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Board of Directors

Mr. Saeed Iqbal Chaudhry - Chairman
Mr. Nusrat Yar Ahmad - Chief Executive
Mr. Qasim Rabbani
Mr. Sulaiman Ahmad Saeed Al-Hoqani
Syed Abid Raza
Mr. Rehman Ghani
Mr. Aamer Saeed

Audit Committee

Mr. Qasim Rabbani - Chairman
Mr. Saeed Iqbal Chaudhry
Syed Abid Raza

Company Secretary

Mr. Shamir S. Ismail

Bankers

Bank Alfalah Limited
Bank Al-Habib Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
Meezan Bank Limited
Mybank Limited
NIB Bank Limited
The Royal Bank of Scotland Limited
Saudi Pak Commercial Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Khyber
United Bank Limited

Auditors

HLB Ijaz Tabussum & Co., Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.

Share Registrar

Noble Computer Services (Pvt) Limited
2nd Floor, Sohni Centre, BS 5& 6, Main Karimabad, Block-4,
Federal B. Area, Karachi-75950, Pakistan
Tel: (021) 6801880-82 Fax: (021) 6801129

Registered Office

Room No 816 , 8th Floor, Progressive Plaza
Beamont Road, Karachi
Tel: (021) 5215226 - 28 Fax: (021) 5215200

Website: www.investbank.com.pk

Invest Capital Investment Bank Limited
(formerly Asset Investment Bank Limited)

VISION STATEMENT

To build a world-class investment banking franchise through the creation of an organization based on trust, integrity and a decision making process driven by client's best interest

MISSION STATEMENT

To provide our customers financial solutions while preserving wealth, ensuring quality service, efficient pricing and absolute transparency

NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that the 16th Annual General Meeting of the shareholders of INVEST CAPITAL INVESTMENT BANK LIMITED (formerly Asset Investment Bank Limited) will be held at 3:30 p.m. on Friday, October 31, 2008 at Moosa G. Desai Auditorium, The Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi, to transact the following business:

Ordinary Business

1. To confirm the minutes of the 2nd Extraordinary General Meeting of the Shareholders held on July 31, 2008.
2. To receive, consider and adopt the audited financial statements together with the Directors' and Auditors' reports for the year ended June 30, 2008.
3. To appoint auditors and fix their remuneration for the year ending June 30, 2009. The present auditors M/s. HLB Ijaz Tabussum & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

Special Business

4. To seek approval of the shareholders for transfer and separation of the equity, commodity, money market and foreign exchange brokerage business of the Company inclusive of assets, liabilities, licenses, memberships and related employees ("Brokerage Business") to Invest Capital Markets Limited., a wholly owned subsidiary of the Company, against the consideration of fully paid up shares of Invest Capital Markets Limited equal to the net book value of the assets of the Brokerage Business and to consider and pass the following resolution as a Special Resolution, with or without modification:-

Resolved that

"Subject to necessary approvals, waivers and consents from Securities and Exchange Commission of Pakistan ("SECP") and any other applicable regulatory authority or body, for purposes of complying with the directions of SECP in terms of notification issued vide S.R.O. 1131 (I)/2007 dated November 21, 2007 the Company be and is hereby authorized to transfer, sell and assign its entire brokerage business, comprising inter alia of the equity brokerage membership, commodity exchange license, money market and foreign exchange brokerage licenses, all assets, liabilities, obligation, commitments and related employees ("Brokerage Business") to Invest Capital Markets Limited, a wholly owned subsidiary of the Company, against the consideration of fully paid up ordinary shares at par value of Invest Capital Markets Limited equal to the net book value of the assets of the Brokerage Business as determined on the basis of the accounts of the Company considered appropriate by the Board of Directors."

Further resolved that

"The Chief Executive Officer of the Company or persons authorized by the Board of Directors be and is / are hereby authorized to take all actions for implementing the aforesaid resolution, including but not limited to obtaining necessary approvals, waivers and consents, appointment of legal and accounting / tax advisors, entering into any agreement(s) for transfer of the Brokerage Business, processing applications for transfer of memberships and licenses with the relevant stock exchanges and associations, bodies as applicable and any incidental actions thereto and further to represent the interest of the Company as the subscriber and shareholder of Invest Capital Markets Limited in relevant meetings and corporate actions required."

5. To consider any other business with the permission of the Chair.

Karachi
October 10, 2008

By Order of the Board

Shamir S. Ismail
Company Secretary

Invest Capital Investment Bank Limited
(formerly Asset Investment Bank Limited)

NOTES:

1. The Members' Register will remain closed from October 24, 2008 to October 31, 2008 (both days inclusive). Transfers received in order at the office of the Share Registrar of the Company by the close of business on October 23, 2008 will be treated in time.
2. A Member entitled to attend and vote at the General Meeting of Members is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a Member of the Company.
3. The instrument appointing a proxy and the power of attorney or other authority, under which it is signed or a notarially certified copy of the power of attorney must be deposited at the office of Share Registrar of the Company, M/s Noble Computer Services (Pvt.) Ltd., 2nd Floor, Sohni Centre, BS 5 & 6, Main Karimabad, Block-4, Federal B. Area, Karachi at least 48 hours before the meeting. A form of proxy is enclosed.
4. Any individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his/her Computerized National Identity Card with him/her as proof of his/her identity, and in case of proxy, must enclose an attested copy of his/her Computerized National Identity Card. Representative of corporate members should bring the Board of Directors' resolution / power of attorney with specimen signature of the nominee along with the proxy form to the company
5. Shareholders are requested to notify any change in their addresses immediately.

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

Pursuant to the directives of SECP in terms of notification issued vide S.R.O. 1131 (I)/2007 dated November 21, 2007, all investment banks which are engaged in brokerage business are required to transfer the brokerage business out of the investment bank into a separate company by November 21, 2008 ("SECP Directive").

For purposes of complying with the SECP Directive, the Board of Directors of the Company have already procured incorporation of a company intended to operate as an independent company engaged in brokerage business by the name of Invest Capital Markets Limited ("New Co.") which is intended to be a wholly owned subsidiary of the Company and to whom the Brokerage Business is proposed to be transferred for which approval of the shareholders is required under the provision of Section 195 of the Companies Ordinance, 1984.

Further since the consideration for the transfer of the Brokerage Business is proposed to be issuance of fully paid shares of the New Co. for a value equal to the net asset value of the Brokerage Business, constituting investment in as associated company, approval of shareholders is being sought under the provisions of Section 208 of the Companies Ordinance, 1984.

The Directors of the Company are not interested in the proposed Special Resolution in their personal capacity and they are effected only to the extent of the shareholding that they hold in the Company.

The Company is a public listed company with equity of over Rs. 500 million as at June 30, 2008 and is desirous of making investment in the New Co. being an associated company. The information required to be annexed to the Notice by SRO No. 865 (1) 2000 dated December 6, 2000 is set out below, to the extent applicable to the present transaction.

NOTICE OF ANNUAL GENERAL MEETING



1	Name of the associated Investee Company.	Invest Capital Markets Limited
2	Nature, amount and extent of investment.	Representing the net book value of the Brokerage Business being transferred to the Investee Company subject to adjustments of amounts based on determination on the basis of accounts of Invest Capital Investment Bank Limited by a firm of Chartered Accountants.
3	Average Market Price of the shares intended to be purchased during the preceding six months in case of listed companies.	Not Applicable as the Investee company is not listed and not operational.
4	Break-up value of shares intended to be purchased on the basis of last published financial statement.	Not Applicable as the Investee company is not operational and does not have any paid up capital.
5	Price at which shares will be purchased.	Par value of Rs. 10 each per share to be issued for consideration other than cash.
6	Earning per share of the Investee Company in the last three years.	Not Applicable.
7	Sources of funds from where shares will be purchased.	No funds are involved as the shares are being issued for consideration of net asset value of brokerage business of the Company.
8	Period for which investment will be made.	Equity investment hence period not applicable.
9	Purpose of investment.	Compliance with the SECP Directive requiring the Company to transfer and segregate brokerage business into a separate independent subsidiary company.
10	Benefits likely to accrue to the Company and the shareholders from the proposed investment.	The investment is essentially the reorganization of the brokerage business through a wholly owned subsidiary and all the benefits in relation to the brokerage business presently being conducted by the Company.
11	Interest of Directors and their relatives in the Investee company.	No interest except in their capacity as shareholders of the Company, if applicable.

On behalf of the Board of Directors, I am pleased to present the full year financial statements of your bank for the year ended June 30, 2008.

