

Annual Report 2016



INVEST AND FINANCE SECURITIES LIMITED

CONTENTS

Vision and Mission Statements	02
Company Information	03
Profile of Board of Directors	04
Notice of Annual General Meeting	06
Directors' Report to the Members (English & Urdu)	18
Six Years at a Glance	32
Statement of Compliance with the Code of Corporate Governance	33
Review Report to the Members on Statement of Compliance with the Code of Corporate Governance	35
Auditors' Report to the Members	36
Balance Sheet	37
Profit and Loss Account	38
Cash Flow Statement	39
Statement of Changes in Equity	40
Notes to the Financial Statements	41
Pattern of Shareholding	67
Form of Proxy (English & Urdu)	



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.

COMPANY INFORMATION

Board of Directors	Mr. Muzzammil Aslam (Chairman & Chief Executive Officer) Mr. Asim Ali Mr. Fayyaz Ilyas Mr. Hayat Javed Mr. Irfan Pardesi Mr. Shakeel Ilyas Mr. Rahat Aziz
Audit Committee	Mr. Fayyaz Ilyas - Chairman Mr. Hayat Javed - Member Mr. Irfan Pardesi - Member Mr. Rahat Aziz - Member
HR & R Committee	Mr. Hayat Javed – Chairman Mr. Shakeel Ilyas – Member Mr. Muzzammil Aslam - Member
Company Secretary	Mr. Shahid Kamal
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 NIB Bank Limited Askari Bank Limited Burj Bank Limited United Bank Limited Allied Bank Limited Bank AL Habib Limited BankIslami Pakistan 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	Office No. 904, 9th Floor, Emerald Tower, Plot No. G-19, Block-5, Clifton, Karachi, Pakistan.
Lahore Branch	319-Siddiq Trade Centre, 72 Main Boulevard, Gulberg, Lahore, Pakistan.
Website	www.investfinance.com.pk



PROFILE OF BOARD OF DIRECTORS

Mr. Muzzammil Aslam - Chairman & Chief Executive Officer

Mr. Muzzammil Aslam has over 10 years of experience in the fields of economics, research, business development and financial/capital markets. He has been engaged with KASB Securities Limited as Head of Business Development from November 2004 to April 2009 and with JS Global Capital Limited as Executive Vice President - Senior Economist, Head of Business Development and Head of Research from May 2009 to June 2012. Thereafter, he has been managing his own economic research think tank/consultancy firm "Emerging Economics Research". Various government departments also seek firm's independent view on major economic issues. Further, his work on economics has been actively pursued by the State Bank of Pakistan and Ministry of Finance. By qualification, Mr. Muzzamil holds Bachelor of Commerce and Master of Public Administration Degrees from the University of Karachi, MAS Degree in Economics from Applied Economics Research Centre, University of Karachi and Master of Science Degree in Economics from the University of Bath, United Kingdom.

Mr. Irfan Pardesi - Director

Mr. Irfan, an entrepreneur, has 6 years of experience of financial/equity/capital markets and financial and management consultancy. He has expertise in areas ranging from business administration to marketing and devising financial products and services as well as recruiting and training staff with soft and technical skills. Mr. Irfan is Chief Executive Officer of ACM Gold (Private) Limited, a Corporate Member of the Pakistan Mercantile Exchange Limited, since 2010. He has been a Director of ACM Global (Private) Limited, a Trading Right Entitlement Certificate Holder of the Pakistan Stock Exchange Limited, from May 2012 to July 2015. Mr. Irfan holds a Bachelor of Science Degree in Management Sciences from the London School of Economics and Political Science, University of London.

Mr. Asim Ali - Director

Mr. Asim Ali has over 6 years of experience of equity market. He has been engaged with JS Global Capital Limited in Equity Sales Department from April 2006 to December 2012. In addition, he has extensive experience of quality control and customer services being having engaged as Sales Executive for two years with Star Giga Establishment, Dubai, UAE, a real estate/property development company. Mr. Asim holds a Bachelor of Commerce Degree.

Mr. Fayyaz Ilyas - Director

Mr. Fayyaz is one of the partners of Falaknaz Properties/Group, a family owned firm/group engaged in the business of real estate development and a member of Association of Builders and Developers. He has a vast experience in construction and development industry comprising of over 18 years. He has expertise in sales, marketing, advertisement and architectural designs. He has attended various seminars/workshops abroad and also represented the firm/group on various forums both within the country and abroad. Mr. Fayyaz holds a Bachelor of Commerce Degree.

Mr. Hayat Javed - Director

Mr. Hayat is well conversant with the financial markets especially equity/commodity markets being actively engaged in portfolio management and trading of securities/commodities. He has been providing financial advisory services including equity market, commodity market, portfolio management, IPO offerings, and customized services to provide technical analysis and investment strategies to high net worth individuals. Mr. Hayat also has expertise in business development and marketing strategies.

**Mr. Shakeel Ilyas - Director**

Mr. Shakeel is one of the partners of Falaknaz Properties/Group, a family owned firm/group engaged in the business of real estate development and a member of Association of Builders and Developers. He has over 16 years of experience in construction and development industry and has completed two high-rise building projects in Karachi. Mr. Shakeel also has vast experience of marketing and advertisement.

Rahat Aziz - Director

Mr. Rahat Aziz is currently practicing as a Corporate Consultant. He is also a visiting Faculty at IBA, Karachi. The last engagement of Mr. Rahat Aziz was with Sindh Judicial Academy where he conducted several programs for all the tiers of Judiciary. He also arranged different training programs for leading institutions like SBP, SECP, Pakistan Navy, Fuji Fertilizer (BoD), Sindh Bank Limited and many others. Rahat Aziz is also one of the lead trainers of ICAP's Directors' Training Program approved by SECP. Besides this he is also Master trainer with USAID- The Asian Foundation for NPO/NGO program. Mr. Rahat Aziz has engaged with the training forums of IBA-CEE, CMEG-IoBM, EFP, NIBAF-SBF, SECP-KTBA and Institute of Leadership Development. Some of his Corporate Consultancy Clients are SECP, GSK, PNSC, Artistic Group, Wood Craft Group, Souvenir Group, Italian Development Council, Manhattan Communications and Sindh Environmental Foundation.

Driven By Trust



NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that Seventeenth Annual General Meeting of the Members of Invest and Finance Securities Limited ('the Company') will be held on Thursday, October 27, 2016 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 Sixteenth Annual General Meeting of the Company held on August 28, 2015;
2. To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended June 30, 2016, together with the Directors' and Auditors' Reports thereon;
3. To appoint the Statutory Auditors for the year ending June 30, 2017, and to fix their remuneration;
4. To transact any other business with the permission of the Chair.

Special Business:

1. To consider, and if thought fit, approve the amendments/ additions/ deletions in sub-clauses of Object Clause of Memorandum of Association of the Company as mentioned in the Annexure - A of the Statement under Section 160(1)(b) and various clauses of Articles of Association of the Company as mentioned in the Annexure-B of Statement under Section 160(1)(b) which are to be laid before the members for passing the following Special Resolutions, with or without modification.

"RESOLVED THAT subject to prior clearance of the Pakistan Stock Exchange Limited under Clause 5.9.2 of its Rule Book and any consequent modification thereon, the amendments / additions in sub-clauses of Object Clause of Memorandum of Association of the Company which are laid before members as Annexure-A of Statement under Section 160(1) (b) and forms an integral part of resolution, be and are hereby approved."

"FURTHER RESOLVED THAT a petition be filed with the SECP under Sections 21 to 24 of the Companies Ordinance, 1984, read with Rules 3 and 30 of the Companies (General Provisions and Forms) Rule 1985, along with all requisite documents, affidavits, statements, etc. for confirmation of alteration of Memorandum of Association for which purpose, the Chief Executive Officer (or any person authorized by him in this behalf) and the Company Secretary be and are hereby jointly and severally authorized to fulfill all legal, corporate and procedural formalities for accomplishing alteration of the Company's Memorandum of Association."

"FURTHER RESOLVED THAT subject to prior clearance of the Pakistan Stock Exchange Limited under Clause 5.9.2 of its Rule Book and any consequent modification thereon, the amendments / additions/deletions in various Clauses of Article of Association of the Company which are laid before members as Annexure-B of Statement under Section 160(1) (b) and forms an integral part of resolution, be and are hereby approved."

"FURTHER RESOLVED THAT the Chief Executive Officer (or any person authorized by him in this behalf) and the Company Secretary be and are hereby jointly and severally authorized to fulfill all legal, corporate and procedural formalities for accomplishing alteration in the Article of Association of the Company."

"FURTHER RESOLVED THAT the new Memorandum of Association and Article of Association of the Company be printed and replaced for the existing ones after getting the confirmation of alteration by the Securities and Exchange Commission of Pakistan."

By order of the Board

Karachi: October 03, 2016

SHAHID KAMAL
Company Secretary

**NOTES:**

1. The Share Transfer Books of the Company will remain closed for the period from October 20, 2016 to October 27, 2016 (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: Shakra-e-Quaideen, Karachi, Pakistan ('Registrar') at the close of business on October 19, 2016 the last working day before the start of book closure date will be considered in time to attend and vote at the Meeting.
2. Financial Statements for the year ended June 30, 2016 will be available at the website of the Company www.investfinance.com.pk twenty one days before the date of meeting.
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 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 CNIC 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 CNIC numbers. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.

5. Members are requested to notify/submit the following information/documents, in case of book entry securities in CDS to their respective participants and in case of physical shares to the registrar of the Company by quoting their folio numbers and name of the Company at the above mentioned address, if not earlier notified/submitted:
 - Change in their addresses, if any.
 - Members, who have not yet submitted attested photocopy of their valid Computerized National Identity Card (CNIC) are requested to submit the same along with folio numbers at earliest, directly to the Company's Share Registrar M/s. Technology Trade (Private) Limited, Dagia House, 241-C, Block-2, P.E.C.H.S., Off: Shakra-e-Quaideen, Karachi, Pakistan.



6. For any query/problem/information, Members may contact the Company at email companysecretary@investfinance.com.pk and/or the Share Registrar of the Company at above mentioned address and at (+92 21) 34391316-7, email mail@ttpl.com.pk. Members may also visit website of the Company www.investfinance.com.pk for notices/information.





Statement Under Section 160(1)(b) Proposed Amendments in Memorandum of Association

The Board of Director has recommended to update the Memorandum of Association of the Company to increase the scope of the business and attaining the main purpose by improved means for the financial strength of the Company.

Clause	Existing Clauses	Proposed Clauses (changes/addition highlighted and bold)	Remarks
1.	To act as a member of stock exchange(s) and to carry on the business of broker in stocks, shares, securities, commercial papers, modaraba certificates, bonds, obligations, debentures, debenture-stocks, foreign exchange bearer certificates, treasury bills and or any financial instrument under licence or with the permission or approval of any recognised association, authority, stock exchange or other market whether in Pakistan or abroad.	To act as a member/ broker of securities exchange(s), commodity exchange(s), futures exchange(s) and any other recognized exchange(s) as permitted under the law and to carry on the business of brokerage services in stocks, shares, securities, commercial papers, modaraba certificates, musharaka certificates , bonds, obligations, debentures, debenture-stocks, foreign exchange bearer certificates or any other foreign exchange instruments and obligations, treasury bills, futures contracts, bills of exchange, promissory notes, certificates of deposits, commodities, commodity futures contracts, loan stocks, notes, sukus, participation term finance certificates, term finance certificates and/or any financial instrument under license or with the permission or approval of any recognized association, authority, securities exchange(s), commodity exchange(s), futures exchange(s), any other exchange(s) as permitted under the law or other market whether in Pakistan or abroad.	Amended
2.	To act as brokers for call money and foreign exchange of any or all scheduled banks, both local and foreign operating in Pakistan.	To act as brokers for call money and foreign exchange of any or all scheduled banks, development financial institutions, non-banking financial institutions , both local and foreign, operating in Pakistan.	Amended
3.	To underwrite, manage and distribute the issue of stocks, shares, bonds, debentures, debenture-stocks and other securities either directly or through jointly with one or more of its constituents, institutions or other investment or financial institutions.	To underwrite, manage, act as book runner, securities advisor, securities manager, debt securities trustee, market maker and distribute the issue of stocks, shares, bonds, debentures, debenture-stocks and other securities either directly or through jointly with one or more of its constituents, institutions or other investment or financial institutions and to provide advisory and arrangement services on matters including public offerings, private placements, mergers, acquisitions, restructuring, etc.	Amended
5.	To buy, sell, hold or otherwise acquire or invest in securities as defined in the Securities and Exchange Ordinance, 1969.	To buy, sell, hold or otherwise acquire or invest in security and/or securities as defined in the Securities and Exchange Ordinance, 1969 and the Securities Act, 2015 respectively.	Amended



INVEST AND FINANCE SECURITIES LIMITED

Clause	Existing Clauses	Proposed Clauses (changes/addition highlighted and bold)	Remarks
6.	To make advances for purchase of shares and investments in such other securities and providing facilities for margin trading clients under the regulation(s) of the stock exchange.	To make advances for purchase of shares and investments in such other securities and providing facilities for leveraged trading clients under the applicable rules and regulations.	Amended
9.	To acquire and secure membership, seats or privileges either in the name of the Company or its nominee or nominees in and of any association, stock exchanges, market, club or other institutions in Pakistan or any part of the world for furtherance of the business of the Company.	To acquire and secure memberships, licenses, accreditations, seats or privileges either in the name of the Company or its nominee or nominees in and of any association(s), securities exchange(s), commodity exchange(s), futures exchange(s) and any other recognized exchange(s) as permitted under the law, market(s), club(s) or other institution(s)/company(ies)/organizatin(s) in Pakistan or any part of the world for furtherance of the business of the Company.	Amended
10.	To publish for sale or otherwise business reports on the general economy and various sectors or industries.	To publish for sale or otherwise business reports on the general economy and various sectors or industries, stock indices, stock market trends, etc.	Amended
20.	To amalgamate with any other company whose objects are or include objects similar to those of this Company whether by sale or purchase.	To amalgamate, merge with or take over or manage any other company whose objects are or include objects similar to those of this Company.	Amended
22.		To invest and deal with the moneys and other assets of the Company not immediately required for the purposes of business of the Company in such manner as the Board of Directors may from time to time think fit.	New Clause
23.		To provide technical, economic and financial analysis of securities to both foreign and local institutions and individuals.	New Clause
24.		To provide technical, economical, financial and administrative consultancy services and prepare investments and economic feasibility studies for projects intended to be established and to undertake on behalf of investors the identification of investment opportunities and evaluation of projects.	New Clause
25.		To provide financing in accordance with margin financing, margin trading and securities lending and borrowing rules and regulations or under any other product available from time to time.	New Clause



