Cement Factory Ltd.	157,088	402,306
201,000	90,000	National Bank of Pakistan	13,473,030	13,275,000
303,290	255,290	NIB Bank Ltd.	1,440,628	2,902,647
401,900	160,000	Oil & Gas Development Co. Ltd.	31,605,416	19,897,600
10,250	10,250	PICIC Growth Fund	86,100	241,285
56,380	20,000	Pakistan Oilfields Ltd.	8,225,842	7,296,800
15,100	65,000	Pakistan Petroleum Ltd.	2,862,054	15,989,350
5,000	-	Pakistan State Oil Co. Ltd.	1,068,250	-
790	20,000	Pakistan Telecommunication Ltd.	13,620	772,800
5,000	-	Sakrand Sugar Mills Ltd.	7,500	-
5,616	4,680	Security Papers Ltd.	280,800	358,769
50,000	50,000	Sui Southern Gas Company Ltd.	700,000	1,403,000
33,500	-	Saitex Spinning Mills Ltd.	3,350	-
51,177	51,177	Taj Textile Mills Ltd.	35,824	89,560
-	167,500	Telecard Ltd.	-	1,065,300
302,127	-	The Bank of Punjab	3,317,354	-
126,000	136,500	United Bank Ltd.	4,824,540	11,614,785
9,913,900	7,804,772		124,646,864	492,477,350

9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2009 Rupees	2008 Rupees
Advances - considered good			
Employees - against salaries		16,057,520	3,304,576
Taxation- net		11,722,298	17,299,588
Short term deposits	9.1	600,000	37,414,274
Prepayments		591,858	397,837
Other receivables		11,734,987	18,884,252
		40,706,663	77,300,527

9.1 This represents deposits with the Karachi Stock Exchange (Guarantee) Ltd. and National Commodity Exchange of Pakistan Ltd. against exposure.

10 CASH AND BANK BALANCES

	2009 Rupees	2008 Rupees
Cash in hand	333,400	416,701
Cash at banks		
On deposit accounts	298,690	221,900
On current accounts	1,637,834	7,900,125
	1,936,524	8,122,025
	2,269,924	8,538,726

11 SHARE CAPITAL

2009 (Number of shares)	2008 (Number of shares)	Ordinary shares of Rs.10/= each	2009 Rupees	2008 Rupees
27,015,500	27,015,500	Issued 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
60,049,600	60,049,600		600,496,000	600,496,000

12 SURPLUS ON REVALUATION OF MEMBERSHIP CARDS

The company has revalued its Membership Cards on January 26, 2006. The revaluation was carried out by M/s Anjum Adil & Associates. As a consequence of this revaluation, surplus on revaluation had increased by Rs. 61,921,400.

13 LONG TERM LOAN

	2009 Rupees	2008 Rupees
Opening balance	260,000,000	200,000,000
Obtained during the year	100,000,000	100,000,000
	360,000,000	300,000,000
Less: Repaid during the year	(180,000,000)	(40,000,000)
Current portion	(40,000,000)	(100,000,000)
	140,000,000	160,000,000

These loans have been obtained from local commercial banks with mark-up rates of 3 month Kibor + 1.75% and 6 months Kibor + 2.00% and are repayable in quarterly installments. The loan is secured against charge over assets of the company.

14 LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

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

	2009		2008	
	Minimum lease payments	Present value	Minimum lease payments	Present value
	Rupees	Rupees	Rupees	Rupees
Within one year	89,734	89,493	4,829,298	4,601,625
After one year but not more than five years	-	-	89,734	89,493
Total minimum lease payments	89,734	89,493	4,919,032	4,691,118
Less: Amounts representing finance charges	241	-	227,914	-
Present value of minimum lease payments	89,493	89,493	4,691,118	4,691,118
Less: Current portion	89,493	89,493	4,601,625	4,601,625
	-	-	89,493	89,493

The Company has entered into lease agreements with a commercial bank for lease of vehicle. Lease rentals are payable in monthly instalments. Financial charges included in lease rentals are determined on the basis of discount factors applied at the rate 13.42% at the end of the lease term. The Company has the option to acquire the assets subject to adjustment of security deposits.