ECONOMIC OUTLOOK

Financial year 2008 (FY08) was a turbulent year for Pakistan in almost every way. Sharp increases in global commodity prices, including oil and food, resulted in a sharp rise in inflation, and a rapid drawdown in the country's foreign exchange reserves position, resulting in large depreciation in the value of the Pak Rupee (13.2% during the year). The slide has continued in the current fiscal year, and the cumulative decline in the PKR/USD parity since FY07 now stands at 29.6%.

The trade deficit ballooned to US\$20.7 billion as international oil prices heated up on strong international demand coupled with some supply concerns and a lot of speculative activity. Foreign Exchange Reserves, which had climbed up to over US\$16 billion earlier in the year were drawn down to fund the rising trade deficit and had declined to US\$11.1 billion by year end. GDP growth thus could not be sustained at the previous year's level and declined to 5.8% for the year.

The political environment also hit a downward spiral during the year and the law and order situation visibly deteriorated. The economic woes coupled with the worsening political environment triggered a sell off in the equity markets in the last quarter, and the KSE 100 share index declined by over 21% by year end from its peak level of 15,676 points achieved in mid-April.

On the positive side, Revenue Collection numbers recorded an admirable 22% increase over the previous year with total tax collection for the year crossing the Rs1 trillion mark for the first time. Additionally, Worker's Remittances also grew by a strong 17% over the previous year at US\$6.5 billion for FY08.

FINANCIAL STATEMENTS

For the year ended June 30, 2008 your company has posted an after tax loss of Rs.19.468mn, which equates to Re.0.079 per share.

The revenue from equity brokerage operations showed an 8% decline during the year as the increased volatility impacted volumes. However, overall revenues increased by 33% on the back of strong growth in realized Capital Gains, and mark-up earned on fixed return investments.

Administrative expenses have increased by 57% over the previous year as the awarding of the investment banking license to your bank in February 2008 has opened up a vast array of new avenues for revenue generation, and additional staff has been inducted to build up the infrastructure of the bank for future expansion into new areas. This has also necessitated the requirement to enhance the physical infrastructure of the bank, resulting in a rising expense for office rental. Your bank has rented an office premises situated at Khayaban-e-Ittehad which was being renovated during the period under review, thus the bank was bearing the rental expense of two premises. However, during September 2008, renovation work was completed on the bank's new premises and the bank has relocated to the new premises, thus going forward the office rental expenses will be reduced.

A further one time increased expense was that of consultancy fees, which was paid to various legal and financial consultants who facilitated in the amalgamation of Invest Capital & Securities (Pvt.) Ltd. with Asset Investment Bank Limited to form Invest Capital Investment Bank Limited.

FUTURE OUTLOOK

The problems faced by the country during FY08 have further exacerbated in the past couple of months. Inflation is continuing unabated, forex reserves are continuously edging down, and the Pak Rupee decline continues unabated. Investor confidence has been shaken, especially following the continuous fall in the KSE-100 (down 41% from its peak level achieved in mid-April), which led to the KSE board's decision to freeze the downside of the Index at the price levels persisting as on August 27, 2008.

The inability to exit from the market has dried up volumes, with average daily volumes having shrunk to 2-3 million shares during the past few days. The shrunken volumes have negatively impacted our equity brokerage business.

However, in chaos lies opportunity! Your bank has built up a strong track record of providing financial advisory services over the past few years, having been a BUY / SELL side advisor in three of the largest banking sector acquisition transactions of the past two years. Our focus going forward is to enhance our presence in the corporate advisory business.

Additionally, we have recently launched our mutual fund advisory/distribution product where we are utilizing our core strength in equity research to analyze the growing number of mutual funds with regards to the risk/return profile and give our clients investment advice on the appropriateness of a particular investment option given their investment requirements and constraints.

We will be introducing other new products in due course as permitted under our investment banking license. The interest of all stakeholders is of paramount importance to your management, and despite the difficult operating environment, we have full faith that your bank will maximize the available opportunities to deliver value to our investors.

FINANCIAL HIGHLIGHTS

	RUPEES
Gross Revenue.....	298,511,248
Loss before Taxation.....	(4,521,280)
Less: Taxation.....	(14,946,920)
Loss after Taxation.....	(19,468,200)
Total Assets.....	2,028,087,419
Loss per Share.....	(0.079)

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

As required under the Code of Corporate Governance, the Directors affirm that:

- o The Financial Statements present fairly the state of affairs of the Company, the results of its operations, Cash Flow Statement and Statement of Changes in Equity.
- o Proper books of accounts of the Company have been maintained.
- o Accounting policies as stated in the notes to the accounts have been consistently applied in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.
- o International Accounting Standards, as applicable in Pakistan and as stated in the notes attached to the accounts, have been followed in the preparation of the financial statements.
- o The system of internal controls is sound in design and has been effectively implemented and monitored.
- o The Company is financially sound and is a going concern.

- o There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- o No trading in shares of the Company were carried out by the Directors, Chief Executive, Chief Financial Officer/Company Secretary and their spouses and minor children during the year.
- o During the year five meetings of the Board of Directors were held. The Directors, who were unable to attend the meetings nevertheless closely followed the progress of the Bank and helped with their advice.

NAME OF DIRECTORS

MEETINGS ATTENDED

Dr. Khalid Iqbal *	2
Syed Naveed Hasan Zaidi *	2
Mr. Nusrat Yar Ahmad **	5
Mr. Saeed Iqbal Chaudhry **	4
Mr. Qasim Rabbani	5
Syed Abid Raza	4
Mr. Shahid Ali Khan ***	3
Mr. Sulaiman Ahmed Saeed Al-Hoqani ***	-
Mr. Rehan Ateeq	2
Mr. Javed Yusuf Ahmedjee	3

* Dr. Khalid Iqbal & Syed Naveed Hasan Zaidi have resigned with effect from October 29, 2007.

** Mr. Saeed Iqbal Chaudhry has been appointed Chairman in place of Dr. Khalid Iqbal and Mr. Nusrat Yar Ahmad has been appointed Chief Executive in place of Syed Naveed Hasan Zaidi, with effect from October 29, 2007.

*** Mr. Shahid Ali Khan has resigned with effect from November 22, 2007. A casual vacancy occurred which has been filled in by Mr. Sulaiman Ahmed Saeed Al-Hoqani.

Leave of absence was approved by the Board in all the cases where a Director could not attend a Board Meeting during the year.

CREDIT RATING

JCR VIS Credit Rating Company Limited has assigned to the Company a medium to long term entity rating of "A-" (Single A Minus) and a short term rating of "A-2" (A Two) with the outlook on the rating as "Positive".

AUDITORS

The present auditors, M/s. HLB Ijaz Tabussum & Co., Chartered Accountants retire, and being eligible, offer themselves for re-appointment.

PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2008 is annexed.

ACKNOWLEDGEMENT

In the end the directors of the company wish to express their sincere gratitude to the regulatory authorities particularly the Securities and Exchange Commission of Pakistan (SECP), shareholders, valued customers and the financial institutions for their continuous guidance and support. We also like to extend our appreciation to all the executives and staff of the company for their dedication and commitment throughout the period under review.

For and on behalf of the Board of Directors

Karachi
October 9, 2008

Nusrat Yar Ahmad
Chief Executive Officer

This statement of compliance is being presented to comply with the Code of Corporate Governance (CCG) contained in listing regulations of Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Code of Corporate Governance. The said Code has also been adopted by the State Bank of Pakistan and the Stock Exchanges. The Board of Directors of Invest Capital Investment Bank Limited has adopted and applied the principles contained in the Code of Corporate Governance in the following manner.

- 1) The Company encourages representation of independent non-executive directors and directors representing minority interest on its Board of Directors. At present the Board includes six non-executive directors and one executive director who is also working as the Chief Executive Officer (CEO) of the Company.
- 2) The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
- 3) All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loans to a banking company, a Development Financial Institution or a Non Banking Finance Company or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
- 4) The casual vacancy occurring during the year in the Board of Directors has been filled in within the stipulated time.
- 5) The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.
- 6) The Board, in its meeting held on March 29, 2008, has developed a mission / vision statement, overall corporate strategy, business conduct principles and significant policies of the Company.
- 7) All the powers of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, have been taken by the Board.
- 8) The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
- 9) The directors have confirmed that they are well acquainted as of their duties and responsibilities as required under the CCG. However, information material including a copy of the CCG and the Memorandum and Articles of Association of the Company were circulated to the directors to apprise them with their duties and responsibilities and enable them to manage the affairs of the Company.
- 10) The Board approves the appointment of Chief Financial Officer (CFO) and Company Secretary, including their remuneration and terms and conditions of employment, as determined by the CEO.
- 11) The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

- 12) The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
- 13) The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
- 14) The Company has complied with all the corporate and financial reporting requirements of the Code.
- 15) The Board has formed an Audit Committee, which comprises of three members. All members are non-executive directors.
- 16) The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code, the terms of reference of the Committee have been formed and advised to the Committee for compliance.
- 17) The Board has out-sourced the internal audit function to a firm of Chartered Accountants i.e. Ms. Riaz Ahmad, Saqib, Gohar & Co., Chartered Accountants. The firm is conversant with the policies and procedures of the Company.
- 18) The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
- 19) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 20) We confirm that all other material principles contained in the Code have been complied with as stated above.