Clause	Existing Clauses	Proposed Clauses (changes/addition highlighted and bold)	Remarks
26.		<u>To arrange money by issue of debentures, debenture stock, perpetual or otherwise convertible into shares and to mortgage, or charge the whole or any part of the property or assets of the Company, present or future, by special assignment or to transfer or convey the same absolutely or in trust as may seem expedient and to, purchase, redeem or payoff any such securities.</u>	New Clause
27.		<u>To guarantee the performance of contracts, agreements, obligations or discharge of any debt of the company or on behalf of any other company or person in relation to the payment of any financial facility including but not limited to loans, advances, letters of credit or other obligations through creation of any or all types of mortgages, charges, pledges, hypothecations, on execution of the usual banking documents or instruments or otherwise encumbrance on any or all of the movable and immovable properties of the company, either present or future or both and issuance of any other securities or sureties by any mean in favour of banks, Non-Banking Finance Companies (NBFCs) or any financial institutions and to borrow money for purpose of the company on such terms and conditions as may be considered proper.</u>	New Clause
28.		<u>To provide online brokerage services on internet as defined above and to service the orders of the investors/clients on internet via websites/mobile phones and to otherwise provide value added services through websites/mobile phones, including but not limited to consultancy, portfolio management, research and advisory services in relation to investments and brokerage services as defined above.</u>	New Clause
29.		<u>To provide corporate advisory, secretarial and other related services.</u>	New Clause
30.		<u>To offer telecommunication and data communication services in relation to the brokerage services as defined above and for this purpose to develop and design websites, to develop , import and export computer software/ mobile applications, to offer consulting services on data networks, and to generally offer specialized software consultancy, information strategy, information systems, software/application development programming and information needs, analysis and designs, software/application documentation, computer bureau and retrievable services based on search and development of database on electronic media.</u>	New Clause



INVEST AND FINANCE SECURITIES LIMITED

Clause	Existing Clauses	Proposed Clauses (changes/addition highlighted and bold)	Remarks
31.		<u>To form, promote, subsidize and assist companies and partnerships, including subsidiary companies, to promote and acquire any concern as a running business or otherwise or purchase any part of assets of any concern or any company or any interest or shares thereof with similar object(s)/business and to pay for the same including its goodwill either in cash/or by issue of securities or otherwise and invest the moneys of the Company for the said purposes.</u>	New Clause
32.		<u>To go in for, buy or otherwise acquire and use any patent design, copyright, license, concession, convenience, innovation, invention, rights, privileges and the like in Pakistan or elsewhere, which may for the time being appear to be useful or valuable for adding to the efficiency or productivity of the Company's work or business.</u>	New Clause
33.		<u>To purchase, take on lease or in exchange, hire, apply for or otherwise acquire and hold for any interest, any rights, privileges, lands, building, easements, patents, patent rights, licenses, and any movable and immovable property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch or department thereof and to use, exercise, develop, grant licenses in respect of or otherwise turn to account any property, rights and information so acquired.</u>	New Clause
34.		<u>To do and perform all such acts and things as may be deemed incidental or conducive to the attainment of above objects or any one of them.</u>	New Clause
36.	The Company shall not engage in banking business or business of an investment company or any unlawful business and that nothing in object clauses shall be construed to entitle it to engage in such business or to undertake the business of banking company, investment, leasing, insurance business directly or indirectly.		Clause renumbered from 22 to 36.
35.	To undertake the business of custodial services in respect of securities and to become an account holder / participant, eligible pledgee, DVP account holder with a central depository company.		Clause renumbered from 23 to 35.



Statement Under Section 160(1)(b) Proposed Amendments in Article of Association

The Board of Director has recommended to update the Article of Association of the Company for setting the operating policies of the Company in relation to the business carried out / to be carried out by the Company.

Clause	Existing	Clause	Proposed	Remarks
1 (a) Para 4	"Ordinance" means the Companies Ordinance, 1984		"Ordinance" means the Companies Ordinance, 1984 or any modification or re-enactment thereof from time to time in force.	Amended
1 (a) Para 7	"Special resolution" means a resolution of the General Meeting of Shareholders which has been passed by a majority of not less than two third of such members entitled to vote as present in person or by proxy at a General Meeting of which not less than twenty one days Notice specifying the intention to proposed the resolution as Special Resolution has been duly given		"Special resolution" means a resolution of the General Meeting of Shareholders which has been passed by a majority of not less than two third of such members entitled to vote as present in person or by proxy at a General Meeting of which not less than twenty one days Notice specifying the intention to proposed the resolution as Special Resolution has been duly given has the same meaning as assigned thereto by Section 2(1)(36) of the Ordinance.	Amended
1 (a) Para 15	"In writing" and "Written" include printing, Lithography, Type writing photocopying any other Mode of representing or reproducing words in a visible form		"In writing" and "Written" include printing, Lithography, Type writing photocopying any other Mode of representing or reproducing words in a visible form including in electronic form visible on computer screen or any electronic gadget.	Amended
1 (a) Para 20	"Section" means section of the Companies Ordinance, 1984		"Section" means section of the Companies Ordinance, 1984 or relevant section of any modification or re-enactment thereof from time to time in force.	Amended
26	A general meeting to be called annual general meeting which shall be held, in accordance with the provisions of section 158, within eighteen months from the date of incorporation of the company and thereafter once at least in every year within a period of three months following the close of financial year for the purpose of receiving and considering its profit and loss account, the Balance Sheet and the report of the Directors and Auditors, to appoint auditors, to declare dividends, and elect Directors in case the election of Directors is due in that year according to the provisions hereinafter provided. at such time not being more that fifteen months after the holding of the last preceding ordinary general meeting.		A general meeting to be called annual general meeting which shall be held, in accordance with the provisions of section 158, within eighteen months from the date of incorporation of the company and thereafter once at least in every year within a period of three months following the close of financial year for the purpose of receiving and considering its profit and loss account, the Balance Sheet and the report of the Directors and Auditors, to appoint auditors, to declare dividends, and elect Directors in case the election of Directors is due in that year according to the provisions hereinafter provided. at such time not being more that fifteen months after the holding of the last preceding ordinary general meeting.	Amended



INVEST AND FINANCE SECURITIES LIMITED

Clause	Existing	Clause	Proposed	Remarks
28 Para 1	An Extra Ordinary General Meeting of Shareholders may be convened by the Board of Directors of the Company on the request of any director whenever he deems necessary or appropriate. If the Board of Directors does not convene the meeting within Ninety (90) days after the formal request of the Director then the director can himself convene the meeting with prior written notice of clear twenty one (21) days as per provisions of the Companies Ordinance, 1984.		An Extra Ordinary General Meeting of Shareholders may be convened by the Board of Directors of the Company on the request of any director whenever he deems necessary or appropriate. If the Board of Directors does not convene the meeting within Ninety (90) days after the formal request of the Director then the director can himself convene the meeting with prior written notice of clear twenty one (21) days as per provisions of the Companies Ordinance, 1984.	Amended
28-A			<u>28-A) The Company may provide video conference facility to its members for attending general meeting at places other than the town in which general meeting is taking place after considering the geographical dispersal of its members and in this respect procedures/guidelines/requirements prescribed by the Securities and Exchange Commission of Pakistan from time to time shall be followed.</u>	Addition
32	No business shall be transacted at any general meeting unless a quorum of members is present at that time when the meeting proceeds to business as per the provisions of the Companies Ordinance, 1984.		No business shall be transacted at any general meeting unless a quorum of members is present at that time when the meeting proceeds to business as per the provisions of the Companies Ordinance, 1984.	Amended
45(a)	The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing. A proxy must be member.		The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing. A proxy must be member.	Amended
46-A			A member may exercise his vote at a general meeting by electronic means and in this respect provisions and requirements for e-voting as prescribed by the Securities and Exchange Commission of Pakistan from time to time shall be deemed to be incorporated in these Articles, irrespective of the other provisions of these Articles of Association and notwithstanding anything contradictory therein.	Addition
48	Until otherwise determined by the Company in general meeting, the number of directors shall not be less than three nor more than seven.		<u>The number of Directors of the Company shall not be less than seven (7).</u> Until otherwise determined by the Company in general meeting, the number of directors shall not be less than three nor more than seven.	Amended



Clause	Existing	Clause	Proposed	Remarks
51	The remuneration of the directors shall from time to time be determined by the Board of directors of the Company.		The remuneration of the directors for performing extra services, including holding of the office of Chairman, and remuneration to be paid to any director for attending the meetings of the directors or a committee of directors shall from time to time be determined by the Board of directors of the Company.	Amended
52	Save as provided in section 187, no person shall be appointed as a director unless he is a member of the company except a person representing the Government or an institution or authority which is a member, a whole-time director who is an employee of the company, a Chief Executive of the Company or a person representing a creditor.		Save as provided in section 187, no person shall be appointed as a director unless he is a member of the company except a person representing the Government or an institution or authority which is a member, a whole-time director who is an employee of the company, a Chief Executive of the Company or a person representing a creditor. A director may act before acquiring his qualification shares, but shall in any case acquire the same within two months from his appointment.	Amended
54	The Directors shall appoint a Chief executive in accordance with the provisions of sections 198 and 199 of the Companies ordinance, 1984.		The Directors shall appoint a Chief executive in accordance with the provisions of sections 198 and 199 of the Companies ordinance, 1984. The remuneration and terms and conditions of employment /appointment of full time working /executive director(s) and/or chief executive shall be determined by the Board of directors of the Company.	Amended
58	No person shall become the director of a company if he suffers from any of the disabilities or disqualification mentioned in section 187 and / if already a director, shall cease to hold such office from the date he so becomes disqualified or disabled.	58-A	No person shall become the director of a company if he suffers from any of the disabilities or disqualification mentioned in section 187 and / if already a director, shall cease to hold such office from the date he so becomes disqualified or disabled.	Renumbered
57	Any Director shall be entitled at the time of appointment, to nominate the another person to act in his absence as his alternate director granting to such alternate director fully power and authority to act as Director in his place at any meeting of the Board of Directors.	58-B	Any Director shall be entitled at the time of appointment, to nominate the another person to act in his absence as his alternate director granting to such alternate director fully power and authority to act as Director in his place at any meeting of the Board of Directors.	Renumbered



INVEST AND FINANCE SECURITIES LIMITED

Clause	Existing	Clause	Proposed	Remarks
58 Para 3	Prior written notice of all meetings of the Board of Directors shall be sent to all Directors at least seven (7) days before the meeting, specifying the time and place of the meeting and indicating all matters to be considered thereat, together with copies of reports, studies and any other data relating thereto, provided, however, that notice may be waived.	59-A Para 3	Prior written notice of all meetings of the Board of Directors shall be sent, <u>through any valid communication mode including email, fax, telex, telegram, etc.</u> to all Directors at least seven (7) days before the meeting, specifying the time and place of the meeting and indicating all matters to be considered thereat, together with copies of reports, studies and any other data relating thereto, provided, however, that notice may be <u>shortened or waived by the unanimous consent of the Directors in writing in emergent situations.</u>	Renumbered and Amendment in Article
58 Para 4	Unless otherwise agreed by all directors, all meetings of the board of directors shall be held in Pakistan.	59-A Para 4		Deleted
59	The quorum for meetings of the Board of directors may be fixed by the directors. All resolutions of the Board of Directors shall be adopted by a simple majority vote of the Directors present.	59-B	The quorum for meetings of the Board of directors may be fixed by the directors. All resolutions of the Board of Directors shall be adopted by a simple majority vote of the Directors present.	Renumbered
59-C			<u>The directors may hold their meetings through tele /video conferencing and in this respect procedures/guidelines/requirements prescribed by the Securities and Exchange Commission of Pakistan from time to time shall be followed.</u>	Addition
65	A resolution in writing signed by a number of Directors as would constitute a quorum in a meeting of the Board, Shall be as effective for all purpose as a resolution passed at a meeting of the Directors duly called, held and constituted, unless otherwise relating to a business requiring a specified number or majority of Board under the provisions of the Companies Ordinance, 1984.		A resolution in writing signed / <u>approved / affirmed through any valid communication mode including email, fax, telex, telegram, etc.</u> by a number of Directors as would constitute a quorum in a meeting of the Board, Shall be as effective for all purpose as a resolution passed at a meeting of the Directors duly called, held and constituted, unless otherwise relating to a business requiring a specified number or majority of Board under the provisions of the Companies Ordinance, 1984.	Amended
69	Subject to the provisions of the Ordinance, the company may from time to time in annual general meeting increase or decrease the number of directors.		Subject to the provisions of the Ordinance, the company may from time to time in annual general meeting increase or decrease the number of directors.	Amended



Clause	Existing	Clause	Proposed	Remarks
	75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109.		73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108.	36 Articles are Renumbered in sequence.
95	The directors shall cause to be kept proper books of account as required under section 230 and accounting period of the company shall commence on the first day of January and end on the 30th day of June in each year	94	The directors shall cause to be kept proper books of account as required under section 230 and accounting period of the company shall commence on the first day of January and end on the 30th day of June in each year be decided by the directors from time to time.	Renumbered and Amendment in Article
102	The company shall have one auditor. The auditors shall be appointed and their duties regulated in accordance with Section 252 to 255 of the Companies Ordinance, 1984.	101	The company shall have one auditor. The auditors shall be appointed and their duties regulated in accordance with Section 252 to 255 of the Companies Ordinance, 1984.	Renumbered and Amendment in Article

Driven By Trust



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 financial year ended June 30, 2016, together with the Auditors' Report thereon.

Performance Review

The Company earned operating revenues of Rs. 82.735 million during the year under review as compared to Rs. 193.832 million for the corresponding period. Before and after tax loss stood at Rs. 5.923 million and Rs. 9.673 million respectively as compared to profit before tax Rs. 149.541 million and profit after tax Rs. 138.523 million respectively for the corresponding period.

The operating results of the Company for the year ended June 30, 2016 are summarized as follows:

	2016 Rupees	2015 Rupees
Operating Revenues	82,735,301	193,832,268
(Loss)/profit before tax	(5,923,337)	149,541,375
(Loss)/profit after tax	(9,673,546)	138,522,939
(Loss)/earnings per share	(0.48)	5.66

The Company suffered a per share loss of Rs. 0.48 as compared to earnings per share Rs.5.66 for the corresponding period is mainly same as stated earlier for nine months ended March 31, 2016. The Company opted to payout, in aggregate, of Rs 20.25 per share (i.e., 202.50%) for the year ended June 30, 2015 resulting in decrease in reserves and lower investments in equity portfolio. As a result income from equity investments have completely eliminated. Furthermore, the Company also incorporated onetime gain of Rs 42 million (approx) on sale of property which resulted a significant increased in earning per share during 2015. Operating expenses have also increased particularly due to addition of office rental and HR expenses. Moreover the continuing depressed sentiments at local and international bourses have resulted into lower market turnover and brokerage income.

Take Over / Acquisition

The shareholders, Muzzammil Aslam, Hayat Javed, Irfan Pardesi, Shakeel Ilyas, Fayyaz Ilyas and Mr. Asim Ali holding in aggregate 15,612,966 ordinary shares constituting 78.004% of the total issued shares of Invest and Finance Securities Limited informed the Company that they have entered into a Share Purchase Agreement on August 24, 2016 for the sale of upto 10,207,982 ordinary shares at a price of PKR 15/- per share with EFG Hermes Frontier Holdings LLC having its office at Unit 6, Gate Building, West Wing, Dubai International Financial Centre, P.O.Box 30727, Dubai, UAE (100% owned subsidiary of EFG-Hermes Holding Company).