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

	2009 Rupees	2008 Rupees
Bank AL Falah Limited	74,762,962	47,629,716
KASB Bank Limited	97,958,399	31,476,680
Silk Bank Limited	7,619,291	-
Standard Chartered Bank (Pakistan) Limited	-	169,304,106
United Bank Limited	-	650,336,937
MCB Bank Limited	-	140,959,265
	180,340,652	1,039,706,704

The Company has aggregate running finance facilities from various banks of Rs. 1.8 billion (June 30, 2008: Rs. 2.025 billion) under mark-up arrangements. Mark-up rates varies from 1-6 months Kibor + 1.5% to 1-6 Months Kibor + 3.5% (June 30, 2008: 3-6 Months Kibor+1.5% to 3-6 Months Kibor +2.00%). These arrangements would remain valid for varying periods upto June 30, 2010 and are secured against pledge of listed securities and charge over current assets of the Company.

16 TRADE AND OTHER PAYABLES

	Note	2009 Rupees	2008 Rupees
Creditors		135,590,220	312,919,859
Accrued liabilities			
Mark-up on short term running finance		5,313,250	21,746,441
Mark-up on long term finance		6,717,945	4,950,881
Accrued expenses and other liabilities		4,512,331	11,802,237
		16,543,526	38,499,559
		152,133,746	351,419,418

17 CONTINGENCIES AND COMMITMENTS

Continuous Funding System (including transaction to be rolled over) entered into by the company in respect of which the purchase transaction has not been settled as at June 30.	-	65,854,763
Future sales transaction of equity securities entered in to by the Company in respect of which the sales transaction has not been settled as at June 30.	-	539,953,349
Underwriting Commitments	-	21,972,000

18 ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2009 Rupees	2008 Rupees
Salaries, allowances and other benefits		23,593,372	26,400,052
Provident fund contribution		484,896	1,154,720
Traveling, conveyance and vehicle running expenses		1,725,186	2,354,997
Office rent		2,566,224	2,522,907
Utility charges		1,967,239	2,450,335
Postage, telephone and telegram		2,120,310	3,017,685
Repair and maintenance		2,080,260	2,011,248
Insurance		966,852	896,116
Depreciation	4	7,360,355	9,595,255
Amortization-computer software	5	197,531	296,281
Entertainment		108,395	416,021
Newspaper and periodicals		91,181	54,285
Advertisement		279,960	1,421,644
Printing and stationery		618,979	1,578,209
Legal and professional charges		115,251	118,840
Auditors' remuneration	18.1	485,000	195,000
Service charges		2,670,889	10,919,229
CDC charges		2,570,079	2,856,818
Fees and Subscription		6,066,454	10,869,069
Commission		6,570,130	8,790,760
Office Supplies		729,481	1,020,180
Bad Debts & write off		4,632,898	-
Donation	18.2	-	60,000
Miscellaneous		96,103	122,392
		68,097,025	89,122,043

		Note	2009 Rupees	2008 Rupees
18.1	**Auditors' remuneration**			
	Audit fee	18.1.1	250,000	125,000
	Tax advisory and consultancy fees		235,000	70,000
			485,000	195,000
18.1.1	Audit fee		190,000	80,000
	Half yearly review		30,000	30,000
	Code of Corporate Governance		20,000	10,000
	Out of pocket expenses		10,000	5,000
			250,000	125,000

18.2 Directors, their spouses and dependents have no interest in donee.

19 OTHER INCOME

	2009	2008
Return on bank deposit accounts	2,221,775	104,084
Gain on sale of assets	449,322	-
Miscellaneous	1,197,310	212,345
	3,868,407	316,429

20 FINANCIAL CHARGES

	2009	2008
Bank charges	467,058	802,535
Mark-up on short term running finances	93,148,536	44,890,124
Mark-up on long term financing	34,848,649	22,910,641
Mark-up under finance lease	227,674	765,144
	128,691,917	69,368,444

21 TAXATION

	2009	2008
Current	5,697,027	12,643,725
Prior	5,826,372	-
	11,523,399	12,643,725

21.1 Reconciliation of tax charge for the year

	2009	2008
Accounting (loss)/profit	(158,500,332)	32,856,075
Corporate tax rate	35%	35%
Tax on accounting profit at applicable rate	(55,475,116)	11,499,626
Tax effect of - income exempt from tax	12,178,364	(1,433,434)
- lower tax rate on certain income	23,806,811	4,151,939
- Adjustment due to available tax losses	27,544,608	-
- Others	3,468,732	(1,574,406)
	11,523,399	12,643,725

22 EARNINGS PER SHARE

There is no dilutive effect on the basic earnings per share of the company, which is based on:

	2009	2008
Profit after taxation	(158,500,332)	20,212,350
Weighted average number of ordinary shares	60,049,600	51,929,052
Earnings per share - basic and diluted	(2.64)	0.39

22.1 Diluted earnings per share has not been calculated as the Company does not have any convertible instrument in issue as at June 30, 2009 and June 30, 2008 which would have any effect on the earnings per share if the option exercised.