For and on behalf of the Board of Directors

Karachi
October 9, 2008

Nusrat Yar Ahmad
Chief Executive

We have reviewed the Statement of Compliance with best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2008 prepared by the Board of Directors of Invest Capital Investment Bank Limited to comply with the Listing Regulations No. 37 of the Karachi Stock Exchange (Guarantee) Limited, Chapter No. XIII of the Lahore Stock Exchange (Guarantee) Limited and Chapter No. XI of Islamabad Stock Exchange (Guarantee) Limited where the Company is listed.

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

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

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

ISLAMABAD
October 9, 2008

HLB IJAZ TABUSSUM & CO.,
Chartered Accountants

We have audited the annexed balance sheet of **INVEST CAPITAL INVESTMENT BANK LIMITED** (the company) as at June 30, 2008, and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with 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. The financial statements of the company as of June 30, 2007, were audited by another auditor whose report dated September 26, 2007, expressed adverse opinion due to material uncertainties regarding the company ability to continue as going concern as a result of negative equity, accumulated losses, excess of current liabilities over current assets.

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 accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of accounts have been kept by the 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 accounts and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - iii) the business conducted, investments made and 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, 2008 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 the 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.

ISLAMABAD
October 9, 2008

HLB IJAZ TABUSSUM & CO.,
Chartered Accountants

BALANCE SHEET

AS AT JUNE 30, 2008



	Note	2008 Rupees	2007 Rupees
ASSETS			
Non-current assets			
Property, plant & equipment	5	157,652,617	120,864,195
Intangibles	6	1,367,126	1,882,187
Membership cards & room	7	97,500,000	97,500,000
Goodwill	8	92,238,600	-
Long term loans	9	19,761,385	20,746,011
Long term deposits	10	13,293,609	8,364,299
		381,813,337	249,356,692
Current assets			
Short-term investments	11	127,635,483	70,355,454
Trade debtors	12	1,352,383,735	864,531,654
Current maturity of non-current assets	13	6,451,816	5,037,472
Receivable against securities transactions		-	222,323,762
Advances, deposits, prepayments and other receivables	14	100,520,683	73,166,375
Cash and bank balances	15	59,434,825	374,868,732
		1,646,426,542	1,610,283,449
TOTAL ASSETS		2,028,239,879	1,859,640,141
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 285,000,000 (2007: 35,000,000) ordinary shares of Rs.10/- each		2,850,000,000	350,000,000
Issued, subscribed and paid-up capital	16	746,423,700	350,000,000
Capital reserve on amalgamation		(347,923,700)	-
Accumulated profit / (loss)		(18,261,890)	764,088
Subordinated loan	17	121,000,000	-
		501,238,110	350,764,088
Fair value reserve / (deficit)	18	(12,076,479)	-
Surplus on revaluation of fixed assets	19	81,552,224	81,994,446
Non-current liabilities			
Liability against assets subject to finance lease	20	1,291,051	4,894,749
Current liabilities			
Current liability against assets subject to finance lease	20	3,603,698	3,902,871
Short-term finance	21	1,262,703,702	80,175,017
Term finance		-	19,204,000
Creditors, accrued and other liabilities	22	189,927,573	1,318,704,970
		1,456,234,973	1,421,986,858
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	23	2,028,239,879	1,859,640,141

The annexed notes 1 to 38 form an integral part of these financial statements.

Saeed Iqbal Chaudhry
Chairman

Nusrat Yar Ahmad
Chief Executive

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



	Note	2008 Rupees	2007 Rupees
INCOME			
Brokerage revenue	24	185,620,250	196,456,370
Capital gain	25	68,975,490	21,182,043
Other income	26	43,915,508	6,744,395
		298,511,248	224,382,808
EXPENDITURE			
Administrative and operating expenses	27	211,663,403	134,810,091
Financial charges	28	88,794,049	51,951,745
Provision for diminution in fair value of investments		2,575,076	3,357,550
		303,032,528	190,119,386
Profit / (loss) before taxation		(4,521,280)	34,263,422
Provision for taxation	29	(14,946,920)	(16,374,066)
Profit / (loss) after taxation		(19,468,200)	17,889,356
Basic & diluted earning / (loss) per share	30	(0.079)	0.511

The annexed notes 1 to 38 form an integral part of these financial statements.

Saeed Iqbal Chaudhry
Chairman

Nusrat Yar Ahmad
Chief Executive

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2008



	2008 Rupees	2007 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	(4,521,279)	34,263,422
Adjustments for non cash charges and other items:		
Depreciation	11,932,137	9,135,527
Amortization	585,911	806,651
Financial charges	88,794,049	51,951,745
Loss / (gain) on disposal of fixed assets	(243,307)	298,768
Provision for / (reversal of) dimunition in value of investments	2,575,076	3,357,550
	103,643,866	65,550,241
Cash flows from operating activities before working capital changes	99,122,587	99,813,663
Working capital changes		
(Increase) / decrease in current assets		
Short term investments	(71,931,584)	10,082,566
Trade Debtors	(487,852,081)	362,693,673
Current maturity of long term loans	(1,414,344)	(840,729)
Receivable against securities transaction	222,323,762	(222,323,762)
Advances, deposits, prepayments and other receivables	(27,354,308)	(38,347,372)
	(366,228,555)	111,264,376
Increase / (decrease) in current liabilities		
Payable against repo	-	(596,111,425)
Short-term finance	1,163,324,685	99,379,017
Amalgamation working capital adjustment	(43,738,600)	-
Trade creditors, accrued and other liabilities	(1,152,788,948)	1,215,786,785
	(33,202,863)	719,054,377
Net change in working capital	(399,431,418)	830,318,753
Cash generated from / (used in) operation	(300,308,831)	930,132,416
Financial charges paid	(64,756,828)	(67,599,081)
Income tax paid	(14,946,920)	(7,675,728)
	(79,703,748)	(75,274,809)
Net cash generated from / (used in) operating activities	(380,012,579)	854,857,607
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(51,192,566)	(86,748,023)
Long term loans	984,626	(9,261,247)
Long term deposit	(4,929,310)	(4,087,650)
Sale proceeds from disposal of tangible fixed assets	2,618,793	1,234,639
Net cash used in investing activities	(52,518,457)	(98,862,281)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loans	-	(26,666,666)
Subordinated loan	121,000,000	-
Finance lease liability	(3,902,871)	(3,995,140)
Net cash generated from / (used in) financing activities	117,097,129	(30,661,806)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(315,433,907)	725,333,520
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	374,868,732	(350,464,788)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	59,434,825	374,868,732

The annexed notes 1 to 38 form an integral part of these financial statements.

Saeed Iqbal Chaudhry
Chairman

Nusrat Yar Ahmad
Chief Executive

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2008



	Issued, subscribed and paid-up capital	Capital reserve on amalgamation	Revenue reserves / accumulated profit / (loss)	Subordinated loan	Total
Rupees.....				
Balance as at July 01, 2006	200,000,000	-	132,409,235	-	332,409,235
Incremental depreciation charged for the year	-	-	465,497	-	465,497
Profit for the year	-	-	17,889,356	-	17,889,356
Issue of bonus shares	150,000,000	-	(150,000,000)	-	-
Balance as at June 30, 2007	350,000,000	-	764,088	-	350,764,088
Balance as at July 1, 2007					
Shares of legal parent	100,000,000	-	764,088	-	100,764,088
Issue of shares on amalgamation to ICSL shareholders in ratio 1:7	2,450,000,000	-	-	-	2,450,000,000
Capital reserve on amalgamation	-	(2,388,554,050)	-	-	(2,388,554,050)
Issue of shares to creditors	237,054,050	-	-	-	237,054,050
Adjustment of capital reserve on reduction of capital	(2,040,630,350)	2,040,630,350	-	-	-
Subordinated loan	-	-	-	121,000,000	121,000,000
Incremental depreciation charged for the year	-	-	442,222	-	442,222
Loss for the year	-	-	(19,468,200)	-	(19,468,200)
Balance as at June 30, 2008	746,423,700	(347,923,700)	(18,261,890)	121,000,000	501,238,110

The annexed notes 1 to 38 form an integral part of these financial statements.