Dividend and Other Appropriations

The Directors have not recommended any payout due to loss suffered to company this year.

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.

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.

Corporate Governance

The Directors confirm compliance with the Corporate & Financial Reporting Framework of the Code of Corporate Governance for the annexed below:



INVEST AND FINANCE SECURITIES LIMITED

- 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 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 there from 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) Key operating and financial data for last six years in summarized form is annexed.
- h) There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2016 except for those disclosed in financial statements.
- i) 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, 2016 amounts to approximately Rs. 8,137,613/-.
- j) - 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. Muzzammil Aslam	3	3
2.	Mr. Asim Ali	3	3
3.	Mr. Fayyaz Ilyas	3	3
4.	Mr. Hayat Javed	3	2
5.	Mr. Irfan Pardesi	3	0
6.	Mr. Shakeel Ilyas	3	3
7.	Mr. Rahat Aziz	2	2
8.	Mr. Muhammad Sohail Dayala	3	3
9.	Mrs. Halima Dayala	3	3
10.	Mr. Muhammad Awais	3	3
11.	Syed Rashid Ali	3	1
12.	Mr. Shakeel Ahmed	3	3
13.	Syed Ali Afzal Shah	3	1
14.	Mr. Bashir Ahmed Khanani	3	1

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

The Directors, from serial number 8 to 14 above, were resigned on November 03, 2015 and Directors, from serial number 1 to 6, were co-opted on the same date. Further, Director at serial number 7 was co-opted on January 29, 2016. The said change in Board of Directors occurred as a result of acquisition of shares and control of the Company by persons mentioned from serial number 1 to 6 above under the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2008.



- 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.	Mr. Fayyaz Ilyas	2	2
2.	Mr. Hayat Javed	2	2
3.	Mr. Irfan Pardesi	2	0
4.	Mr. Rahat Aziz	2	2
5.	Mr. Shakeel Ahmed	3	3
6.	Syed Rashid Ali	3	1
7.	Mrs. Halima Dayala	3	3

Leave of absence was granted to Members/Directors who could not attend some of the Audit Committee meetings.

The Audit Committee was re-constituted due to change of complete Board as explained above and Directors from Serial number 1 to 4 were members of the Committee as of June 30, 2016.

- 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. Hayat Javed	1	1
2.	Mr. Shakeel Ilyas	1	1
3.	Mr. Muzzammil Aslam	1	1
4.	Mr. Shakeel Ahmed	0	0
5.	Mrs. Halima Dayala	0	0
6.	Mr. Muhammad Sohail Dayala	0	0

The HRRC was re-constituted due to change of complete Board as explained above and Directors from Serial number 1 to 3 were members of the Committee as of June 30, 2016.

- k) Patterns of shareholdings as required under the Companies Ordinance, 1984 and the Code of Corporate Governance are annexed at the end of annual report.
- l) The Directors have gone through two in-house orientation courses/training programs held on July 27, 2015 and November 03, 2015. Three Directors have acquired necessary certification in respect of Directors' Training Program (DTP).
- m) The Company is not in default or likely to default in any loans, sukuks or other debt instruments.
- n) The Directors and Executives including their respective spouses and minor children have not traded in the shares of the Company during the year except as follows:
 - Mr. Muhammad Sohail Dayala, the then Chief Executive Officer and Mrs. Halima Dayala, the then Director of the Company sold 7,970,953 and 7,642,013 shares of the Company respectively (in aggregate 15,612,966 shares) through Share Purchase Agreement at the rate of Rs. 13.67 per share and following persons/Directors acquired/purchased the said 15,612,966 shares as detailed below:



INVEST AND FINANCE SECURITIES LIMITED

Name	Designation	Shares Acquired
Mr. Muzzammil Aslam	Chief Executive	3,561,726
Mr. Irfan Pardesi	Director	3,183,452
Mr. Asim Ali	Director	1,097,199
Mr. Fayyaz Ilyas	Director	2,861,373
Mr. Shakeel Ilyas	Director	2,705,924
Mr. Hayat Javed	Director	2,203,292
	Total	15,612,966

- Mr. Ahmad Zakir Hafeez, Chief Financial Officer of the Company sold 38,500 shares of the Company (38,000 shares at the rate of Rs. 39.14 per share and 500 shares at the rate of Rs. 39.50 per share) in Regular Market.

(For the clause 'n' above (i.e. clause 5.19.11(xii)) and clause 5.19.15 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 Overview

Despite slowdown in the global economic growth and heavy crop losses on the national front, Pakistan's economy continued to march at modest pace growing at 4.7%YoY in FY16 compared to 4.0%. Industrial sector witnessed a robust growth of 6.8% in FY16 against 4.8% recorded in FY15. However, agriculture sector remained at the back seat due to lower crop harvest during the year, down 27.8%YoY.

Service sector's growth clocked in at 5.7% in FY16 against 4.3% in FY15 where all subsectors contributed to the uplift excluding transport, storage and communication. On the financial services front, higher salaries, pensions and disposable income in the backdrop of industrial growth provided ample support to the insurance and the banking sector.

Lower inflationary pressures owing to the decline in key international commodities, provided much needed relief to the economy to continue its move towards the upward trajectory hence allowing SBP to reduce the rate twice during the fiscal year which currently stands at 6.25%, lowest in over 42 years.

Another relief to the economy came from Remittances where Non Resident Pakistanis sent home over US\$19.9bn in FY16 (up by 6.4%YoY), providing much needed relief to the Foreign Reserves and Current Account balance. However, ~64% of these remittances are flowing from the Gulf Region which itself is engaged in Oil conundrum, burdening their economies with large budget deficits.

Exports posted a decline of 8.7%YoY (FY16: US\$22.0bn vs. FY15: US\$24.1bn), however imports witnessed a meager decline of 2%YoY recording at US\$40.4bn (FY15: US\$41.2bn), hence widening the trade deficit to US\$18.4bn in FY16 against US\$17.1bn posted in FY15.

Market Performance

After posting an exuberant average annual return of over 36% during FY13-FY15, KSE100 halted its bullish momentum and yielded an 8%YoY return in FY16. Decline in returns was driven by 1) Global factors like Brexit fading the MSCI reclassification news in the short run, weakening of major economies and resultant currency devaluations, declining commodity prices esp. Oil, hike in Fed rate and liquidation of foreign funds, and 2) Local factors including unrest on political front and increased vigilance by the regulator on broker activities (implementation of new SECP regulations).



Nonetheless, FY16 did bag in positives for the country, which not only supported the index level in the short run but is also expected to help the country in unlocking long-term accretion in earnings and improving macroeconomic picture. US\$46bn worth CPEC, Pakistan's successful reclassification to the MSCI Emerging market, increase in foreign reserves, decade's lower inflation & interest rates, successful reviews of IMF program and increment in remittances are few of the major milestones.

Future Prospects and Outlook

We believe triggers to re-generate interest in the markets have started to mark their say. Current government is expected to continue focusing on infrastructural development along with projects under the CPEC. Moreover, Pakistan's inclusion into the MSCI Emerging space from Frontier is expected to be the game changer for the equity market.

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

MUZZAMMIL ASLAM

Chairman & Chief Executive Officer

Karachi: September 20, 2016

ANNEXURE TO THE DIRECTORS' REPORT

Memorandum under Section 218 of the Companies Ordinance, 1984

The monthly salary/remuneration of following whole time working/Executive Director was revised/increased effective from October 01, 2015:

Name of Whole Time Working/ Executive Director	Previous Salary	Increased Salary
	(Rupees)	
Muhammad Awais	120,000/-	160,000/-

Other terms and conditions of employment of above whole time working/Executive Director remain the same. Mr. Muhammad Awais has resigned from the office of Director on November 03, 2015.



The Board of Directors in its meeting held on November 03, 2015 approved the appointment of Mr. Muzzammil Aslam as the Chief Executive Officer of the Company effective from November 03, 2015 for a period of three years in place of out gone Chief Executive Officer Mr. Muhammad Sohail Dayala. Mr. Muzzammil Aslam is entitled to a managerial remuneration of Rs. 400,000/- per month. The above remuneration is 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 is also entitled for other perquisites and facilities/benefits as per the Company's policies and rules including Company maintained car, cellular phone bills, hospitalization facility (insurance cover) for self, spouse and dependent children, membership of employees' provident fund, etc.

The Board of Directors in its meeting held on November 03, 2015 approved the appointment of Mr. Asim Ali as Executive Director (Chief Operating Officer) effective from November 03, 2015 at remuneration of Rs. 300,000/- per month. The said remuneration is 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 is also entitled for other perquisites and facilities/benefits as per the Company's policies and rules including Company maintained car, cellular phone bills, hospitalization facility (insurance cover) for self, spouse and dependent children, membership of employees' provident fund, etc.

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

Driven By Trust

ڈائریکٹرز رپورٹ برائے ممبران

شروع اللہ کے نام سے جو نہایت مہربان اور رحم کرنے والا ہے۔

مختصر ممبران

اسلام علیکم

میں آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے بخوشی مالی سال مورخہ 30 جون 2016 کو ختم ہونے والی کمپنی کی آڈٹ شدہ مالی تفصیلات آڈیٹرز کی رپورٹ کے ساتھ پیش کرتا ہوں۔

کارکردگی کا جائزہ

کمپنی نے زیر غور سال کے دوران کاروباری آمدنی مبلغ 82,735,301 ملین روپے حاصل کی گزشتہ سال اسی مدت کے لیے آمدنی مبلغ 193,832,268 ملین روپے تھی، قبل از ٹیکس اور بعد از ٹیکس کا خسارہ بتدریج مبلغ 5,923,337 ملین روپے اور مبلغ 9,673,546 ملین روپے رہا جو کہ گزشتہ سال کے منافع قبل از ٹیکس اور بعد از ٹیکس بتدریج مبلغ 149,541,375 ملین روپے اور 138,522,939 ملین روپے تھا۔

کمپنی کے کاروباری نتائج مالی سال مورخہ 30 جون 2016 درج ذیل ہیں۔

2015	2016	
روپے	روپے	
193,832,268	82,735,301	آمدنی (کاروبار سے حاصل شدہ آمدنی)
149,541,375	(5,923,337)	(نقصان) / نفع قبل از ٹیکس
138,522,939	(9,673,546)	(نقصان) / نفع بعد از ٹیکس
5.66	(0.48)	(نقصان) / فی حصص آمدنی

کمپنی نے زیر غور سال کے دوران فی حصص خسارہ مبلغ 0.48 روپے رہا گزشتہ سال کی مدت کے دوران فی حصص آمدنی مبلغ 5.66 روپے تھی وجہ جو کہ نو ماہ کی مالیاتی حسابات مورخہ 31 مارچ 2016 کو بتایا گیا تھا۔ کمپنی نے مورخہ 30 جون 2015 تک مجموعی لحاظ سے مبلغ 20.25 روپے فی حصص (یعنی 202.50 فیصد) کی ادائیگی کی جس کے نتیجے میں محفوظات اور ایکویٹی پورٹ فولیو سرمایہ کاری میں کمی ہوئی اور اس کے نتیجے میں ایکویٹی سرمایہ کاری کی آمدنی بالکل ختم ہو چکی ہے۔ مزید یہ کہ کمپنی نے 2015 کے دوران ایک دفعہ جائیداد بیچ کر (تقریباً) مبلغ 42 ملین روپے حاصل کیے جس کے نتیجے میں فی حصص آمدنی میں خاطر خواہ اضافہ ہوا۔ دفتر کرائے پر لینے اور جو من ریٹورس کے اخراجات کی وجہ سے کاروباری اخراجات میں بھی اضافہ ہوا۔ مزید یہ کہ مسلسل مقامی اور بین الاقوامی مارکیٹ میں مندی کے رجحان کی وجہ سے بروکرینج (Brokerage) آمدنی اور حجم بہت کم رہا۔

حصولِ علم و نسیب حصول

حصص یافتگان منزلِ علم، حیات جاوید، عرفان پروردیسی، کھلیں الیاس، فیاض الیاس اور جناب عاصم علی جو کہ مجموعی طور پر 15,612,966 عمومی حصص جو کہ انویسٹ اینڈ فنانس سکیورٹیز لمیٹڈ کے جاری کردہ گھل حصص کے 78.004 فیصد کے حامل ہیں نے کمپنی کو اطلاع دی کہ انہوں نے مورخہ 24 اگست 2016 کو EFG Hermes Frontier Holdings LLC جس کا دفتر پونٹ 6، گیٹ بلڈنگ، ویسٹ ونگ، ویٹی انٹرنیشنل فنانشل سینٹر، پی۔ او۔ بکس 30727، دہلی، یو۔ ای میں واقع ہے کے ساتھ 10,207,982 عمومی حصص بمسب مبلغ 151 روپے فی حصص خریدنے کا معاہدہ کیا ہے (درج بالا کمپنی EFG-Hermes Holding Company کا 100 فیصد ذیلی ادارہ ہے)۔

تقسیم شدہ منافع اور دیگر تخصیص

اس سال کمپنی کو خسارے کی وجہ سے ڈائریکٹرز نے کسی ادائیگی کی اجازت نہیں دی۔

پوسٹ بیٹنس شیٹ وقوع

کمپنی کے مالی سال کے اختتام پر کمپنی کی مالی پوزیشن میں کوئی خاص تبدیلی نہیں کی گئی جس سے بیٹنس شیٹ کا تعلق ہو۔

مالیاتی گوشوارے

کمپنی کے چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر نے مالیاتی گوشواروں کی تفصیلات تصدیق کر کے بورڈ کی آڈٹ کمیٹی کو منظور کیلئے بھیجیں اور بورڈ آف ڈائریکٹرز نے ممبران کے سامنے پیش کرنے اور ممبران کو اس پر غور کرنے، منظور کرنے اور اختیار کرنے کیلئے منظور دی۔ کمیٹی کے آڈیٹرز میسرز ریاض احمد، ناقب، گوہر اینڈ کمپنی کے چارٹرڈ اکاؤنٹنٹس نے مالیاتی گوشواروں کا آڈٹ کیا اور ممبرز کو غیر مشروط طور پر پورٹ جاری کی۔

محاسب / آڈیٹرز

موجودہ آڈیٹرز میسرز ریاض احمد، ناقب، گوہر اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس، سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے اور انہوں نے اپنے آپ کو دوبارہ تعیناتی کے لیے پیش کیا ہے۔ آپ کی کمیٹی کے بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی رپورٹ کی بنیاد پر میسرز ریاض احمد، ناقب، گوہر اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو ما بعد سال کے لئے بطور آڈیٹرز دوبارہ تعیناتی کی منظوری دی ہے۔

کارپوریٹ سماجی ذمہ داریاں

کمپنی کارپوریٹ سماجی ذمہ داری کی اہمیت کو سمجھتی ہے اور ان ذمہ داریوں کی ادائیگی کیلئے ضروری اقدامات اٹھائے گئے ہیں۔