23 CASH AND CASH EQUIVALENTS

	2009	2008
Cash and bank balances	2,269,924	8,538,726
Short term running finance	(180,340,652)	(1,039,706,704)
	(178,070,728)	(1,031,167,978)

24 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

24.1 Maturities of financial assets and liabilities
As at June 30, 2009

	Effective mark-up rate	Mark-up bearing maturity: Upto one year	Over one year upto five years	Sub-total	Non-mark-up bearing maturity: Upto one year	Over one year upto five years	Sub-total	Total
	%	Rupees						
Financial assets								
Deposits	-	-	-	-	-	2,828,900	2,828,900	2,828,900
Trade debts	-	-	-	-	633,881,957	-	633,881,957	633,881,957
Trade debts Margin financing	-	-	-	-	-	-	-	-
Receivable under CFS transactions	-	-	-	-	-	-	-	-
Receivable from NCCPL	-	-	-	-	-	-	-	-
Investments	17.35	-	25,000,000	25,000,000	124,646,864	57,120,000	181,766,864	206,766,864
Advances and other receivables	-	-	-	-	28,984,365	-	28,984,365	28,984,365
Cash and bank balances	5 to 10	298,690	-	298,690	1,971,234	-	1,971,234	2,269,924
		298,690	25,000,000	25,298,690	789,484,420	59,948,900	849,433,320	874,732,010
Financial liabilities								
Long term loan	13.97 to 14.98	40,000,000	140,000,000	180,000,000	-	-	-	180,000,000
Liabilities against assets subject to finance lease	13.42	89,493	-	89,493	-	-	-	89,493
Short term running finance	14.22 to 16.09	180,340,652	-	180,340,652	-	-	-	180,340,652
Trade and other payables	-	-	-	-	152,133,746	-	152,133,746	152,133,746
		220,430,145	140,000,000	360,430,145	152,133,746	-	152,133,746	512,563,891
On Balance Sheet Gap		(220,131,455)	(115,000,000)	(335,131,455)	637,350,674	59,948,900	697,299,574	362,168,119

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

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

25 Financial Risk Management

The Company's activity are exposed to variety of financial risk namely interest rate risk, credit risk, liquidity risk, foreign exchange risk, fair value instruments risk and market risk. The Company has established adequate procedure to manage each of these risks as explained below:

25.1 Interest rate risk

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

25.2 Liquidity risk

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

25.3 Credit risk

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

25.4 Market risk

Market risk is the risk that the values of the financial instruments 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.

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

25.5 Fair values of financial instruments

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

25.6 Foreign exchange risk

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

26 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	June 2009	June 2008	June 2009	June 2008	June 2009	June 2008
	(Rupees)					
Remuneration	1,935,484	2,322,581	2,677,663	2,225,806	2,113,950	4,478,187
House rent allowance	870,968	1,045,161	1,204,949	1,001,613	951,277	1,300,119
Utility Allowance	193,548	232,258	267,766	222,581	211,395	288,915
	3,000,000	3,600,000	4,150,378	3,450,000	3,276,622	6,067,221
Number of Persons *	2	1	5	2	3	4

The Company provides the company maintained car to the chief executive, executive directors and certain executives.

* It represent maximum number of persons during the year

27 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, Directors and Executives is disclosed in Note 26 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:

	2009 Rupees	2008 Rupees
Brokerage income earned from:		
Directors	16,284	13,091
Employees	49,498	276,467
IFSL - Employees provident fund	-	2,141
	65,782	291,699
Balances		
Amount due from IFSL - Employees provident fund	500,000	-
Loan to director	14,498,000	-
Transactions		
Advance against salary - Director	15,000,000	-
Contribution to IFSL - Employees provident fund	484,896	1,154,720

28 ACCOUNTING ESTIMATES AND JUDGMENTS

Income taxes

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

Property and equipment

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

Intangible assets

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

Investment stated at fair value

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

Trade Debts

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

29 Capital Risk Management

The objective of managing capital is to safeguard the Company's ability to continue as a going concern, so that it could continue to provide adequate returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debts.

30 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on September 07, 2009 by the Board of Directors of the Company.

31 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 0 9

4.