Saeed Iqbal Chaudhry
Chairman

Nusrat Yar Ahmad
Chief Executive

Invest Capital Investment Bank Limited
(formerly Asset Investment Bank Limited)

1. LEGAL STATUS AND OPERATIONS

Invest Capital Investment Bank Limited-ICIBL (formerly Asset Investment Bank Limited-AIBL) was formed after the amalgamation of AIBL with Invest Capital and Securities (Private) Limited-ICSL through the order of Lahore High Court, Rawalpindi Bench dated March 27, 2007 for the sanction of the arrangement of amalgamation. Subject to the restrictions, if any, the Bank will perform all the businesses and the activities that the two separate entities were performing before the amalgamation. Pursuant to the same order the name of the company was changed to Invest Capital Investment Bank Limited.

ICIBL is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. Securities and Exchange Commission of Pakistan (SECP) on February 29, 2008 has issued a license to the company to carry out Investment Finance Services as a Non Banking Finance Company under Section 282C of the Companies Ordinance, 1984 and Non Banking Finance Companies (Establishment and Regulations) Rules, 2003. ICIBL's shares are quoted on the Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the company is situated in Karachi.

JCR VIS Credit Rating Company Limited has assigned to the Company a medium to long term entity rating of "A-" (Single A Minus) and a short term rating of "A-2" (A Two) with the outlook on the rating as "Positive".

In compliance with rule no. 7 (2) (n) of the NBFC Rules, 2003, the company has to separate its brokerage business from the investment services by the end of this year.

2. STATEMENT OF COMPLIANCE

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984 except for the disclosure requirements of Clause 3C of Part II of the Fourth Schedule of the Companies Ordinance, 1984 in respect of which the SECP has given exemption to all NBFCs vide their letter No.SC/NBFC-1/R/2005, dated August 29 2005. Approved accounting standards comprise of such International Accounting Standards (IASs) as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984, or regulations / directives issued by the SECP and the SBP differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.2 Adoption of new & revised standards

The following standards, interpretations and amendments in approved accounting standards are effective from accounting periods beginning from the dates specified, below. These standards are either not relevant to the company's operations or are not expected to have significant impact on the company's financial statements other than increase in disclosures in certain cases:

- Revised IAS 1 - Presentation of Financial Statements (effective for annual periods beginning on or after January 1, 2009)
- Revised IAS 23 - Borrowing Costs (effective from January 1, 2009)
- IAS 29 - Financial Reporting in Hyperinflationary Economics (applicable to period beginning from July 1, 2008)
- IAS 32 (amendment) - Financial Instruments: Presentation and consequential amendment to IAS 1 - Presentation of Financial Statements (effective for annual period beginning on or after January 1, 2009).
- IFRS 2 (amendment) - Share-based Payments (effective for annual periods beginning on or after January 1, 2009)
- IFRS 3 (amendment) - Business Combinations and consequential amendments to IAS 27 - Consolidated and separate Financial Statements, IAS 28 - Investment in associates and IAS 31 - Interest in Joint Ventures. (effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July, 1, 2009)

- IFRS 7 - Financial Instruments : Disclosures (applicable for periods beginning from July 1, 2008)
- IFRIC 12 - Service Concession Arrangements (effective for annual periods beginning on or after July 1, 2008)
- IFRIC 13 - Customer Loyalty Programmes (effective for annual periods beginning on or after July 1, 2008)
- IFRIC 14 - IAS 19 - The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective for annual periods beginning on or after January 1, 2009)
- IFRIC 15 - Agreement for the Construction of Real Estate (effective for annual periods beginning on or after January 1, 2009); and
- IFRIC 16 - Hedge of Net Investment in a Foreign Operation (annual periods beginning on or after October 1, 2008)

2.3 Initial application of a standard or an interpretation

Amendments to IAS 1 - Presentation of Financial Statements - "Capital Disclosures" introduces new disclosures about the level of an entity's capital and how it manages capital. Adoption of this amendment has only resulted in additional disclosure given in the note 34.5 to the financial statements.

2.4 Critical accounting judgments and key sources of estimation of uncertainty

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amount of the assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. 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 current period. Revisions 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.

In applying the accounting policies, the management has made following critical judgments and estimated uncertainty that have the significant effect on the amounts recognized in financial statements. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- Classification of investments
- Provisions made in the financial statements

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for investments which are stated at fair value, fixed assets & membership cards which are stated at revalued amount.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Fixed assets

Owned

Property, Plant and Equipment, other than Land carrying value of which is not amortized are stated at cost or revalued amount less accumulated depreciation and accumulated impairment losses (if any). Land is carried at cost. Surplus on revaluation of property, plant and equipment is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure the carrying amount of assets does not differ materially from their fair values.

Depreciation is charged to income applying the reducing balance method over the estimated useful life of related assets, at the rates specified in Note no. 5 to the accounts. Full year's depreciation on fixed assets is charged in the year of acquisition, whereas no depreciation is charged in the year of disposal.

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

Gain and Losses on disposal of fixed assets are included in income currently.

The company assesses at each balance sheet date whether there is any indication that a fixed assets 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.

Leased assets

Assets held under finance lease are accounted for by recording the asset and related liability at fair value of the asset or, if lower, 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.

Intangible assets

These are stated at cost less accumulated amortization and accumulated impairment losses (if any).

4.2 Membership cards and room

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

4.3 Investments

Held to maturity

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

Available-for-sale

Investments which are not held for trading but may be sold in response to the need for liquidity or changes in market rates are classified as available for sale. These are initially measured at cost, being fair value of the consideration given. Subsequent to initial recognition, investments in quoted securities are marked to market, in accordance with the guidelines contained in the State Bank of Pakistan's BSD Circular No. 20 dated August 4, 2000 using rates quoted on Reuters, stock exchange quotes and brokers' quotations. Any difference between the carrying amount (representing cost adjusted for amortisation of premium or discount, if any) and market value is taken to surplus / (deficit) on revaluation of investments account and shown separately in the balance sheet below shareholders' equity. At the time of disposal the respective surplus or deficit is transferred to the profit and loss account currently.

Investment at fair value through profit or loss

These investments are acquired principally for the purpose of generating profit from short term fluctuations in the price. These are stated at their fair values with any resulting gains or losses recognized in the profit and loss account.

4.4 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income currently.

4.5 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also accordingly offset.

4.6 Trade debts

These are stated net of provision for doubtful debts. Full provision is made against the debt considered doubtful.

4.7 Provisions

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

4.8 Taxation

Current

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

Deferred

Deferred tax is recognized using the liability method for all temporary differences between the carrying amounts of assets and liabilities at the balance sheet date and the amounts used for taxation purposes. The amount of deferred tax provided is based on expected manner of realization or settlement of the carrying amount of assets and liabilities using the current rates of taxation.

4.9 Revenue recognition

Brokerage, advisory fees, commission and other income are recognized on accrual basis. Sales and purchases of investments are recognized on the date of settlement. Capital gains and losses on sale of investments are taken to income on the date of settlement. Dividend income and underwriting commission are recognized as and when received.

4.10 Borrowing costs

Borrowing costs are charged as expense in the period these are incurred.

4.11 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and at bank and includes short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at cost, except for foreign currency deposits which are carried at fair value.

4.12 Staff retirement benefits - defined contribution plan

The company operates a recognized provident fund scheme for all its employees who are eligible for the benefit. Contributions are made to cover the obligations under the scheme.

4.13 Fiduciary assets

Assets held in trust or in a fiduciary capacity are not treated as assets of the company and accordingly are not included in these financial statements.

4.14 Related party transactions

All transactions with the related parties are carried out at arm's length basis.

4.15 Foreign currency transactions

Foreign currency transactions are translated into Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the balance sheet date. Exchange differences are taken to profit and loss account.

4.16 Securities under resale / repurchase agreements

Securities sold under repurchase agreement (Repo) are retained in the books as investments and its counter-part liability is included in repurchase agreement borrowings. The difference between sale and repurchase price is treated as mark-up expense and recognized over the period of contract.

Securities purchased under agreement to resell (reverse Repo) are included in lending to financial institutions. The difference between purchase and resale price is treated as mark-up income and recognized over the period of the contract.

4.17 Impairment

An assessment is made at each balance sheet date to determine whether there is evidence that an asset or a group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and impairment loss is recognized for the difference between the recoverable amount and the carrying amount in income currently.