کمپنی جس کے کام کی ذمہ داریت خدمات مہیا کرنا ہے، تو انہیں اور ماحولیاتی حفاظت کے لیے اپنے وقار کی جگہ اور اپنے ملازمین کی صحت اور حفاظت کے لیے ضروری اقدامات کیے ہیں۔

کمپنی نے کریڈٹیشن سے بچاؤ، کمپنی کو اخلاقی و پیشہ ورانہ انداز میں چلانے، اپنے گاہکوں کی حفاظت اور دیگر کیلئے مناسب طریقہ پر نظام قائم کیا ہے۔

کمپنی کے اپنے ساتھیوں، بینکرز، ریگولیٹرز اور دیگر متعلقہ اداروں / تنظیموں کے ساتھ مثالی تعلقات ہیں۔

ڈائریکٹرز اپنی سماجی ذمہ داریوں سے مکمل طور پر آگاہ ہیں اور ان کے خیال میں چندہ، خدمت شائق پر آئندہ غور کیا جاسکتا ہے جس کا اہم کارکنوں کے منافع اہلی انجام پر ہے۔

کمپنی نے جوینکس اور ڈیوٹی ادائیگی ہے اس کا ذکر مالیاتی گوشواروں کے نوٹس میں کیا گیا ہے۔

کاروباری نظم و نسق

ڈائریکٹرز نے کاروباری اور مالیاتی رپورٹنگ کے ضابطہ برائے کاروباری نظم و نسق کی تصدیق کی ہے جو کہ درج ذیل ہے۔

(a)۔ مالیاتی گوشوارے جو کہ کمپنی کی انتظامیہ نے تیار کیے جن میں آپریٹنگ، کیش فلوز اور ایکویٹی میں تبدیلیوں کو شفاف طور پر پیش کیا گیا۔

- (b)۔ کمپنی کے کھاتے صحیح طریقہ پر تیار کیے گئے۔
- (c)۔ مالیاتی گوشواروں کی تیاری میں مستقل مناسب اکاؤنٹنگ پالیسی اختیار کی گئی ماسوائے ان تبدیلیوں کے جن کا ذکر مالیاتی گوشواروں کے نوٹس میں کیا گیا؛ اور اکاؤنٹنگ کے تخمینے مناسب اور آئندہ فائدہ مند فیصلوں پر مبنی ہیں۔
- (d)۔ مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیار اختیار کیا گیا اور وضاحت کے ساتھ بیان کیا گیا اور اس سے کوئی بھی انحراف مناسب طور پر واضح اور بیان کیا گیا ہے۔
- (e)۔ اندرونی کنٹرول کا نظام بہترین بنا کر اسے نافذ کیا اور نگرانی کی گئی۔
- (f)۔ کمپنی کے کاروبار کے جاری رہنے پر کوئی نمایاں شبہات نہیں ہیں۔
- (g)۔ گزشتہ چھ سالوں کے خاص کاروباری اور مالیاتی اعداد و شمار مختصر طور پر منسلک ہیں۔
- (h)۔ ٹیکسوں، ڈیوٹیز، محصولات اور چارجز کی مد میں کسی طرح کے قانونی ہتھیاریات نہیں ماسوائے ان کے جن کو 30 جون 2016 کے مالیاتی گوشواروں میں ظاہر کیا گیا۔
- (i)۔ کمپنی اپنے اہل ملازمین کے لیے منظور شدہ پروویڈنٹ فنڈ چلاتی ہے جس کی سرمایہ کاری کی رقم غیر آڈٹ شدہ مالی تفصیلات کے مطابق 30-06-2016 کے اختتام پر تقریباً مبلغ 8,137,613 روپے ہے۔
- (j)۔ سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد ہوئے ہر ڈائریکٹر کی حاضری درج ذیل ہے۔

نمبر شمار	ڈائریکٹر کا نام	اجلاس کی تعداد (قابل حاضری)	اجلاس کی تعداد (جن میں حاضر ہوئے)
۱۔	جناب مزمل اسلم	3	3
۲۔	جناب عاصم علی	3	3
۳۔	جناب فیاض الیاس	3	3
۴۔	جناب حیات جاوید	3	2
۵۔	جناب عرفان پروسی	3	0
۶۔	جناب گل الیاس	3	3
۷۔	جناب راحت عزیز	2	2
۸۔	جناب محمد اسمیل دیال	3	3
۹۔	محترمہ علیہ دیال	3	3
۱۰۔	جناب محمد اویس	3	3
۱۱۔	سید راشد علی	3	1
۱۲۔	جناب گل الیاس احمد	3	3
۱۳۔	سید علی افضل شاہ	3	1
۱۴۔	جناب بشیر احمد خانانی	3	1

جو ڈائریکٹرز بورڈ کے اجلاس میں حاضر نہیں ہو سکے انہیں غیر حاضری کی رخصت دے دی گئی۔

سیریل نمبر 14۴8 کے ڈائریکٹرز نے 03 نومبر 2015 کو استعف دے دی تھی، جبکہ سیریل نمبر 6۴1 کے ڈائریکٹرز کا انتخاب اسی تاریخ کو کیا گیا۔ مزید سیریل نمبر 7 کا انتخاب 29 جنوری 2016 کو کیا گیا۔ سیکورٹیز ایکٹ 2015 کے تحت اور سیکورٹیز (دو ٹنگ حصص کا حصول اور قبضہ) ریگولیشنز 2008 کے مطابق بورڈ آف ڈائریکٹرز میں یہ

تبدیلیاں سیریل نمبر 6۲1 میں درج شدہ افراد کے کمیٹی کا کنٹرول حاصل کرنے اور حصص کے حصول کے نتیجے میں ہوئیں۔

سال کے دوران آؤٹ کمیٹی کے پانچ (5) اجلاس منعقد ہوئے۔ ہر ممبر کی حاضری درج ذیل ہے۔

نمبر شمار	ممبر کا نام	اجلاسوں کی تعداد (قابل حاضری)	اجلاس کی تعداد (جن میں حاضر ہوئے)
۱-	جناب فیاض الیاس	2	2
۲-	جناب حیات جاوید	2	2
۳-	جناب عرفان پروین	2	0
۴-	جناب راحت عزیز	2	2
۵-	جناب کلیل احمد	3	3
۶-	سید راشد علی	3	1
۷-	محترمہ علیہ دیاالہ	3	3

جو ممبرز ڈائریکٹرز آؤٹ کمیٹی کے اجلاس میں حاضر نہیں ہو سکے انہیں غیر حاضری کی رخصت دے دی گئی۔

سیریل نمبر 4۲1 کے ڈائریکٹرز آؤٹ کمیٹی کے ممبران تھے اور جیسا کہ اوپر وضاحت کی گئی ہے کہ بورڈ کی مکمل تبدیلی کی وجہ سے آؤٹ کمیٹی دوبارہ بنائی گئی۔

یہ ممبران ریورس اینڈ ریویو کمیٹی کا اجلاس سال کے دوران ایک دفعہ منعقد ہوا۔ ہر ممبر کی حاضری درج ذیل ہے۔

نمبر شمار	ممبر کا نام	اجلاسوں کی تعداد (قابل حاضری)	اجلاسوں کی تعداد (جن میں حاضر ہوئے)
۱-	جناب حیات جاوید	1	1
۲-	جناب کلیل الیاس	1	1
۳-	جناب مزمل اسلم	1	1
۴-	جناب کلیل احمد	0	0
۵-	محترمہ علیہ دیاالہ	0	0
۶-	جناب محمد سہیل دیاالہ	0	0

سیریل نمبر 3۲1 کے ڈائریکٹرز آؤٹ کمیٹی کے ممبران تھے جیسا کہ اوپر وضاحت کی گئی ہے کہ بورڈ کی مکمل تبدیلی کی وجہ سے ریورس اینڈ ریویو کمیٹی دوبارہ بنائی گئی۔

(k) - کمیٹی آرڈیننس 1984 اور ضابطہ برائے کاروباری نظم و نسق کے تحت طرز حصص یافتگان سالانہ رپورٹ کے آخر میں منسلک ہیں۔

(l) - ڈائریکٹرز نے 27-7-2015 اور 03-11-2015 میں منعقد ہونے والے دو میٹنگ پروگراموں / اندرون خانہ واقفیت کورس میں حصہ لیا۔ ڈائریکٹرز میٹنگ پروگرام (ڈی ٹی بی) میں تین ڈائریکٹروں نے سرٹیفکیٹس حاصل کیے۔

- (m) - کمپنی کسی بھی طرح کے قرض، سکوئس اور دیگر غیرہ میں نادر ہندہ یا قابل نادر ہندہ نہیں ہے۔
 (n) - درج ذیل کے علاوہ ڈائریکٹرز اور ایگزیکٹوز بشمول ان کے بیوی، بچوں نے سال کے دوران کمپنی کے حصص کی تجارت نہیں کی۔

جناب محمد سہیل دیال، جو کہ اُس وقت کمپنی کے چیف ایگزیکٹو آفیسر اور محترمہ طیبہ دیال، کمپنی کی ڈائریکٹرز میں نے بتدریج 7,970,953 اور 7,642,013 (مجموعی حصص 15,612,966) کمپنی کے حصص، حصص خریداری کے معاہدے کے مطابق بحساب 13.67 فی حصص فروخت کیے اور مندرجہ ذیل ڈائریکٹرز/افراد نے 15,612,966 حصص خریدے/حاصل کئے جن کی تفصیل نیچے دی گئی ہے۔

نام	عہدہ	حصص خریدے
جناب حائل اسلم	چیف ایگزیکٹو	3,561,726
جناب عرفان پرویدی	ڈائریکٹر	3,183,452
جناب عامر علی	ڈائریکٹر	1,097,199
جناب فیاض الیاس	ڈائریکٹر	2,861,373
جناب فکیل الیاس	ڈائریکٹر	2,705,924
جناب حیات جاوید	ڈائریکٹر	2,203,292
	مجموع	15,612,966

کمپنی کے چیف فنانس آفیسر جناب احمد ذاکر حفیظ نے کمپنی کے 38,500 حصص (38,000 حصص بحساب 39.14 فی حصص اور 500 حصص بحساب 39.50 فی حصص) امام مارکیٹ میں فروخت کیے۔

(اور پرویدی گئی شق "n" (یعنی شق (xii) 5.19.11) اور ضابطہ برائے کاروباری نظم و نسق کی شق 5.19.15 کے مطابق 'Executive' کی نرم اوضاحت میں کمپنی کے دیگر ملازمین جن کی بنیادی تنخواہ -/1,000,000 روپے یا اس سے زیادہ ہے 'Executive' ہیں جنہیں چاہے کسی بھی نام سے مخاطب کریں بشمول چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانس آفیسر، انٹرنل آڈٹ کاسربرا اور کمپنی سیکریٹری کے۔)

اقتصادی جائزہ

عالمی اقتصادی منڈی میں مندی اور قومی سطح پر فصلوں کے بے پناہ نقصان کے باوجود پاکستان کی اقتصادیات کی شرح نمو 4.0 فیصد کے مقابلہ میں مالی سال 2016 میں 4.7 YoY فیصد رہی۔ انڈسٹریل سیکٹر کی پیداوار مالی سال 2015 میں 4.8 فیصد کے مقابلہ میں مالی سال 2016 میں 6.8 فیصد ریکارڈ کی گئی۔ تاہم زرعی شعبہ فصل کی کم کٹائی کی وجہ سے سال کے دوران 27.8 YoY فیصد پیچھے رہا۔

سروس سیکٹر کی شرح نمو مالی سال 2015 میں 4.3 فیصد کے مقابلہ میں مالی سال 2016 میں 5.7 فیصد بڑھی جس میں تمام سب سیکٹرز ماسوائے ٹرانسپورٹ، اسٹوریج اور کمیونیکیشن کے سب نے حصہ لیا۔ مالی خدمات میں بڑی تنخواہوں، پنشن اور صنعتی پیداوار کی آمدنی نے انشورنس اور بینکنگ سیکٹرز کو مثالی مدد دی۔

کم افراط زر کے دباؤ کے سبب بین الاقوامی اشیاء کی قیمتیں گریں، جسکی وجہ سے معیشت کو آگے بڑھنے کی لیے بہت زیادہ وادری کی ضرورت تھی اسی وجہ سے اسٹیٹ بک آف پاکستان نے مالی سال کے دوران دوسرے تہہ اپنے ریٹ کم کیے جو کہ موجودہ 6.25 فیصد ہیں جو پچھلے 42 سالوں کی نسبت کم ہیں۔

معیشت کو مزید تیز کرنا، زر مبادلہ سے حاصل ہونے والی سال 2016 میں بیرون ملک مقیم پاکستانیوں نے 19.9 بلین ڈالر بھیجے (یعنی 6.4 YoY اضافہ) جس سے غیر ملکی بچت اور کرنٹ اکاؤنٹ بیلنس کو بہت بڑا سہارا ملا۔ تاہم تقریباً 6.4 فیصد زر مبادلہ گلف کے خطوں سے آیا جو کہ بجٹ خسارے کے ساتھ اپنی معیشت پر بوجھ ڈالتے ہوئے خود تیل اور اقتصادی مسئلوں میں مبتلا ہیں۔

برآمدات میں (مالی سال 2015 میں 24.1 بلین ڈالر کے مقابلے میں سال 2016 میں 22.0 بلین ڈالر) 8.7 YoY فیصد کمی آئی، تاہم درآمدات میں (مالی سال 2015: 41.2 بلین ڈالر) کے مقابلے میں 40.4 بلین ڈالر کی سطح پر 2 YoY فیصد معمولی کمی ریکارڈ کی گئی جسکی وجہ سے گھل تجارتی خسارہ مالی سال 2015 میں 17.1 بلین ڈالر کی نسبت مالی سال 2016 میں 18.4 بلین ڈالر ہوا۔

مارکیٹ کارکردگی

سالانہ ریٹرن پوسٹنگ کے بعد مالی سال 2013 تا مالی سال 2015 کے دوران خوش آئند اوسطاً 36 فیصد پر رہا، KSE 100 ٹرے طریقے سے تیزی کا رجحان رہا اور مالی سال 2016 کے ریٹرن میں منافع 8 YoY فیصد رہا۔ ریٹرنز میں کمی کی وجوہات یہ تھیں: (1) عالمی حالات مثلاً برطانیہ کی یورپی یونین سے بے دخلی اور MSCI کی ازسرنو تشکیل کی قبیل المدتی خبریں، بڑی معیشتوں کی کمزوریوں اور اسکے نتیجے میں کرنسی کی قدر میں مسلسل کمی، اسکے علاوہ اجناس کی قیمتوں میں خاص طور پر تیل، فیڈ کی شرح میں اضافہ اور غیر ملکی فنڈز کی تحلیل اور (2) اسکے علاوہ مقامی حالات جن میں بد امنی سرفہرست ہے اور بروکر کی سرگرمیوں پر ریگولیشن کی طرف سے نگرانی میں اضافہ (سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نئے قانون کا نفاذ کیا گیا)۔