Number of Shareholders	Shareholdings				Total Shares held
43	1	-	100	Shares	2,231
4128	101	-	500	Shares	2,054,586
626	501	-	1000	Shares	619,563
750	1001	-	5000	Shares	1,891,664
119	5001	-	10000	Shares	926,079
42	10001	-	15000	Shares	525,796
14	15001	-	20000	Shares	254,828
19	20001	-	25000	Shares	437,000
5	25001	-	30000	Shares	143,499
5	30001	-	35000	Shares	164,000
2	35001	-	40000	Shares	76,500
5	40001	-	45000	Shares	215,955
1	45001	-	50000	Shares	50,000
2	50001	-	55000	Shares	106,001
2	55001	-	60000	Shares	114,200
1	60001	-	65000	Shares	63,000
1	70001	-	75000	Shares	72,500
1	85001	-	90000	Shares	87,335
2	90001	-	95000	Shares	186,000
2	95001	-	100000	Shares	200,000
1	110001	-	115000	Shares	111,000
1	140001	-	145000	Shares	145,000
1	185001	-	190000	Shares	186,500
1	195001	-	200000	Shares	200,000
1	310001	-	315000	Shares	311,500
1	730001	-	735000	Shares	735,000
1	960001	-	965000	Shares	961,564
1	1160001	-	1165000	Shares	1,163,499
2	2495001	-	2500000	Shares	5,000,000
1	4655001	-	4660000	Shares	4,660,000
1	11995001	-	12000000	Shares	11,996,000
1	26385001	-	26390000	Shares	26,388,800
5783	**TOTAL**				**60,049,600**

5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, and their spouses and minor children	5,202,001	8.66%
5.2	Associated Companies, undertakings and related parties	-	0.00%
5.3	NIT and ICP	695	0.00%
5.4	Banks, Development Financial Institutions, Non-Banking Finance Companies	8,300	0.01%
5.5	Insurance Companies	27,000	0.04%
5.6	Modarabas and Mutual Funds	222,500	0.37%
5.7	Shareholders holding 10%	38,384,800	63.92%
5.8	General Public		
	a. Local	54,075,265	90.05%
	b. Foreign	-	0.00%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	513,839	0.86%

PATTERN OF SHAREHOLDING UNDER REGULATION 37(XIX)(I) OF THE CODE OF CORPORATE GOVERNANCE AS ON JUNE 30, 2009

	Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1.	**Associated Companies**	-	-	0.00%
2.	**NIT and ICP**			
	National Bank of Pakistan - Trustee Deptt.	1	695	0.00%
3.	**Directors, CEO, their Spouses & Minor Children**			
	Directors and CEO			
3.1	Mr. Amyn Nasiruddin	1	2,500,000	4.16%
3.2	Syed Kaleem Akhtar	1	54,001	0.09%
3.3	Mr. Khalid Iqbal Siddiqui	1	145,000	0.24%
3.4	Mr. Bashir Ahmed Khanani	1	1,000	0.00%
3.5	Mrs. Nausheen Javed Ahmedjee	1	500	0.00%
3.6	Syed Rahsid Ali	1	1,000	0.00%
3.7	Mr. Shakeel Ahmed	1	500	0.00%
		7	**2,702,001**	**4.50%**
	Spouses of Directors and CEO			
	Mrs. Ambreen Amyn	1	2,500,000	4.16%
	Minor Children of Directors and CEO	-	-	0.00%
4.	**Executives**	-	-	0.00%
5.	**Public Sector Companies & Corporations**	-	-	0.00%
6.	**Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds**	6	257,800	0.43%
7.	**Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)**	46	513,839	0.86%
8.	**Individuals**	5,722	54,075,265	90.05%
		5,783	**60,049,600**	**100.00%**

SHAREHOLDERS HOLDING 10% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY

Names	Number of Shareholders	Number of Shares held	% of Shareholding
Mrs. Gul Bano	1	11,996,000	19.98%
Mrs. Farida Bano	1	26,388,000	43.94%

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 a 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 10th Annual General Meeting of the Company to be held on Wednesday, October 21, 2009 at 11.00 a.m. and any adjournment thereof.

Signed this __________ day of __________2009.

Signature over Revenue Stamp

Witness: ______________	Witness: ______________
SIGNATURE	SIGNATURE
Name: ______________	Name: ______________
CNIC No.: ______________	CNIC No.: ______________
Address: ______________	Address: ______________
______________	______________

AFFIX
CORRECT
POSTAGE

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