4.18 Settlement date accounting

All regular way purchases and sales of financial assets are recognized on settlement date, i.e. the date on which the asset is delivered to or by the company. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

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



5. PROPERTY, PLANT AND EQUIPMENT

	Owned assets							Leased assets		Total	
	Land & building	Office premises	Office renovation	Furniture & fixture	Office equipment	Electric fitting	Vehicles	Sub total	Vehicles		Sub total
	Rupees							Rupees			
2007											
Cost											
As at July 1, 2006	-	3,610,622	-	8,756,993	19,686,427	2,838,466	7,799,790	42,692,298	8,788,500	8,788,500	51,480,798
Addition during the year	60,769,000	-	-	1,984,260	9,109,744	-	12,196,181	84,059,185	8,501,000	8,501,000	92,560,185
Revaluation of asset	-	8,794,978	-	-	-	-	-	8,794,978	-	-	8,794,978
Transfers during the year	-	-	-	-	-	-	2,511,500	2,511,500	(2,511,500)	(2,511,500)	-
Sales during the year	-	-	-	(935,249)	(731,901)	(40,922)	(2,322,300)	(4,030,372)	(1,404,000)	(1,404,000)	(5,434,372)
As at June 30, 2007	60,769,000	12,405,600	-	9,806,004	28,064,270	2,797,544	20,185,171	134,027,589	13,374,000	13,374,000	147,401,589
Accumulated Depreciation											
As at July 1, 2006	-	-	-	3,857,376	8,065,018	1,145,783	4,280,203	17,348,380	3,055,892	3,055,892	20,404,272
Addition during the year	-	620,280	-	642,582	2,039,552	167,643	3,255,638	6,725,695	2,409,832	2,409,832	9,135,527
Transfers during the year	-	-	-	-	-	-	1,225,612	1,225,612	(1,225,612)	(1,225,612)	-
Sales during the year	-	-	-	(477,193)	(396,272)	(24,665)	(1,598,835)	(2,496,965)	(505,440)	(505,440)	(3,002,405)
As at June 30, 2007	-	620,280	-	4,022,765	9,708,298	1,288,761	7,162,618	22,802,722	3,734,672	3,734,672	26,537,394
Net book value	60,769,000	11,785,320	-	5,783,239	18,355,972	1,508,783	13,022,553	111,224,867	9,639,328	9,639,328	120,864,195
2008											
Cost											
As at July 1, 2007	60,769,000	12,405,600	-	9,806,004	28,064,270	2,797,544	20,185,171	134,027,589	13,374,000	13,374,000	147,401,589
Addition by business combination	-	-	1,055,453	1,324,402	1,863,073	-	783,500	5,026,428	-	-	5,026,428
Addition during the year	24,243,000	-	-	3,272,550	2,865,834	-	19,631,372	50,012,756	-	-	50,012,756
Revaluation of asset	-	-	-	-	-	-	-	-	-	-	-
Transfers during the year	-	-	-	-	-	-	2,189,000	2,189,000	(2,189,000)	(2,189,000)	-
Sales during the year	-	-	-	(246,236)	(49,500)	-	(5,165,135)	(5,460,871)	-	-	(5,460,871)
As at June 30, 2008	85,012,000	12,405,600	1,055,453	14,156,720	32,743,677	2,797,544	37,623,908	185,794,902	11,185,000	11,185,000	196,979,902
Accumulated Depreciation											
As at July 1, 2007	-	620,280	-	4,022,765	9,708,298	1,288,761	7,162,618	22,802,722	3,734,672	3,734,672	26,537,394
Addition by business combination	-	-	995,994	999,834	1,394,878	-	526,762	3,917,468	-	-	3,917,468
Addition during the year	-	589,266	19,818	932,183	2,165,432	150,878	6,370,848	10,228,425	1,703,712	1,703,712	11,932,137
Transfers during the year	-	-	-	-	-	-	1,068,232	1,068,232	(1,068,232)	(1,068,232)	-
Sales during the year	-	-	-	(187,706)	(13,815)	-	(2,858,193)	(3,059,714)	-	-	(3,059,714)
As at June 30, 2008	-	1,209,546	1,015,812	5,767,076	13,254,793	1,439,639	12,270,267	34,957,133	4,370,152	4,370,152	39,327,285
Net book value	85,012,000	11,196,054	39,641	8,389,644	19,488,884	1,357,905	25,353,641	150,837,769	6,814,848	6,814,848	157,652,617
Depreciation Rate %	-	5	33.33	10	10	10	20		20		

5.1 Particulars of fixed assets sold during the year :

Description	Original cost	Accumulated depreciation	Written down value	Sale proceeds	Profit/(Loss)	Mode of disposal	Particulars of buyers
Rupees							
Owned assets							
Toyota Corolla	939,000	(554,386)	384,614	454,000	69,386	Through negotiation	Muhammad Arif
Honda VTI	1,317,600	(885,850)	431,750	450,000	18,250	Through negotiation	Mr. Sulaiman
Honda Civic	1,074,181	(292,757)	781,424	927,279	145,855	Insurance claim	Insurance claim
Honda EXI	982,500	(539,825)	442,675	443,693	1,018	Through negotiation	Abdul Rashid
Motorcycle	68,354	(58,613)	9,741	11,000	1,259	Through negotiation	Mr. Meezan
Furniture and Fixtures	246,239	(187,706)	58,533	47,169	(11,364)	Through negotiation	Miscellaneous buyers
Office Equipment	49,500	(13,815)	35,685	28,914	(6,771)	Through negotiation	Miscellaneous buyers
Vehicle	783,500	(552,436)	231,064	256,738	25,674	Through negotiation	Syed Naveed Zaidi
Total : 2008	5,460,874	(3,085,388)	2,375,486	2,618,793	243,307		
Total : 2007	4,030,372	(2,496,965)	1,533,407	1,234,639	(298,768)		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008



6. INTANGIBLES

	-----COST-----			-----AMORTIZATION-----		BOOK VALUE	
	As at July 1, 2007	Addition	As at June 30, 2007	Accumulated As at July 1, 2007	For the Year	Accumulated As at June 30, 2008	As at June 30, 2008
Computer softwares	2,688,838	70,850	2,759,688	806,651	585,911	1,392,562	1,367,126
2008	<u>2,688,838</u>	<u>70,850</u>	<u>2,759,688</u>	<u>806,651</u>	<u>585,911</u>	<u>1,392,562</u>	<u>1,367,126</u>
2007	<u>-</u>	<u>2,688,838</u>	<u>2,688,838</u>	<u>-</u>	<u>806,651</u>	<u>806,651</u>	<u>1,882,187</u>

7. MEMBERSHIP CARDS AND ROOM

Membership card of Karachi Stock Exchange & National Commodity Exchange Limited Room

Note

2008 Rupees	2007 Rupees
82,500,000	82,500,000
15,000,000	15,000,000
<u>97,500,000</u>	<u>97,500,000</u>

8. GOODWILL

The acquisition was accounted for under the purchase method and was identified as reverse acquisition. The calculation of goodwill arrived is as follows;

Cost of business combination	48,500,000	-
Less : Net fair value of assets, liabilities and contingent liabilities	(43,738,600)	-
	<u>92,238,600</u>	<u>-</u>

Since the fair value of ordinary shares of the legal subsidiary (Invest Capital and Securities (Private) Limited) is not clearly evident, the total fair value of the ordinary shares of legal parent (Invest Capital Investment Bank Limited) before the combination is used. The cost of business combination comprises of fair value of 10,000,000 ordinary shares of ICIBL already in issue at the date of business combination i.e. Rs. 48.50 million at a market value of Rs. 4.85 per ordinary shares as at June 30, 2007.

9. LONG TERM LOANS

Loan to employees - unsecured & considered good	9.1		
Executives	9.2	21,616,614	19,658,550
Other employees		4,333,187	5,906,033
		<u>25,949,801</u>	<u>25,564,583</u>
Less: current maturity	13	(6,188,416)	(4,818,572)
		<u>19,761,385</u>	<u>20,746,011</u>

9.1 These represent interest free loans to staff and are repayable in equal monthly installments, in accordance with company's policies for staff loans.