بہر حال، مالی سال 2016 ملک کے لیے مشید رہا جس میں مجموعی طور پر نہ صرف ملک کے انڈیکس کے معیار کو انتہائی مختصر وقت میں بلند کیا بلکہ ملک میں طویل المیعاد آمدنیوں کے دروازے کھولے اور وسیع معیشت کی صورتحال کو واضح طور پر بہتر کیا۔ MSCI ایمرجنگ مارکیٹ میں پاکستان کی ازسرنو کامیاب شمولیت، 46 بلین امریکی ڈالر مالیت کا چانکا پاکستان انکم کوریڈور، زر مبادلہ کے ذخائر میں اضافہ، موجودہ دہائی میں سود کی شرح اور افراط زر کی کم ترین سطح، IMF پر وگرم پر کامیاب نظر ثانی اور ترسیلات زر میں اضافہ جیسے چند بڑے سنگ میل عبور کیے ہیں۔

آئندہ کے منصوبے

ہم اس طریقہ کار پر یقین رکھتے ہیں کہ مارکیٹ میں ازسرنو دلچسپی پیدا کی جائے تاکہ کاروباری سرگرمیاں بحال ہو سکیں۔ موجودہ حکومت سے امید ہے کہ وہ CPEC کے تحت منصوبوں اور ترقیاتی کاموں پر اپنی توجہ مرکوز رکھے گی۔ مزید برآں یہ کہ پاکستان کی MSCI میں شمولیت ایک یونٹی مارکیٹ میں انقلاب برپا کرے گی۔

تصدیق

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز خواہش رکھتے ہیں کہ ریگولیشنز، اسکے مینکریڈممبران، گاہک اور کاروباری ساتھی حضرات ان کے ساتھ تعاون جاری رکھیں گے۔ بورڈ اپنے ملازمین کو ان کی خدمات کے عوض خراج تحسین پیش کرتا ہے۔

آخر میں! میں اللہ تعالیٰ سے دعا ہے کہ وہ ہم پر، ہماری کمپنی، ملک اور قوم پر اپنی رحمتیں و برکتیں نازل فرمائے اور ہمیں صحت و تندرستی عطا کرے اور ہماری رہنمائی فرمائے۔ آمین

منجانب بورڈ آف ڈائریکٹرز

مزل اسلم

چیئر مین اینڈ چیف ایگزیکٹو آفیسر

کراچی 20 ستمبر، 2016

ڈائریکٹرز کی رپورٹ منسلک ہے۔

میورنڈم زیر وفد 218 کمپنی آرڈیننس 1984

کل وفتی ایگزیکٹو ڈائریکٹرز کا نام	سابقہ تنخواہ	بڑھائی گئی تنخواہ
محمد اویس	120,000/- روپے	160,000/- روپے

درج بالا کل وفتی ایگزیکٹو ڈائریکٹرز کی ملازمت کی دیگر شرائط وہی رہیں گی۔ جناب محمد اویس نے ڈائریکٹر کے عہدہ سے 03 نومبر 2015 کو استعفیٰ دے دیا تھا۔

بورڈ آف ڈائریکٹرز نے مورخہ 03 نومبر 2015 کے اجلاس میں جناب محمد سمیل دیالہ کی جگہ تین سال کے لیے جناب مزمل اسلم کو کمپنی کا چیف ایگزیکٹو آفیسر مقرر کیا جن کا تقرر مورخہ 03 نومبر 2015 سے قابل عمل ہے۔ جناب مزمل اسلم کا ماہانہ معاوضہ 400,000 روپے بشمول انگریس اور بونس جو کہ کمپنی پالیسیز اور قوانین کے مطابق بورڈ آف ڈائریکٹرز کی منظوری کی شرط پر دیے جائینگے طے کیا گیا۔ اس کے علاوہ کمپنی پالیسیز اور قوانین کے مطابق کمپنی کی دیگر سہولیات مثلاً کمپنی کی کار، موبائل، فون بزنس اپنے لیے اپنے بیوی اور بچوں کے لیے ہسپتال کی سہولتیں (انسورنس کور) ملازمین پروڈیٹ فنڈ کی ممبر شپ وغیرہ بھی دی گئیں۔

بورڈ آف ڈائریکٹرز نے اپنے مورخہ 03 نومبر 2015 کے اجلاس میں جناب محمد عاصم علی کو بطور ایگزیکٹو ڈائریکٹر (چیف آپریٹنگ آفیسر) نامزد کیا اور ان کا ماہانہ معاوضہ مبلغ 300,000/- روپے بشمول انگریس اور بونس جو کہ کمپنی پالیسیز اور قوانین کے مطابق بورڈ آف ڈائریکٹرز کی منظوری کی شرط پر دیے جائینگے طے کیا گیا۔ اس کے علاوہ کمپنی پالیسیز اور قوانین کے مطابق کمپنی کی دیگر سہولیات مثلاً کمپنی کی کار، موبائل، فون بزنس اپنے لیے اپنے بیوی اور بچوں کے لیے ہسپتال کی سہولتیں (انسورنس کور) ملازمین پروڈیٹ فنڈ کی ممبر شپ وغیرہ بھی دی گئیں۔

کسی دیگر ڈائریکٹر (ز) نے درج بالا معاملے میں دلچسپی کا اظہار نہیں کیا۔



SIX YEARS AT A GLANCE

PARTICULARS	2016	2015	2014	2013	2012	2011
Operating Performance (Rupees in 000)						
Revenue	82,735	193,832	261,666	311,767	283,105	100,157
Operating expenses	88,603	69,002	64,689	69,226	59,186	59,452
Financial expenses	840	5,366	7,386	5,487	6,317	2,939
Other income	1,386	43,906	1,726	5,247	729	9,267
(Loss)/gain on revaluation of investments	(601)	(10,838)	12,684	3,954	3,849	8,330
(Loss) / profit before tax	(5,923)	149,541	200,001	246,254	222,180	50,772
(Loss) / profit after tax	(9,673)	138,523	191,318	230,027	217,775	48,468
Per Ordinary Shares (Rupees)						
(Loss) / earnings per share	(0.48)	5.66	4.06	3.48	3.30	0.81
Break-up value per share	9.59	22.82	21.70	16.16	13.95	10.32
Dividends (Percentage)						
Cash	-	202.50%	-	-	-	-
Bonus shares	-	-	-	-	10%	-
Assets & Liabilities (Rupees in 000)						
Total assets	275,783	898,295	1,240,783	1,476,443	951,562	879,344
Current assets	192,449	837,024	1,158,917	1,390,900	866,959	786,843
Current liabilities	79,411	441,052	372,500	408,808	113,954	259,511
Financial Position (Rupees in 000)						
Shareholder's equity	191,932	456,805	868,282	1,067,635	837,608	619,833
Share capital	200,156	200,156	400,098	660,546	600,496	600,496
Reserves	(8,225)	256,648	468,184	407,090	237,112	19,337
Shares outstanding- (Number in 000)	20,016	20,016	40,010	66,055	60,050	60,050
Return on capital employed-(%)	-5.04%	30.32%	22.03%	21.55%	26.00%	7.82%
Return on total assets-(%)	-3.51%	15.42%	15.42%	15.58%	22.89%	5.51%
Current ratio-times	2.42	1.90	3.11	3.40	7.61	3.03



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE - YEAR ENDED JUNE 30, 2016

This statement is being presented to comply with the Code of Corporate Governance (the CCG) contained in Rule 5.19 of the Rule Book of the Pakistan Stock Exchange 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	Mr. Rahat Aziz
Executive Directors	Mr. Muzzammil Aslam Mr. Asim Ali
Non-Executive Directors	Mr. Fayyaz Ilyas Mr. Hayat Javed Mr. Irfan Pardesi Mr. Shakeel Ilyas

The independent Directors meet the criteria of independence under clause 15.19.1(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. Seven casual vacancies occurring on the Board on November 03, 2015 were filled up by the Directors within 90 days (six on November 03, 2015 and one on January 29, 2016).
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 except for one meeting held for the change of management/Board as a result of acquisition of shares and control of the Company under the Securities Act, 2015 and the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2008 where a five days notice was given. 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 on July 27, 2015 and November 03, 2015. Three Directors have acquired necessary certification in respect of Directors' Training Program (DTP).
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit/Chartered Accountant Firm to whom Internal Audit Function is outsourced, 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 four members, of whom four are Non-Executive Directors including one Independent Director and the Chairman of the committee is a Non-Executive 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 a Non-Executive Director.
18. The Board has outsourced the internal audit function to M/s. UHY Hassan Naeem & Co., Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. The Company has designated a full time employee other than CFO, as Head of Internal Audit, to act as coordinator between M/s. UHY Hassan Naeem & Co., Chartered Accountants and the Board/Audit Committee.
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.

MUZZAMMIL ASLAM
Chairman & Chief Executive Officer

Karachi
September 20, 2016

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Invest and Finance Securities Limited** ("the Company") for the year ended June 30, 2016 to comply with the requirements of Rule Book of Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited) chapter 5, Clause 5.19.23 (b) of the Code of Corporate Governance, where the Company is listed.

The responsibility for compliance with the Code 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 and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the 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 of Directors' 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.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its 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 and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of 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 as applicable to the Company for the year ended June 30, 2016.

Karachi: September 20, 2016

Chartered Accountants
Engagement Partner: Muhammad Kamal Gohar

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Invest and Finance Securities Limited** ("the Company") as at June 30, 2016 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the 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 report 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 except for the changes as stated in note 2.5 with which we concur;
 - (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, 2016 and of the loss, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Karachi: September 20, 2016

Chartered Accountants
Engagement Partner: Muhammad Kamal Gohar



BALANCE SHEET

AS AT JUNE 30, 2016

<u>ASSETS</u>	Note	2016 Rupees	2015 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	4	35,445,948	12,952,529
Intangible assets	5	3,700,005	3,700,005
Long-term investments	6	43,078,600	43,078,600
Long-term deposits		1,109,735	1,539,735
		<u>83,334,288</u>	<u>61,270,869</u>
CURRENT ASSETS			
Trade debts	7	32,620,348	17,087,990
Short-term investments	8	28,706,080	92,407,684
Advances, deposits, prepayments and other receivables	9	31,574,462	62,068,913
Advance tax - net		38,838,349	34,431,517
Receivable from NCCPL - net	10	-	202,213,235
Cash and bank balances	11	60,709,509	428,815,003
		<u>192,448,748</u>	<u>837,024,342</u>
		<u>275,783,036</u>	<u>898,295,211</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 100,000,000 (2015: 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	12	200,156,500	200,156,500
Un-appropriated (loss) / profit		<u>(8,224,779)</u>	<u>256,648,305</u>
		191,931,721	456,804,805
NON-CURRENT LIABILITIES			
Deferred tax - net	13	-	438,209
Liabilities against assets subject to finance lease	14	4,440,000	-
CURRENT LIABILITIES			
Current portion of liabilities against assets subject to finance lease		1,184,000	-
Short-term running finance	15	1,251,975	-
Payable to NCCPL - net	16	2,280,508	-
Trade and other payables	17	74,694,832	441,052,197
		<u>79,411,315</u>	<u>441,052,197</u>
CONTINGENCIES AND COMMITMENTS			
	18	-	-
TOTAL EQUITY AND LIABILITIES			
		<u>275,783,036</u>	<u>898,295,211</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



INVEST AND FINANCE SECURITIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2016

OPERATING REVENUES	Note	2016 Rupees	2015 Rupees
Operating revenues	19	80,117,093	110,914,633
Gain on sale of investments-net		2,618,208	82,917,635
		82,735,301	193,832,268
EXPENDITURES			
Administrative and general expenses	20	(88,603,220)	(69,002,162)
Operating (loss) / profit		(5,867,919)	124,830,106
Other income - net	21	1,385,632	43,906,407
Other charges	22	-	(2,990,827)
Financial charges	23	(840,120)	(5,365,917)
Loss on re-measurement of investments carried at fair value through profit and loss account- net		(600,930)	(10,838,394)
		(55,418)	24,711,269
(LOSS) / PROFIT BEFORE TAXATION		(5,923,337)	149,541,375
TAXATION	24	(3,750,209)	(11,018,436)
(LOSS) / PROFIT AFTER TAXATION		(9,673,546)	138,522,939
Other comprehensive income		-	-
Total comprehensive (loss) / income for the year		(9,673,546)	138,522,939
(Loss) / earnings per share - basic and diluted	25	(0.48)	5.66

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
Cash Flows From Operating Activities			
(Loss) / profit before taxation		(5,923,337)	149,541,375
Adjustments for:			
Depreciation		3,454,926	4,486,649
Financial charges		840,120	5,365,917
Loss on revaluation of investments carried at fair value through profit and loss account - net		600,930	10,838,394
Loss / (gain) on disposal of property, plant and equipment - net		248,173	(42,255,417)
		<u>5,144,149</u>	<u>(21,564,457)</u>
(Loss) / profit before working capital changes		(779,188)	127,976,918
Changes in working capital			
Decrease / (increase) in current assets			
Trade debts - unsecured		(15,532,358)	134,142,621
Short term investments		63,100,674	199,847,536
Advances, deposits, prepayments and other receivables		30,494,451	(25,691,838)
Receivable from NCCPL - net		202,213,235	407,991,782
		<u>280,276,002</u>	<u>716,290,101</u>
(Decrease) / increase in current liabilities			
Trade and other payables		(365,947,763)	401,428,013
Payable to NCCPL - net		2,280,508	-
Cash (used in) / generated from operations		<u>(84,170,441)</u>	<u>1,245,695,032</u>
Income tax paid		(8,595,250)	(15,226,742)
Financial charges paid		(1,249,722)	(7,539,221)
Net cash (used in) / generated from operating activities		<u>(94,015,413)</u>	<u>1,222,929,069</u>
Cash Flow From Investing Activities			
Purchase of property, plant and equipment		(27,006,518)	(208,400)
Proceeds from disposal of property, plant and equipment		810,000	57,890,000
Long-term deposits		430,000	681,892
Net cash (used in) / generated from investing activities		<u>(25,766,518)</u>	<u>58,363,492</u>
Cash Flows From Financing Activities			
Dividend paid		(255,199,538)	(150,117,375)
Liabilities against assets subject to finance lease		5,624,000	-
Payments made against buy back of shares		-	(399,882,800)
Net cash used in financing activities		<u>(249,575,538)</u>	<u>(550,000,175)</u>
Net (decrease) / increase in cash and cash equivalents		(369,357,469)	731,292,386
Cash and cash equivalents at the beginning of the year		<u>428,815,003</u>	<u>(302,477,383)</u>
Cash and cash equivalents at the end of the year	26	<u>59,457,534</u>	<u>428,815,003</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2016

	Share capital	Unappropriated profit / (loss)	Total
	-----Rupees-----		
Balance as at June 30, 2014	400,097,900	468,184,141	868,282,041
Buy Back of 19,994,140 shares having face value of Rs. 10/- each at a purchase price of Rs. 20/- each	(199,941,400)	(199,941,400)	(399,882,800)
Interim Dividend @ Rs. 7.50 per share paid during the year	-	(150,117,375)	(150,117,375)
Total comprehensive income for the year	-	138,522,939	138,522,939
Balance as at June 30, 2015	200,156,500	256,648,305	456,804,805
Issuance of final dividend @ Rs. 12.75 per share for the year ended June 30, 2015	-	(255,199,538)	(255,199,538)
Total comprehensive loss for the year	-	(9,673,546)	(9,673,546)
Balance as at June 30, 2016	200,156,500	(8,224,779)	191,931,721

The annexed notes from 1 to 36 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

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 Pakistan Stock Exchange Limited (formerly 'Karachi Stock Exchange Limited'). The registered office of the Company is situated at Office No. 904, 9th Floor, Emerald Tower, Plot No. G-19, Block- 5, Clifton, Karachi, Pakistan.