9.2 Executives

Opening Balance	19,658,550	12,787,928
Add: Employees promoted to executive category	886,948	-
Add: Disbursements during the year	7,342,208	12,317,570
	<u>27,887,706</u>	<u>25,105,498</u>
Less: Repayments during the year	(6,271,092)	(5,446,948)
Closing Balance	<u>21,616,614</u>	<u>19,658,550</u>

The maximum balance outstanding from executives at the end of any month during the year was:

<u>21,616,614</u>	<u>19,658,550</u>
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008



	Note	2008 Rupees	2007 Rupees
10. LONG TERM DEPOSITS - unsecured and considered good			
Security Deposits			
For assets acquired on leases			
		1,107,400	1,326,300
		3,310,000	2,360,000
		3,502,000	3,502,000
		5,637,609	1,394,899
		<u>13,557,009</u>	<u>8,583,199</u>
	13	(263,400)	(218,900)
		<u>13,293,609</u>	<u>8,364,299</u>
11. SHORT-TERM INVESTMENTS			
Investments at fair value through profit or loss			
Quoted securities			
	11.1	41,628,924	70,255,454
	11.2	47,540	100,000
Available-for-sale			
Quoted securities			
	11.3	70,000	-
	11.4	9,500	-
	11.5	85,879,519	-
		<u>127,635,483</u>	<u>70,355,454</u>
11.1 Units of closed and open ended mutual funds			
		23,750,000	26,125,000
		17,878,924	18,723,900
		-	10,270,000
		-	10,117,554
		-	5,019,000
		<u>41,628,924</u>	<u>70,255,454</u>
11.2 Term finance certificates			
		47,540	100,000
		<u>47,540</u>	<u>100,000</u>
11.3 Term finance certificates			
		70,000	-
		<u>70,000</u>	<u>-</u>
11.4 Units of closed ended mutual fund			
		9,500	-
		<u>9,500</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008



11.5 Ordinary shares

	2008		2007		2008		2007	
	No. of shares		Name	Cost	Market Value	Cost	Market Value	
10,000	-	Standard Chartered Bank (Pak.) Ltd	429,986	235,100	-	-	-	
2,500	-	Arif Habib Securities Limited	411,875	403,700	-	-	-	
41,750	-	Askari Bank Limited	2,422,935	1,677,932	-	-	-	
362,350	-	The Bank of Punjab	13,939,676	11,279,955	-	-	-	
3,500	-	Faysal Bank Limited	125,090	122,640	-	-	-	
100	-	First Cap. Sec. Corp. Ltd	7,062	5,920	-	-	-	
26,105	-	NIB Bank Limited	494,789	296,814	-	-	-	
20,303	-	National Bank of Pakistan	4,444,832	2,994,693	-	-	-	
7,000	-	MCB Bank Limited	2,742,378	2,284,660	-	-	-	
92,625	-	BankIslami Pakistan Ltd	1,278,512	1,371,776	-	-	-	
72,500	-	Mybank Limited	1,776,605	1,357,200	-	-	-	
3,000	-	Adamjee Insurance Limited	828,630	812,160	-	-	-	
5,500	-	Samin Textile Limited	318,294	152,460	-	-	-	
3,500	-	Dandot Cement Limited	68,544	76,650	-	-	-	
3,500	-	DG Khan Cement Limited	239,715	234,990	-	-	-	
1,000	-	Lucky Cement Limited	99,900	97,930	-	-	-	
50,000	-	Zeal Pak Cement Factory Ltd	245,049	137,000	-	-	-	
4,900	-	Shell Pakistan Limited	2,215,537	2,043,300	-	-	-	
10,000	-	Fauji Fertilizer Company Ltd	1,322,164	1,323,200	-	-	-	
59,000	-	Fauji Fertilizer BinQasim Ltd	2,047,314	2,122,230	-	-	-	
13,500	-	Glaxo Smithkline Pak. Ltd	2,805,726	2,295,000	-	-	-	
10,000	-	Sitara Peroxide Limited	562,513	543,200	-	-	-	
60,000	-	Bosicor Pakistan Limited	855,771	804,000	-	-	-	
10,000	-	Packages Limited	2,790,858	2,518,900	-	-	-	
190,000	-	P.T.C.L (A)	7,832,916	7,341,600	-	-	-	
1,037,444	-	Saudi Pak Comm. Bank Ltd	19,746,508	15,717,277	-	-	-	
165,700	-	OGDCL	21,220,391	20,606,452	-	-	-	
500	-	Azgard Nine Limited	31,090	30,780	-	-	-	
150,868	-	Worldcall Telecom Limited	2,601,485	2,190,603	-	-	-	
383	-	Askari Bank Ltd.	40,560	15,393	-	-	-	
800,000	-	National Asset Leasing Corp. Ltd	800,000	496,000	-	-	-	
320	-	Security Leasing Corp. Ltd	3,504	2,205	-	-	-	
51,264	-	First Dawood Inv. Bank Ltd	1,484,093	3,585,917	-	-	-	
25,000	-	First Islamic Modaraba	72,500	77,000	-	-	-	
700,000	-	Harum Textile Mills Ltd	1,610,000	602,000	-	-	-	
4,000	-	Dadabhoj Cement Industries Ltd	40,400	22,600	-	-	-	
10	-	Pioneer Cement Ltd	374	282	-	-	-	
			97,957,576	85,879,519				

12. TRADE DEBTORS - Unsecured	Note	2008	2007
		Rupees	Rupees
Considered good	12.1	1,352,383,735	864,531,654
Considered doubtful		3,858,985	3,919,670
Provision for doubtful debts		1,356,242,720	868,451,324
		(3,858,985)	(3,919,670)
		1,352,383,735	864,531,654
12.1		These include an amount of Rs. 777.94 million (2007: Nil) against margin financing.	
13. CURRENT MATURITIES OF NON - CURRENT ASSETS		2008	2007
Long term loans		6,188,416	4,818,572
Long term deposits		263,400	218,900
		6,451,816	5,037,472

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008



	Note	2008 Rupees	2007 Rupees
14. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances - unsecured, considered good			
- for renovation & office equipments		47,129,690	-
- to vendors		575,000	6,979,400
- others		176,000	-
- income tax - net	14.1	28,043,250	13,296,126
Prepayments		8,608,565	2,077,434
Other receivables		15,988,178	50,813,415
		100,520,683	73,166,375

14.1 It includes an amount of Rs. 2,532,770 (2007: Rs. 2,532,770) as tax recoverable. In the original assessments made by the Deputy Commissioner of Income Tax (DCIT), the rate used for assessments years 1993-94 to 1998-99 has been that of applicable to the banking companies. However, in the appeals filed against the original assessments upto the assessment year 1997-98, the Commissioner of Income Tax (Appeals) [CIT (A)] directed the DCIT to apply the rate as applicable to a public company. The Tax department filed appeal against this order of CIT (A) to Income Tax Appellate Tribunal (ITAT). The ITAT, in its decision on the issue of the applicability of tax rate in respect of assessment years 1991-92 to 1997-98 held that investment banks are not banking companies and therefore the rate applicable to a public company should be applied. However, this case was taken to Lahore High Court by the tax authorities against the ITAT orders.

In the original assessments made by the DCIT for the assessment years 1994-95 to 2000-01 except for assessment year 1997-98, the dividend income was taxed by applying the rate applicable to the business income of a banking company instead of applying the reduced rate of 5% as prescribed by law. The CIT (A) and ITAT have confirmed that such income is taxable at the reduced rate of 5%. However, the Tax authorities have filed appeals against the ITAT orders in the Lahore High Court for assessment years 1995-96 and 1996-97. For assessment year 1997-98, the High Court has already decided the matter of taxation of dividend income against the tax authorities.

15. CASH AND BANK BALANCES

Balance with banks in:

- Current accounts			
- State Bank of Pakistan	15.1	109,565	-
- Local currency		32,671,609	43,659,647
		32,781,174	43,659,647
- Deposit accounts - local currency	15.2	26,554,403	331,144,426
		59,335,577	374,804,073
- Cash in hand			
- Local currency		99,248	64,659
		59,434,825	374,868,732

15.1 This represents amount deposited with the State Bank of Pakistan as required under the relevant provision (nowsuperseded) of the State Bank of Pakistan's Prudential Regulations to maintain liquidity reserve against certain specified liabilities.

15.2 These bank accounts carry mark-up ranging from 1 to 8.25 (2007: 1.2 to 9.25) percent per annum.

16. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

74,642,370 (2007 : 19,990,000) Ordinary shares of Rs. 10 /-each issued for cash.	16.1	746,423,700	199,900,000
Nil (2007 : 15,010,000) Ordinary shares of Rs. 10 /-each issued as bonus shares.	16.2	-	150,100,000
		746,423,700	350,000,000

- 16.1** Paid up capital of the Company has been reduced from 278,705,405 ordinary shares of Rs. 10/- each to 74,642,370 ordinary shares of Rs. 10/- each. This paid up capital was reduced as per SECP instructions through letter No. SEC/NBFC-1/IMH/ICIBL/2007/642 dated December 26, 2007.