The Company is Trading Right Entitlement (TRE) Certificate Holder of the Pakistan Stock Exchange Limited, Corporate Member of the Pakistan Mercantile Exchange Limited and is registered with/accredited by Financial Markets Association of Pakistan as inter-bank broker and Mutual Funds Association of Pakistan as service provider/distributor. 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 certain short term investments which are stated at fair value and as otherwise stated in respective policy notes.

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 are 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 31.

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:

- IFRS 13 Fair Value Measurement - Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52)
- IAS 1 Presentation of Financial Statements - Amendments resulting from the disclosure initiative
- IAS 16 Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation & Amendments bringing bearer plants into the scope of IAS 16
- IAS 38 Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation

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.

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)
IFRS 11	Joint Agreements - Amendments relating to accounting for acquisitions of interests in Joint Operations	January 01, 2016
IAS 27	Separate Financial Statements - Amendments relating to equity method in separate financial statements	January 01, 2016
IAS 7	Statement of Cash Flows - Amendments relating to Disclosure Initiative	January 01, 2017
IAS 12	Income Taxes - Amendments relating to recognition of Deferred Tax Assets for unrealised losses	January 01, 2017
IFRS 2	Share-based Payment - Amendments relating to classification and measurement of Share-based Payment Transactions	January 01, 2018
IFRS 16	Leases	January 01, 2019

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, 2017. 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, 2018
IFRS 15	Revenue from Contracts with Customers	January 01, 2017



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) TRE certificates & membership

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



(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. 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 receivables 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

Investments classified as 'available-for-sale' are measured at fair value. Gains or losses on 'available-for-sale' investments are recognised directly in equity until the investment is sold, derecognised or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of comprehensive income is included in income. Upon impairment, gain / loss that which had been previously recognised directly in the statement of comprehensive income, is included in the profit and loss account for the year.

The fair value of those investments representing listed equity and other securities i.e. debt instruments, are determined on the basis of year-end prices obtained from stock exchange quotations. Unquoted securities are valued at cost less impairment in value, if any.

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 reclassify a non-derivative financial asset classified as 'Held to Trading' to 'Available for Sale' category, if the financial asset is no longer held for trading in near future. Such reclassifications are made in circumstances arising from a single event that is unusual and highly unlikely to recur in near future. Reclassifications are made at fair value of the financial asset as at the date of reclassification and such fair value becomes cost of the financial asset. Gains or losses recognized before reclassification are not subsequently reversed.

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.
- (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

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of temporary timing differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax 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.

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 commitment 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 amount of 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/(loss) per share

Earnings/(loss) per share is calculated by dividing the profit/(loss) 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 in hand, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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



INVEST AND FINANCE SECURITIES LIMITED

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	C O S T			2016			DEPRECIATION		WRITTEN DOWN VALUE
	As at June 30, 2015	Additions/ (Disposals)	As at June 30, 2016	Depreciation Rate	As at June 30, 2015	Charge for the year/ (Disposals)	As at June 30, 2016	As at June 30, 2016	
	-----Rupees-----			%	-----Rupees-----			Rupees	
Owned									
Building	1,325,000	-	1,325,000	10	811,670	51,333	863,003	461,997	
Furniture and fixtures	1,163,065	17,400,000	18,563,065	10	712,472	190,059	902,531	17,660,534	
Office equipment	4,095,626	1,093,097 (1,231,000)	3,957,723	10	2,336,642	197,800 (787,900)	1,746,542	2,211,181	
Computers	5,562,217	1,113,421 (1,404,235)	5,271,403	33	4,760,398	399,787 (1,260,196)	3,899,989	1,371,414	
Vehicles	20,743,938	- (1,039,860)	19,704,078	20	11,316,135	1,875,947 (568,826)	12,623,256	7,080,822	
Leased									
Vehicles	-	7,400,000	7,400,000	20	-	740,000	740,000	6,660,000	
	<u>32,889,846</u>	<u>27,006,518</u> <u>(3,675,095)</u>	<u>56,221,269</u>		<u>19,937,317</u>	<u>3,454,926</u> <u>(2,616,922)</u>	<u>20,775,321</u>	<u>35,445,948</u>	

Particulars	C O S T			2015			DEPRECIATION		WRITTEN DOWN VALUE
	As at June 30, 2014	Additions/ (Disposals)	As at June 30, 2015	Depreciation Rate	As at June 30, 2014	Charge for the year/ (Disposals)	As at June 30, 2015	As at June 30, 2015	
	-----Rupees-----			%	-----Rupees-----			Rupees	
Building	27,575,000	- (26,250,000)	1,325,000	10	16,834,845	904,519 (16,927,694)	811,670	513,330	
Furniture and fixtures	12,163,065	- (11,000,000)	1,163,065	10	6,927,265	444,661 (6,659,454)	712,472	450,593	
Office equipments	8,301,301	- (4,205,675)	4,095,626	10	4,527,686	347,042 (2,538,086)	2,336,642	1,758,984	
Computers	8,034,995	208,400 (2,681,178)	5,562,217	33	6,897,944	397,912 (2,535,458)	4,760,398	801,819	
Vehicles	21,668,938	- (925,000)	20,743,938	20	9,690,198	2,392,515 (766,578)	11,316,135	9,427,803	
	<u>77,743,299</u>	<u>208,400</u> <u>(45,061,853)</u>	<u>32,889,846</u>		<u>44,877,938</u>	<u>4,486,649</u> <u>(29,427,270)</u>	<u>19,937,317</u>	<u>12,952,529</u>	

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 Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Buyers
-----Rupees-----							
Vehicles							
Suzuki Cultus	1,039,860	568,826	471,034	765,000	293,966	Negotiation	Muhammad Irfan Afzal
Computers							
Laptop	128,000	66,367	61,633	6,000	(55,633)	Negotiation	Mr. Latif
Office Equipment							
Radio Link Equipment &							
Wirless Tower	600,000	388,856	211,144	15,000	(196,144)	Negotiation	Mr. Latif
Voice Recording System	410,000	249,686	160,314	6,000	(154,314)	Negotiation	Mr. Latif
	<u>2,177,860</u>	<u>1,273,735</u>	<u>904,125</u>	<u>792,000</u>	<u>(112,125)</u>		
Aggregate of computers and office equipment with individual book values not exceeding Rs. 50,000/-.							
	<u>1,497,235</u>	<u>1,343,187</u>	<u>154,048</u>	<u>18,000</u>	<u>(136,048)</u>		

5	INTANGIBLE ASSETS	Note	2016 Rupees	2015 Rupees
	Membership - Pakistan Mercantile Exchange Limited		2,500,000	2,500,000
	Telephone booths		1,200,000	1,200,000
	Trading Right Entitlement Certificates	5.1	-	-
	Computer software	5.2	5	5
			<u>3,700,005</u>	<u>3,700,005</u>

5.1 The Company has been granted Trading Right Entitlement (TRE) Certificates in pursuance of Section 5 of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 read with Regulation 6 of the Stock Exchanges (Corporatisation, Demutualization and Integration) Regulations, 2012. These TRE Certificates represent intangible assets and are accounted for on Nil values as presently, the value of these TRE Certificates can not be determined with reasonable accuracy.

5.2 The Company is carrying the computer software at a token value of Rs. 5/- in these financial statements.

6 LONG-TERM INVESTMENTS

Subsequent to the integration of stock exchanges, the name of Karachi Stock Exchange Limited has been changed to Pakistan Stock Exchange Limited (PSX) and Lahore Stock Exchange Limited has been formed as an NBFC and its name has been changed to LSE Financial Services Limited (LSEFSL). Two TRE Certificates of PSX (i.e. one each against TRE Certificates of the Karachi Stock Exchange Limited and the Lahore Stock Exchange Limited) have been issued to the Company. 2,404,430 ordinary shares being 60% of total 4,007,383 ordinary shares of the PSX allotted to the Company have been blocked



INVEST AND FINANCE SECURITIES LIMITED

in the Company's Sub-Account maintained under the PSX Participant ID. Further, initially 506,385 ordinary shares being 60% of total 843,975 ordinary shares of the then Lahore Stock Exchange Limited allotted to the Company had been blocked in the Company's Sub-Account maintained under the LSE Participant ID. Now, blocked status of the said 506,385 ordinary shares has been removed and all 843,975 ordinary shares are available in Company's own house account in freezed form. Since all these shares of PSX and LSEFSL are not presently tradable therefore fair value cannot be determined. The Company reclassified its investment from Intangible Assets to Long Term Investments at cost price for better presentation. Detail and break-up of shares are as under:

	Note	2016 Rupees	2015 Rupees
Pakistan Stock Exchange Limited (Formerly 'Karachi Stock Exchange Limited') (4,007,383 Ordinary Shares)	6.1	35,078,600	35,078,600
LSE Financial Services Limited (Formerly 'Lahore Stock Exchange Limited') (843,975 Ordinary Shares)	6.2	<u>8,000,000</u> <u>43,078,600</u>	<u>8,000,000</u> <u>43,078,600</u>
6.1	The Company has pledged/hypothecated TRE Certificate of Pakistan Stock Exchange Limited (formerly 'Karachi Stock Exchange') and 1,602,853 ordinary shares of PSX with PSX . Further the Company has assigned sale proceeds of 404,430 shares of PSX, together with dividends on these shares declared from time to time along with any Right / Bonus shares, held in Blocked Account and to be sold in terms of Stock Exchanges (Corporatization, Demutualization & Integration) Act, 2012 to fulfill the Base Minimum Capital requirement under the Regulations of the Exchange.		
6.2	These shares are available in Company's own house account in freezed form and not presently tradable.		
	Note	2016 Rupees	2015 Rupees
7	TRADE DEBTS - UNSECURED		
Considered good		32,620,348	17,087,990
Considered doubtful		809,950	809,950
		<u>33,430,298</u>	<u>17,897,940</u>
Less: provision for doubtful debts		<u>(809,950)</u>	<u>(809,950)</u>
		<u>32,620,348</u>	<u>17,087,990</u>
8	SHORT-TERM INVESTMENTS		
		2016 Rupees Market Value	2015 Rupees Market Value
Financial assets at fair value through profit and loss - held for trading			
Investment in shares of listed companies	8.1	28,706,080	92,407,684
		<u>28,706,080</u>	<u>92,407,684</u>



8.1 Investment in shares of listed companies:

Number of Shares		Name of Investee Companies	2016 Rupees Market Value	2015 Rupees Market Value
30-Jun-16	30-Jun-15			
Commercial Banks				
-	31,080	Meezan Bank Limited	-	1,274,280
-	681,500	National Bank of Pakistan	-	36,248,985
-	363,000	NIB Bank Limited	-	733,260
-	470,000	Silk Bank Limited	-	902,400
-	250,000	Soneri Bank Limited	-	3,107,500
100,000	221,518	The Bank of Punjab	804,000	2,022,459
Synthetic & Rayon				
-	800,000	Dewan Salman Fiber Limited	-	2,104,000
Fertilizer				
87,500	-	Engro Fertilizer Limited	5,642,000	-
10,000	-	Engro Corporation Limited	3,329,700	-
50,000	-	Fauji Fertilizer Bin Qasim Limited	2,650,500	-
Chemicals				
-	200,000	Lotte Chemical Pakistan Limited	-	1,384,000
Cement				
100,000	-	Pakcem Limited	1,766,000	-
Power Generation & Distribution				
-	100,000	Kot Addu Power Co. Limited	-	8,604,000
Automobile Assembler				
2,000	-	Indus Motor Co. Limited	1,879,080	-
5,000	-	Pak Suzuki Motor Co. Limited	1,910,750	-
Insurance				
-	100,000	Pakistan Reinsurance Limited	-	2,890,000
Oil & Gas				
25,000	80,000	Oil & Gas Development Co. Limited	3,451,750	14,339,200
-	110,000	Pakistan Petroleum Limited	-	18,068,600
5,000	-	Pakistan State Oil Co. Limited	1,877,300	-
Textile Composite				
50,000	-	Nishat Mills Limited	5,395,000	-
Miscellaneous				
-	100,000	Pace (Pakistan) Limited	-	729,000
<u>434,500</u>	<u>3,507,098</u>		<u>28,706,080</u>	<u>92,407,684</u>



INVEST AND FINANCE SECURITIES LIMITED

9	ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2016 Rupees	2015 Rupees	
	Advances to employees - considered good		1,351,000	1,942,098	
	Security deposit		1,686,600	-	
	Short term deposits	9.1	16,854,809	50,104,809	
	Inter-bank brokerage		8,004,894	6,903,024	
	Prepayments		722,550	162,500	
	Advance against LSEFSL - room		2,703,200	2,703,200	
	Other receivables		251,409	253,282	
			<u>31,574,462</u>	<u>62,068,913</u>	
9.1	This represents deposits with the Pakistan Stock Exchange Limited (formerly 'Karachi Stock Exchange Limited') against exposure & Base Minimum Capital requirement.				
			2016 Rupees	2015 Rupees	
10	RECEIVABLE FROM NCCPL - NET	10.1	<u>-</u>	<u>202,213,235</u>	
10.1	This represents receivable against the company's regular and futures market transactions of equity securities which were not settled at balance sheet date.				
11	CASH AND BANK BALANCES		2016 Rupees	2015 Rupees	
	Cash in hand		191,541	124,356	
	Cash at banks				
	- in deposit accounts	11.1	12,560,955	299,274,985	
	- in current accounts		47,957,013	129,415,662	
			60,517,968	428,690,647	
			<u>60,709,509</u>	<u>428,815,003</u>	
11.1	These carry return ranging from 2.49% to 5% (2015 : 3% to 7%) per annum.				
12	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL				
	2016 (Number of Shares)	2015 (Number of Shares)	Ordinary shares of Rs.10/- each	2016 Rupees	2015 Rupees
	27,015,500	27,015,500	Fully paid in cash	270,155,000	270,155,000
	39,039,060	39,039,060	Issued as bonus shares	390,390,600	390,390,600
	(46,038,910)	(46,038,910)	Buy back of shares	(460,389,100)	(460,389,100)
	<u>20,015,650</u>	<u>20,015,650</u>		<u>200,156,500</u>	<u>200,156,500</u>



- 12.1 The issued and paid-up capital of the Company has been reduced from Rs. 600,496,000/- comprising 60,049,600 ordinary shares of Rs. 10/- each to Rs. 200,156,500/- comprising 20,015,650 ordinary shares of Rs. 10/- each as a result of buy back of the company's own ordinary shares under and pursuant to the provisions of Section 95A of the Companies Ordinance, 1984 and the Companies (Buy-Back of Shares) Rules, 1999 and is detailed as under:

Year	No. of Shares	Purchase Price Rupees	Reduction in	
			Paid-up Capital Rupees	Reserves Rupees
2014	26,044,770	15	260,447,700	130,223,850
2015	19,994,140	20	199,941,400	199,941,400
	<u>46,038,910</u>		<u>460,389,100</u>	<u>330,165,250</u>

13 DEFERRED TAX - NET

Deferred tax liability comprises of taxable / (deductible) temporary differences in respect of the following:

	2016 Rupees	2015 Rupees
Taxable temporary differences		
Taxable temporary difference due to accelerated tax depreciation allowance	-	607,949
Deductible temporary differences		
Deductible temporary difference due to provisions	-	(169,740)
Deferred tax liability	<u>-</u>	<u>438,209</u>

- 13.1 After incorporating taxable temporary difference of Rs. 8,795,744 and deductible temporary differences of Rs. 9,532,289, net deferred tax asset has been worked out to be Rs. 736,545. However, deferred tax asset has been recognized only to the extent of deferred tax liability recognised in prior years, due to unforeseeable future profits.