SECP, on the bases of submitted Consolidated Financial Statements, advised the Company, to rationalize the capital structure through reduction of capital by excluding goodwill, surplus on revaluation of fixed assets and deferred tax reserves.

Accordingly, the Company passed a special resolution in an extra ordinary general meeting held on January 10, 2008 to reduce paid up capital by Rs. 2,040.6 million under section 96 (1) (ii) of the Companies Ordinance, 1984. Subsequently a petition was filed in the Honorable Lahore High Court, Rawalpindi Bench for the confirmation of the reduced capital, which was confirmed by the Honorable Islamabad High Court through its order dated March 7, 2008. The effective date of reduction of the share capital is May 2, 2008.

	Number of Ordinary share of Rs.10 each	
	2008	2007
16.2 Reconciliation of ordinary shares		
Opening balance of ordinary shares of Rs. 10/- each legal parent (2007: legal subsidiary)	10,000,000	19,990,000
Ordinary shares issued as bonus shares	-	15,010,000
Ordinary shares issued on amalgamation	245,000,000	-
Ordinary shares issued to creditors	23,705,405	-
Ordinary shares reduced on reduction of share capital	(204,063,035)	-
Closing balance of ordinary shares of Rs. 10/- each	<u>74,642,370</u>	<u>35,000,000</u>

17. SUBORDINATED LOAN

In compliance with the NBFC Regulations the Board of the company has decided to raise the equity of the company to Rs. 500 million by way of subordinated loan from the sponsor shareholders. The loan does not carry any markup and is convertible into shares of the company by way of issue of right shares. Excess amount, if any, shall be refundable if the amount needed to subscribe right shares, offered by the company, to which the sponsors would be entitled to at the time of such issuance, is less than the amount standing as credit in respect of loan to the company.

18. FAIR VALUE RESERVE / (DEFICIT)

	2008 Rupees	2007 Rupees
Available-for-sale		
Quoted securities		
- Ordinary Shares	(12,230,517)	-
- Units of closed ended mutual funds	1,578	-
	<u>(12,228,939)</u>	<u>-</u>

19. SURPLUS ON REVALUATION OF FIXED ASSETS

	2008			2007		
	Office premises	Cards & Room	Total	Office premises	Cards & Room	Total
Opening balance	8,844,446	73,150,000	81,994,446	-	32,650,000	32,650,000
Add: revaluation during the year	-	-	-	9,309,943	40,500,000	49,809,943
Less: incremental depreciation	(442,222)	-	(442,222)	(465,497)	-	(465,497)
	<u>8,402,224</u>	<u>73,150,000</u>	<u>81,552,224</u>	<u>8,844,446</u>	<u>73,150,000</u>	<u>81,994,446</u>

The revaluation was carried on June 25, 2007 by the independent valuer M/s Zafar Iqbal & Co., Surveyors, Loss Adjusters, Valuation & Engineering Consultants using present market value being the basis of revaluation.

20. LIABILITY AGAINST ASSET SUBJECT TO FINANCE LEASE

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

	2008 Rupees		2007 Rupees	
	Minimum lease payments	Present value	Minimum lease payments	Present value
Not later than one year	3,909,319	3,603,698	4,700,391	3,902,871
After one year but not more than five years	1,303,088	1,291,051	5,212,407	4,894,749
Total minimum lease payments	<u>5,212,407</u>	<u>4,894,749</u>	<u>9,912,798</u>	<u>8,797,620</u>
Less: Amounts representing finance charges	317,658	-	1,115,178	-
Present value of minimum lease payments	<u>4,894,749</u>	<u>4,894,749</u>	<u>8,797,620</u>	<u>8,797,620</u>
Less: Current portion	3,603,698	3,603,698	3,902,871	3,902,871
	<u>1,291,051</u>	<u>1,291,051</u>	<u>4,894,749</u>	<u>4,894,749</u>

The above schedule represents finance lease agreements entered into with a financial institution for vehicle. Financing rate ranges from 13.50% to 14.00% per annum (2007: 11.50% to 14.00% per annum) approximately have been used as discounting factor. The company has an option to purchase the leased asset upon completion of the lease period by adjusting the security deposit and has intention to exercise the option.

21. SHORT TERM FINANCE - Secured	Note	2008	2007
		Rupees	Rupees
Facility I	21.1	190,245,686	79,608,722
Facility II	21.2	-	566,295
Facility III	21.3	150,332,107	-
Facility IV	21.4	146,919,209	-
Facility V	21.5 & 21.6	775,206,700	-
		<u>1,262,703,702</u>	<u>80,175,017</u>

- 21.1** The aggregate facility amounting to Rs.200,000,000 (2007: Rs.350,000,000) has been obtained from a commercial bank which is secured against Hypothecation charge over present and future receivables of the company. The mark up rate on facility is 3 months KIBOR+ 3.21% p.a.(2007: 3 months KIBOR+ 3.21% p.a.) on outstanding balance.
- 21.2** The aggregate facility amounting to Rs.600,000,000 (2007: Rs.600,000,000) has been obtained from a commercial bank which is secured against pledge of shares of companies quoted at Karachi Stock Exchange. The mark up rate on facility is 3 months KIBOR+ 2% p.a. with floor at 12.00% p.a. (2007: 3 months KIBOR+2% p.a. with floor of 12.00% p.a.) on outstanding balance.
- 21.3** The aggregate facility amounting to Rs.350,000,000 (2007: Rs.350,000,000) has been obtained from a commercial bank which is secured against pledge of shares of companies quoted at Karachi Stock Exchange. The mark up rate on facility is 3 months KIBOR+ 1.00% p.a. with floor of 11.00% p.a. (2007: 3 months KIBOR+2.50% p.a. with floor of 12.50% p.a.) on outstanding balance.
- 21.4** The aggregate facility amounting to Rs.150,000,000 (2007: Rs.150,000,000) has been obtained from a commercial bank which is secured against pledge of shares of companies quoted at Karachi Stock Exchange and registered 1st Pari Passu Charge over the receivables of the company. The mark up rate on facility is 3 months KIBOR+ 2.00% p.a. (2007: 3 months KIBOR+2.00% p.a.) on outstanding balance.
- 21.5** The aggregate facility amounting to Rs.600,000,000 (2007: Nil) have been obtained from a commercial bank which is secured against pledge of shares of companies quoted at Karachi Stock Exchange. The mark up rate is 1 month KIBOR+ 1.40% p.a. (2007: Nil) on outstanding balance.
- 21.6** The aggregate facility amounting to Rs. 700,000,000 (2007: Nil) have been obtained from a commercial bank which is secured against pledge of companies quoted at Karachi Stock Exchange. The mark up rate is 1 month KIBOR+ 1.40% p.a. (2007: Nil) on outstanding balance.

22. CREDITORS, ACCRUED AND OTHER LIABILITIES	Note	2008 Rupees	2007 Rupees
Trade creditors		118,230,580	1,308,246,648
Accrued expenses	22.1	37,150,400	4,649,732
Accrued mark-up		26,669,728	2,632,507
Other liabilities		7,876,865	3,176,083
		189,927,573	1,318,704,970

- 22.1** This includes an amount of Rs. 9,619,445 (2007: Rs. 9,619,445) as liability that has been recognized against guarantees issued, on the basis of decrees passed by the Honourable Banking Court against the company for principal amount of Rs. 8.5 million kept in the contingent liabilities and mark-up up to the date of decrees. The management is confident to settle the issue between the concerned parties.

23. CONTINGENCIES AND COMMITMENTS

Contingencies

Guarantees issued on behalf of customers		5,237,547	-
Tax demand assessed but not provided, pending decisions of appeals and rectification application	23.1	7,862,547	-
Penalties imposed by SBP	23.2	8,990,000	-
Claim of return on deposits by a depositor not admitted by the company	23.3	1,717,000	-
		23,807,094	-

- 23.1** These demands are raised by making arbitrary additions to income, taxation of income already taxed, and by applying tax rate applicable to banking companies, instead of the tax rate applicable to public companies, which is confirmed by the full bench of Income Tax Appellate Tribunal. The Company is confident that these appeals will be decided in their favour. The Company has also filed rectification applications.

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



23.2 Penalties of Rs. 8.99 million (2007: Rs. 8.99 million) have been imposed on by State Bank of Pakistan (SBP), but the same have not been accounted for as the management has taken up the case with SBP for the waiver of these penalties.

23.3 This included claim of Rs. 1.717 million by House Building Finance Corporation which had not been recognized by the Company. The case is pending in the Sindh High Court, Karachi.