14 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2016		2015	
	Minimum lease payments Rupees	Present value Rupees	Minimum lease payments Rupees	Present value Rupees
Within one year	1,673,254	1,184,000	-	-
After one year but not later than five years	5,278,982	4,440,000	-	-
Total minimum lease payments	<u>6,952,236</u>	<u>5,624,000</u>	-	-
Less: Finance charges	1,328,236	-	-	-
Present value of minimum lease payments	5,624,000	5,624,000	-	-
Less: Current portion	1,184,000	1,184,000	-	-
	<u>4,440,000</u>	<u>4,440,000</u>	-	-

- 14.1 The Company has entered into Diminishing Musharakah agreements with an islamic bank for lease of vehicles. As per the agreement, lease rentals are payable in monthly installments and financial charges included in lease rentals are determined on the basis of 3 Months KIBOR + 3% on every quarter. At the end of the lease term, the Company has the option to acquire the assets.



INVEST AND FINANCE SECURITIES LIMITED

		2016 Rupees	2015 Rupees
15 SHORT - TERM RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS - Secured			
NIB Bank Limited		1,251,975	-
		1,251,975	-
15.1	The Company has aggregate running finance facilities of Rs. 150 million (June 30, 2015 : Rs. 650 million) under mark-up arrangements. The facilities carry Mark-up at 3 months KIBOR + 2% (June 30, 2015 : 3 Months KIBOR + 1.25% to 3 Months KIBOR + 3%). These arrangements would remain valid for varying periods and are secured against pledge of listed securities.		
	Note	2016 Rupees	2015 Rupees
16 PAYABLE TO NCCPL - NET	16.1	2,280,508	-
16.1	This represents payable against the company's regular and futures market transactions of equity securities which were not settled at balance sheet date.		
		2016 Rupees	2015 Rupees
17 TRADE AND OTHER PAYABLES			
Creditors		46,293,014	413,742,931
Accrued liabilities:			
Mark-up on short term running finance		212,507	736,745
Mark-up under finance lease		114,636	-
Workers' Welfare Fund		8,006,299	8,006,299
Sales tax - net		2,207,326	1,649,709
Dividend payable		11,984,743	11,248,687
Accrued Expenses and other liabilities		5,876,307	5,667,826
		28,401,818	27,309,266
		74,694,832	441,052,197
		2016 Rupees	2015 Rupees
18 CONTINGENCIES AND COMMITMENTS			
18.1	Bank Guarantee in favour of Pakistan Stock Exchange Limited (formerly 'Karachi Stock Exchange Limited') from The Bank of Khyber, secured against pledge of shares held by Company.	-	25,000,000



- 18.2** The Company has pledged/hypothecated TRE Certificate of Pakistan Stock Exchange Limited (formerly 'Karachi Stock Exchange Limited') and 1,602,853 ordinary shares of PSX with PSX . Further the Company has assigned sale proceeds of 404,430 shares of PSX together with dividends on these shares declared from time to time along with any Right / Bonus shares, held in Blocked Account and to be sold in terms of Stock Exchanges (Corporatization, Demutualization & Integration) Act, 2012 to fulfill the Base Minimum Capital requirement under the Regulations of the Exchange.
- 18.3** For the Tax Year 2011 and 2012, the income tax authorities have shown their intention to charge Workers' Welfare Fund (WWF) under the provisions of the Workers' Welfare Fund Ordinance, 1971 amounting to Rs. 1,015,441/- and Rs. 4,443,599/- respectively through Show Cause Notices dated June 16, 2013. The Company has filed a writ petition under Article 199 of the Constitution of Islamic Republic of Pakistan in the Honorable High Court of Sindh at Karachi for grant of stay order against the imposition of WWF. The Honorable High Court of Sindh has granted Stay Order in favor of the Company. The management is confident that the eventual outcome of the matter will be decided in favour of the Company. Accordingly, no provisions have been made in these financial statements for Tax Year 2012.
- 18.4** The income tax authorities have issued Show Cause Notice dated June 28, 2014 to charge WWF for tax year 2013 amounting to Rs.4,925,073/-. The Company replied to the Show Cause Notice based on its plea adopted for tax year 2011 and 2012. The Company has filed an appeal before the Commissioner (Appeals-III) against charge of WWF and the proceedings thereof are pending till date. The management is confident that the eventual outcome of the matter will be decided in favour of the Company. Accordingly, no provisions have been made in these financial statements.
- 18.5** During the year the income tax authorities have issued again Show Cause Notices for charging of WWF for tax years 2010 to 2015 and Orders for tax years 2010 and 2013. The Company has replied all the notices/orders on the same plea as mentioned above in Note 18.4 for tax years 2011 to 2015 and for tax year 2010 the Company had paid the WWF with tax return of 2010. The management is confident that the eventual outcome of the matters will be decided in favour of the Company.
- 18.6** During the year the income tax authorities have issued Notice under section 122(5A) read with Section 122(9) of the Income Tax Ordinance, 2001 to amend the assessment for the tax year 2013. In this regard, tax Authorities have passed an order vide decreasing tax loss claimed for the year. However, the Company has filed an appeal before the Commissioner (Appeals-III) against the above order and the proceedings thereof are pending till date. The management is confident that the eventual outcome of the matters will be decided in favour of the Company. Accordingly, no provisions have been made in these financial statements.
- 18.7** During the year the income tax authorities have issued Show Cause Notices under section 122(9) for amendment under section 122(5A) of the Income Tax Ordinance, 2001 for tax years 2010, 2011 and 2013 to 2015 and they have passed Orders under section 122(5A) for tax years 2014 and 2015 by raising demand of Rs.11,367,383/- and 11,353,261/- respectively. The Company has filed petitions in the Honorable High Court of Sindh at Karachi against notices/orders for tax years 2010, 2011, 2014 and 2015. The Honorable High Court of Sindh has granted Stay Orders in favor of the Company. Further, the Company has also filed appeals for tax year 2014 & 2015 before the commissioner (Appeals-III) against the above orders and the proceedings thereof are pending till date. In respect of tax year 2013 the Company had already filed appeal mentioned in Note 18.6 and proceedings thereof are pending till date. The management is confident that the eventual outcome of the matter will be decided in favour of the Company. Accordingly, no provisions have been made in these financial statements.
- 18.8** During the year the income tax authorities have issued Show Cause Notices under section 161/205 of the Income Tax Ordinance, 2001 for monitoring of withholding tax for tax years 2014 and 2015 and passed the orders by raising demand of Rs. 23,049,621/- and 35,389,628/- including default surcharge respectively for non withholding of tax against payment of Buy-Back of shares under section 95A of the Companies Ordinance, 1984. The Company has filed petitions in the Honorable High Court of Sindh at Karachi against notices. The Honorable High Court of Sindh has granted Stay Orders in favor of the Company. Further the Company has also filed appeals before the commissioner (Appeals-III) against the above orders and the proceedings thereof are pending till date. The management is confident that the eventual outcome of the matter will be decided in favour of the Company. Accordingly, no provisions have been made in these financial statements.



INVEST AND FINANCE SECURITIES LIMITED

18.9 The Sindh Sales Tax (SST) authorities had issued order under sections 23(1), 43(3) and 44(1) of the Sindh Sales Tax on Services Act, 2011 for short payment of SST in respect of different services for the period July 2011 to December 2013 amounting to Rs. 3,442,303/- excluding default surcharge. The Commissioner appeals has also uphold the order of SST authorities. The Company has filed appeal against order before the Appellate Tribunal Sindh Revenue Board. The management is confident that the eventual outcome of the matter will be decided in favour of the Company. Accordingly, no provisions have been made in these financial statements.

	Note	2016 Rupees	2015 Rupees
19 OPERATING REVENUES			
Equity brokerage income		47,229,127	55,880,834
Inter-bank brokerage		27,364,033	30,210,282
Commodity brokerage income		-	15,200
Fees and commission		522,349	182,685
Dividend income		5,001,584	22,834,728
Profit on Sukuk Bonds		-	1,790,904
		<u>80,117,093</u>	<u>110,914,633</u>
20 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, allowances and other benefits		43,610,401	31,601,162
Traveling, conveyance and vehicle running expenses		4,496,662	2,202,370
Rent rates & taxes		5,817,890	26,841
Utility charges		4,069,251	4,318,805
Postage, telephone and telegram		1,865,867	1,381,070
Repair and maintenance		2,378,455	1,668,294
Insurance		1,167,411	1,057,616
Depreciation	4	3,454,926	4,486,649
Entertainment		793,737	657,898
Newspaper and periodicals		77,173	64,483
Advertisement		253,700	244,750
Printing and stationery		543,325	382,370
Legal and professional charges		1,420,450	200,450
Auditors' remuneration	20.1	250,000	250,000
Service charges		3,892,549	5,354,075
CDC charges		554,071	1,468,564
Fees and subscription		5,651,795	4,382,504
Commission		7,403,049	7,582,726
Office supplies		902,508	491,829
Bad debts write offs		-	1,179,706
		<u>88,603,220</u>	<u>69,002,162</u>
20.1 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>
21 OTHER INCOME - NET			
Return on bank deposits		1,032,837	919,286
Return on exposure deposit with exchange		600,968	731,704
(Loss) / gain on disposal of property, plant and equipment - net		(248,173)	42,255,417
		<u>1,385,632</u>	<u>43,906,407</u>



	Note	2016 Rupees	2015 Rupees
22 OTHER CHARGES			
Workers' Welfare Fund		-	2,990,827
23 FINANCIAL CHARGES			
Bank charges		223,267	412,817
Mark-up on short-term running finance		363,049	4,953,100
Mark-up under finance lease		253,804	-
		<u>840,120</u>	<u>5,365,917</u>
24 TAXATION			
Current	24.1	4,580,216	11,401,215
Prior		(391,798)	(820,988)
Deferred		(438,209)	438,209
		<u>3,750,209</u>	<u>11,018,436</u>
24.1 Relationship between accounting (loss) / profit and tax expense			
In the view of tax loss for the year, provision for minimum tax has been made in accordance with Section 113 of Income Tax Ordinance, 2001. Therefore, relationship between tax expense and accounting profit has not been presented for the current year.			
25 (LOSS) / EARNINGS PER SHARE			
There is no dilutive effect on the basic earnings per share of the Company, which is based on:			
(Loss) / profit after taxation		(9,673,546)	138,522,939
Weighted average number of ordinary shares		<u>20,015,650</u>	<u>24,452,706</u>
(Loss) per share / earnings per share - basic and diluted	25.1	<u>(0.48)</u>	<u>5.66</u>
25.1 Diluted earnings per shares has not been calculated as the Company has incurred losses during the year ended June 30, 2016. Diluted earnings per share has not been presented as the Company did not have any convertible instruments in issue as at June 30, 2015 which could have any effect on the earnings per share if the option exercised.			
		2016 Rupees	2015 Rupees
26 CASH AND CASH EQUIVALENTS			
Cash and bank balances		60,709,509	428,815,003
Short-term running finance		(1,251,975)	-
		<u>59,457,534</u>	<u>428,815,003</u>



INVEST AND FINANCE SECURITIES LIMITED

27 FINANCIAL INSTRUMENTS BY CATEGORY	2016 Rupees	2015 Rupees
27.1 Financial assets and liabilities		
Financial assets		
- Loans and receivables		
Loans and advances	12,059,094	11,548,322
Deposits	19,651,144	51,644,544
Trade debts - unsecured	32,620,348	17,087,990
Other receivables	251,409	253,282
Receivable from NCCPL-net	-	202,213,235
Cash and bank balances	60,709,509	428,815,003
	<u>125,291,504</u>	<u>711,562,376</u>
- Fair value through profit and loss		
Investments	<u>28,706,080</u>	<u>92,407,684</u>
Financial liabilities		
- Financial liabilities at amortized cost		
Short-term running finance	1,251,975	-
Liabilities against assets subject to finance lease	5,624,000	-
Payable to NCCPL - net	2,280,508	-
Accrued mark-up	327,143	736,745
Trade and other payables	74,367,689	440,315,452
	<u>83,851,315</u>	<u>441,052,197</u>

28 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:

28.1 Market risk

Market risk is the risk that the fair values or future cash flows of the financial instrument may fluctuate due to changes in market interest rates or the market price of securities due to changes in market variables such as: interest rate, foreign exchange rate and equity prices.

28.1.1 Foreign Currency risk

Foreign 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.

28.1.2 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.

2016

	Mark-up bearing maturity			Non-mark-up bearing maturity			Total
	Upto one year	Over one year upto five years	Sub-total	Upto one year	Over one year upto five years	Sub-total	
Rupees							
Financial assets							
Deposits	16,854,809	-	16,854,809	1,686,600	1,109,735	2,796,335	19,651,144
Trade debts - unsecured	-	-	-	32,620,348	-	32,620,348	32,620,348
Loan and advances	-	-	-	12,059,094	-	12,059,094	12,059,094
Investments	-	-	-	28,706,080	-	28,706,080	28,706,080
Other receivables	-	-	-	251,409	-	251,409	251,409
Cash and bank balances	12,560,955	-	12,560,955	48,148,554	-	48,148,554	60,709,509
	<u>29,415,764</u>	<u>-</u>	<u>29,415,764</u>	<u>123,472,085</u>	<u>1,109,735</u>	<u>124,581,820</u>	<u>153,997,584</u>
Financial liabilities							
Accrued mark-up	-	-	-	327,143	-	327,143	327,143
Liabilities against assets subject to finance lease	1,184,000	4,440,000	5,624,000	-	-	-	5,624,000
Payable to NCCPL - net	-	-	-	2,280,508	-	2,280,508	2,280,508
Short-term running finance	1,251,975	-	1,251,975	-	-	-	1,251,975
Trade and other payables	-	-	-	74,367,689	-	74,367,689	74,367,689
	<u>2,435,975</u>	<u>4,440,000</u>	<u>6,875,975</u>	<u>76,975,340</u>	<u>-</u>	<u>76,975,340</u>	<u>83,851,315</u>
On-balance Sheet Gap	26,979,789	(4,440,000)	22,539,789	46,496,745	1,109,735	47,606,480	70,146,269
Off-balance Sheet Gap	-	-	-	-	-	-	-

2015

	Mark-up bearing maturity			Non-mark-up bearing maturity			Total
	Upto one year	Over one year upto five years	Sub-total	Upto one year	Over one year upto five years	Sub-total	
Rupees							
Financial assets							
Deposits	50,104,809	-	50,104,809	-	1,539,735	1,539,735	51,644,544
Trade debts - unsecured	-	-	-	17,087,990	-	17,087,990	17,087,990
Loan and advances	-	-	-	11,548,322	-	11,548,322	11,548,322
Receivable from NCCPL - net	-	-	-	202,213,235	-	202,213,235	202,213,235
Investments	-	-	-	92,407,684	-	92,407,684	92,407,684
Other receivables	-	-	-	253,282	-	253,282	253,282
Cash and bank balances	299,274,985	-	299,274,985	129,540,018	-	129,540,018	428,815,003
	<u>349,379,794</u>	<u>-</u>	<u>349,379,794</u>	<u>453,050,531</u>	<u>1,539,735</u>	<u>454,590,266</u>	<u>803,970,060</u>
Financial liabilities							
Accrued mark-up	-	-	-	736,745	-	736,745	736,745
Trade and other payables	-	-	-	440,315,452	-	440,315,452	440,315,452
	<u>-</u>	<u>-</u>	<u>-</u>	<u>441,052,197</u>	<u>-</u>	<u>441,052,197</u>	<u>441,052,197</u>
On-balance Sheet Gap	349,379,794	-	349,379,794	11,998,334	1,539,735	13,538,069	362,917,863
Off-balance Sheet Gap	-	-	-	-	-	-	-



28.1.3 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. 2.871 million (2015: Rs.9.241 million).

28.2 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 28.1.2.

28.3 Credit risk

Credit risk represents the accounting loss that would be recognized 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 or impaired are as under:

	2016 Rupees	2015 Rupees
Financial instruments carried at amortized cost		
Trade debts - unsecured	<u>32,620,348</u>	<u>17,087,990</u>
Payments over due		
1-360 days	32,173,180	16,620,886
Above 360 days	1,257,118	1,277,054
Provision for doubtful debts	(809,950)	(809,950)



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

Bank	Rating Agency	Rating	
		Short term	Medium to long term
Allied Bank Limited	PACRA	A1+	AA+
Askari Bank Limited	PACRA	A1+	AA+
Bank Al-Falah Limited	PACRA	A1+	AA
Bank Al- Habib Limited	PACRA	A1+	AA+
Habib Bank Limited	JCR-VIS	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
JS Bank Limited	PACRA	A1+	A+
MCB Bank Limited	PACRA	A1+	AAA
Meezan Bank Limited	JCR-VIS	A-1+	AA
NIB Bank Limited	PACRA	A1+	AA-
Silk Bank Limited	JCR-VIS	A-2	A-
Summit Bank Limited	JCR-VIS	A-1	A-
The Bank of Khyber	PACRA	A1	A
United Bank Limited	JCR-VIS	A-1+	AAA
Bankislami Pakistan Limited	PACRA	A1	A+
Burj Bank Limited	JCR-VIS	A-2	BBB+

28.4 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 carrying amounts of all the financial instruments reflected in these financial statements approximate to the fair value.

28.5 Financial assets fair value hierarchy

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

Level 1 - Quoted prices in active markets for identical assets.

Level 2 - Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 - Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	June 30, 2016			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Assets				
Short-term investments	28,706,080	-	-	28,706,080
	June 30, 2015			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Assets				
Short - term investments	92,407,684	-	-	92,407,684



INVEST AND FINANCE SECURITIES LIMITED

28.6 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, 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, issue new shares or sell assets to reduce debts.

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

	2016 Rupees	2015 Rupees
Liabilities against assets subject to finance lease	4,440,000	-
Shareholders' equity	<u>191,931,721</u>	<u>456,804,805</u>
Total equity	<u>196,371,721</u>	<u>456,804,805</u>
Gearing ratio	2.26%	0%

29 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	
	2016	2015	2016	2015	2016	2015
	----- (Rupees) -----					
Remuneration	3,105,376	3,096,774	1,870,968	2,194,839	13,374,429	6,251,613
House rent allowance	1,397,419	1,393,548	841,935	987,677	6,018,493	2,813,226
Utility allowance	310,538	309,678	187,097	219,484	1,337,443	625,161
Commission & bonus	400,000	-	300,000	746,747	3,791,624	2,650,041
	<u>5,213,333</u>	<u>4,800,000</u>	<u>3,200,000</u>	<u>4,148,747</u>	<u>24,521,989</u>	<u>12,340,041</u>
Number of Persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>	<u>16</u>	<u>9</u>

29.1 The Company provides company maintained car to the chief executive officer, executive directors and certain executives. The Company does not pay remuneration to any non-executive directors. Further the chief executive officer and executive directors are also entitled for perquisites and facilities/benefits as per the Company's policies and rules.

29.2 As per the requirement of 'Research Analyst Regulations 2015', under the Securities Act 2015, following are the details of Research Analysts employed by the Company.

	2016 Rupees	2015 Rupees
Remuneration	<u>2,000,032</u>	<u>-</u>

The Research Analysts reports directly to the Head of Research/Director Research and/or Chief Executive Officer.



30 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 29 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:

	2016 Rupees	2015 Rupees
Brokerage income earned from:		
Directors	<u>313,977</u>	<u>2,134,838</u>
Employees	<u>233,978</u>	<u>188,220</u>
Transactions		
Contribution to IFSL - Employees Provident Fund	<u>1,891,355</u>	<u>1,552,058</u>
Sale of property to Chief Executive Officer	<u>-</u>	<u>57,000,000</u>
Balances		
Payable to directors in their shares trading accounts	<u>239,586</u>	<u>318,052,450</u>
Payable to employees in their shares trading accounts	<u>48,683</u>	<u>546,798</u>

31 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.



INVEST AND FINANCE SECURITIES LIMITED

Trade debts

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

32 PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of the provident fund as at June 30, 2016 and 2015.

	Note	2016 Rupees	2015 Rupees
Size of the fund - total assets		8,523,778	12,348,387
Fair value of investments	32.1	8,523,778	12,348,387
Cost of investments made		8,137,613	12,113,208
Percentage of investments made		100%	100%

32.1 The Break-up of fair value of investments is as follows:

	Percentage		2016 Rupees	2015 Rupees
	2016	2015		
Bank deposits	9%	27%	803,869	3,311,526
Treasury bills	83%	0%	7,057,284	-
PIB's	0%	68%	-	8,345,361
Listed securities	8%	5%	662,625	691,500
	<u>100%</u>	<u>100%</u>	<u>8,523,778</u>	<u>12,348,387</u>

Investments out of Provident Fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

	2016	2015
33 NUMBER OF EMPLOYEES		
Number of employees as at year end	<u>51</u>	<u>42</u>
Average number of employees during the year	<u>47</u>	<u>42</u>

34 EVENTS AFTER THE REPORTING PERIOD

The Directors and Shareholders of the Company holding in aggregate 15,612,966 ordinary shares constituting 78% of the total issued shares of the Company have entered into a Share Purchase Agreement on August 24, 2016 for sale of their upto 10,207,982 ordinary shares at a price of Rs. 15/- per share with EFG Hermes Frontier Holdings LLC.

35 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on September 20, 2016 by the Board of Directors of the Company.

36 GENERAL

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

36.2 Prior year's figures in these financial statements have been re-arranged / re-classified, where necessary, for better presentation.

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 6**

Number of Shareholders	Shareholdings			Total Shares held
443	1	-	100	Shares 19,184
201	101	-	500	Shares 78,529
2087	501	-	1000	Shares 1,184,179
378	1001	-	5000	Shares 791,160
38	5001	-	10000	Shares 261,613
12	10001	-	15000	Shares 148,128
7	15001	-	20000	Shares 124,441
2	20001	-	25000	Shares 44,000
1	25001	-	30000	Shares 30,000
4	30001	-	35000	Shares 132,950
3	35001	-	40000	Shares 117,000
1	40001	-	45000	Shares 43,000
2	45001	-	50000	Shares 100,000
2	55001	-	60000	Shares 120,000
1	65001	-	70000	Shares 70,000
1	70001	-	75000	Shares 71,000
1	85001	-	90000	Shares 88,000
1	100001	-	105000	Shares 102,500
1	130001	-	135000	Shares 133,000
1	135001	-	140000	Shares 138,000
1	170001	-	175000	Shares 171,000
1	195001	-	200000	Shares 200,000
1	230001	-	235000	Shares 235,000
1	1095001	-	1100000	Shares 1,097,199
1	2200001	-	2205000	Shares 2,203,292
1	2705001	-	2710000	Shares 2,705,924
1	2860001	-	2865000	Shares 2,861,373
1	3180001	-	3185000	Shares 3,183,452
1	3560001	-	3565000	Shares 3,561,726
3196	TOTAL			20,015,650

Categories of Shareholders	Shares held	Percentage
5.1 Directors, Chief Executive Officer, and their spouse and minor children	15,612,967	78.00%
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	-	0.00%
5.5 Insurance Companies	-	0.00%
5.6 Modarabas and Mutual Funds	-	0.00%
5.7 Shareholders holding 10%	14,515,767	72.52%
5.8 General Public		
a. Local	4,064,053	20.30%
b. Foreign	-	0.00%
5.9 Others (Joint Stock Companies, Brokrage Houses, Employees Funds, Trustees, etc.)	338,630	1.69%



Pattern of Shareholding under Rule 5.19.11(x) of the Code of Corporate Governance as on June 30, 2016

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. Muzzammil Aslam	1	3,561,726	17.79%
3.2 Mr. Irfan Pardesi	1	3,183,452	15.90%
3.3 Mr. Fayyaz Ilyas	1	2,861,373	14.30%
3.4 Mr. Shakeel Ilyas	1	2,705,924	13.52%
3.5 Mr. Hayat Javed	1	2,203,292	11.01%
3.6 Mr. Asim Ali	1	1,097,199	5.48%
3.7 Mr. Rahat Aziz	1	1	0.00%
	7	15,612,967	78.00%
Spouses of Directors	-	-	0.00%
Minor Children of Directors	-	-	0.00%
4. <u>Executives</u>	2	3,300	0.02%
5. <u>Public Sector Companies & Corporations</u>	-	-	0.00%
6. <u>Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modarbas & Pension Funds</u>	1	171,000	0.85%
7. <u>Others (Individuals, Brokerage Houses, Joint Stock Companies, Employees Funds, etc.)</u>	3,186	4,228,383	21.13%
	3,196	20,015,650	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
Mr. Muzzammil Aslam	1	3,561,726	17.79%
Mr. Irfan Pardesi	1	3,183,452	15.90%
Mr. Fayyaz Ilyas	1	2,861,373	14.30%
Mr. Shakeel Ilyas	1	2,705,924	13.52%
Mr. Hayat Javed	1	2,203,292	11.01%
Mr. Asim Ali	1	1,097,199	5.48%



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, Office No. 904, 9th Floor, Emerald Tower, Plot No. G-19, Block-5, Clifton, 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 17th Annual General Meeting of the Company to be held on Thursday, October 27, 2016 at 11:00 a.m. and any adjournment thereof.
Signed this _____ day of _____ 2016.

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**



انویسٹ اینڈ فنانس سیکورٹیز لمیٹڈ

اہم اضوری

یہ مکمل شدہ پراسی اجلاس شروع ہونے سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس نمبر 904، 9th فلور، ایمرالڈ ٹاور، پلاٹ نمبر G-19، بلاک 5، کلفٹن، کراچی، پاکستان میں پہنچ جانا چاہئے۔
پراسی کمپنی کا ممبر ہونا چاہیے۔

میں / ہم کا
بطور ممبر (ز) انویسٹ اینڈ فنانس سیکورٹیز لمیٹڈ اور ہولڈر برائے عام حصص برطبق رجسٹرڈ فولیو نمبر، سی ڈی سی انویسٹر اکاؤنٹ / پارٹیسپینٹ ID اور انویسٹر اسب اکاؤنٹ نمبر نامزد کرتا / کرتی ہوں یا بصورت دیگر
کا
کا

جو کہ انویسٹ اینڈ فنانس سیکورٹیز لمیٹڈ کا ممبر ہے، بحوالہ رجسٹرڈ فولیو نمبر، سی ڈی سی انویسٹر اکاؤنٹ / پارٹیسپینٹ ID اور انویسٹر اسب اکاؤنٹ نمبر کو بطور میرا / ہمارا نمائندہ نامزد کرتا / کرتی ہوں جو کمپنی کے ستر ہوا سالانہ اجلاس عام جو بروز جمعرات مورخہ 27 اکتوبر 2016 کو صبح 11:00 بجے منعقد یا ملتوی ہونے والے میں میری / ہماری طرف سے ووٹ دیگا۔

ریونیو اسٹمپ پر دستخط

دستخط مورخہ _____ بروز _____ 2016

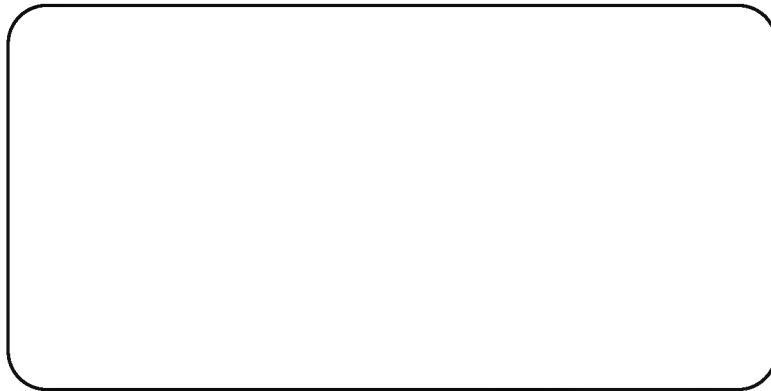
گواہ _____ گواہ _____
دستخط _____ دستخط _____
نام _____ نام _____
شناختی کارڈ نمبر _____ شناختی کارڈ نمبر _____
پتہ _____ پتہ _____



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

**AFFIX
CORRECT
POSTAGE**

BOOK POST



If undelivered, please return to:

INVEST AND FINANCE SECURITIES LIMITED

Office # 904, 9th Floor, Emerald Tower, Plot No. G-19, Block-5, Clifton, Karachi-Pakistan.

Tel: +92 21 35141100-04, Fax: +92 21 35141109

www.investfinance.com.pk

CORPORATE