	Note	2008 Rupees	2007 Rupees
24. BROKERAGE REVENUE			
Money Market & Forex		35,477,521	33,285,576
Equity		150,142,729	163,170,794
		<u>185,620,250</u>	<u>196,456,370</u>
25. CAPITAL GAIN			
Gain on sale of Shares		68,975,490	21,182,043
		<u>68,975,490</u>	<u>21,182,043</u>
26. OTHER INCOME			
Dividend income		2,457,900	120,000
Markup on TFCs		12,377,786	221,476
Gain / (loss) on sale of fixed assets		243,307	(298,768)
Interest income		14,290,033	16,440,290
Bad debts recovered		324,686	-
Underwriting & distribution commission		7,821,520	4,463,399
Income from COT / CFS transaction		-	40,038,962
Long term investment written off		-	(57,500,000)
Others		6,400,276	3,259,036
		<u>43,915,508</u>	<u>6,744,395</u>
27. ADMINISTRATIVE AND OPERATING EXPENSES			
Directors' remuneration		8,486,196	6,916,669
Salaries, allowances and other benefits	27.1	92,712,251	64,149,006
Traveling, conveyance and vehicle running expenses		7,775,361	5,378,094
Office rent		11,970,234	3,114,938
Utility charges		2,047,859	1,657,671
Postage, telephone and telegram		5,968,672	4,873,595
Repair and maintenance		3,222,479	2,291,496
Insurance		2,556,520	2,013,633
Depreciation		11,932,137	9,135,527
Amortization		585,911	806,651
Fees and subscription		15,496,691	4,160,207
Entertainment		902,770	2,134,597
Newspaper and periodicals		97,064	63,648
Printing and stationery		3,544,741	1,432,180
Legal and professional charges		3,501,640	1,260,940
Auditors' remuneration	27.2	730,000	880,000
Service charges		13,551,311	10,251,434
CDC charges		4,589,077	4,459,693
Consultancy fees		12,925,055	3,412,600
Office expenses		4,473,771	929,902
Advertisement		3,545,885	2,449,077
Medical expense		22,447	2,178
Donations	27.3	50,000	16,150
Bad Debts		-	2,961,660
Others		975,331	58,545
		<u>211,663,403</u>	<u>134,810,091</u>

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



27.1 This includes retirement benefits of Rs. 3,658,191 (2007: Rs. 2,534,935) in respect of provident fund of the employees.

	2008 Rupees	2007 Rupees
27.2 Auditors' remuneration		
- Statutory audit fee	400,000	100,000
- Other professional services	230,000	780,000
- Out of pocket expenses	100,000	-
	<u>730,000</u>	<u>880,000</u>

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

28. FINANCIAL CHARGES

Markup on short term finance	87,035,489	50,010,252
Interest on finance Lease	797,520	1,107,676
	<u>87,833,009</u>	<u>51,117,928</u>
Bank charges	961,040	833,817
	<u>88,794,049</u>	<u>51,951,745</u>

29. TAXATION

Current	14,946,920	16,374,066
	<u>14,946,920</u>	<u>16,374,066</u>

Numeric tax reconciliation has not been provided as the deduction of tax at source is full and final discharge of tax liability.

Deferred tax asset has not been recognised as the company had carry forward losses.

30. BASIC & DILUTED EARNING / (LOSS) PER SHARE

Profit / (loss) after taxation	Rupees	(19,468,200)	17,889,356
Weighted average number of ordinary shares outstanding		<u>245,719,873</u>	<u>35,000,000</u>
Basic earning / (loss) per share	Rupee	<u>(0.079)</u>	<u>0.511</u>

There is no dilutive effect on basic earning per share.

31. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2008		2007	
	Rupees			
	Chief Executive	Executives	Chief Executive	Executives
Managerial remuneration	6,513,000	38,993,900	6,250,000	22,292,756
Bonus	1,539,000	10,340,875	250,000	6,824,499
Retirement benefits	434,196	2,374,922	416,669	1,454,057
Total	<u>8,486,196</u>	<u>51,709,697</u>	<u>6,916,669</u>	<u>30,571,312</u>
Number of persons	<u>1</u>	<u>21</u>	<u>1</u>	<u>15</u>

The Chief Executive and certain Executives are provided with free use of company maintained car.

32. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

No transaction during the year has been incurred with the associated undertakings.

33. POST BALANCE SHEET EVENTS

Subsequent to the year end, the Extra Ordinary General Meeting had been conducted on July 31, 2008 in which the directors of the company had been elected un-opposed for the next term.

34. FINANCIAL INSTRUMENTS

34.1 Credit Risk

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

34.2 Liquidity Risk

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

34.3 Interest / mark-up rate risk exposure

Interest rate risk is the risk of decline in earnings due to adverse movement of the interest rate curve. Interest rate risk arises from the possibility that changes in interest rate will affect the value of the financial instruments.

The company has financial instruments with both fixed and floating interest rates as specifically disclosed in the respective notes. The company while dealing in the financial instruments negotiates attractive fixed interest rates, which reduce the interest rate price risk. The effective interest rates are disclosed in the respective notes to the financial statements.

	2008				
	Interest rate %	Total	Within one year	Over one year	Non-interest bearing
Financial Assets					
		-----Rupees-----			
Long term deposits	-	13,557,009	263,400	13,293,609	13,557,009
Long term loans	-	25,949,801	6,188,416	19,761,385	25,949,801
Short-term investments	-	127,635,423	127,635,423	-	127,635,423
Trade Debtors	-	1,352,383,735	1,352,383,735	-	1,352,383,735
Advances, deposits and other receivables	-	100,520,683	100,520,683	-	100,520,683
Cash and bank balances	0.10 - 8.25	59,434,825	59,434,825	-	32,880,422
		<u>1,679,481,536</u>	<u>1,646,426,542</u>	<u>33,054,994</u>	<u>1,652,927,133</u>
Financial Liabilities					
Liabilities against assets subject to finance lease	13.50 - 14.00	4,894,749	3,603,698	1,291,051	-
Short term finance	K + 1.25 to K + 4.25 *	1,262,703,702	1,262,703,702	-	-
Creditors, accrued and other liabilities	-	189,927,573	189,927,573	-	189,927,573
		<u>1,457,526,024</u>	<u>1,456,234,973</u>	<u>1,291,051</u>	<u>189,927,573</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2008



	Interest rate %	2007			
		Total	Within one year	Over one year	Non-interest bearing
-----Rupees-----					
Financial Assets					
Long term deposits	-	8,364,299	218,900	8,145,399	8,364,299
Long term loans	-	25,564,583	4,818,572	20,746,011	25,564,583
Short-term investments	-	70,355,454	70,355,454	-	70,355,454
Trade Debtors	-	864,531,654	864,531,654	-	864,531,654
Advances, deposits and other receivables	-	73,166,375	73,166,375	-	73,166,375
Cash and bank balances	1.20 - 9.25	374,868,732	374,868,732	-	28,431,799
		<u>1,416,851,097</u>	<u>1,387,959,687</u>	<u>28,891,410</u>	<u>1,070,414,164</u>
Financial Liabilities					
Liabilities against assets subject to finance lease	11.5 - 14.0	8,797,620	3,902,871	4,894,749	-
Short term running finance	K+ 2.00 to K+4.25 *	80,175,017	80,175,017	-	-
Term finance	14	19,204,000	19,204,000	-	-
Creditors, accrued and other liabilities	-	1,318,704,970	1,318,704,970	-	1,318,704,970
		<u>1,426,881,607</u>	<u>1,421,986,858</u>	<u>4,894,749</u>	<u>1,318,704,970</u>

* K reflects the Karachi Inter Bank Offered Rate (KIBOR)

34.4 Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and fair value estimates.

Underlying the definition of fair value is the presumption that the company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

34.5 Capital risk management

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholder; and to maintain a strong capital base to support the sustained development of its businesses.

The company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves or/and issue new shares.

35. SEGMENT INFORMATION

Invest Capital Investment Bank's activities are broadly categorized in two primary business segments namely brokerage house, investment and financing activities within Pakistan. As defined in note 1 the company has obtained license for investment banking during the year, the company has not perform any activity related to investment banking.

The company has following reportable business segments on the basis of service characteristics:

Investment activities

Investment activities includes money market activities, investment in securities and capital market activities.

Brokerage

Money market brokerage

Principally involved in providing services as broker in money market operations and foreign exchange operations.

Equity brokerage

Principally involved in providing services as broker in equity market operations

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



Segment Information	2008			2007		
	Investment	Brokerage	Total	Investment	Brokerage	Total
External operating segment	-	254,595,740	254,595,740	-	217,638,413	217,638,413
Inter-segment revenue	-	-	-	-	-	-
Unallocated revenue	-	43,915,508	43,915,508	-	6,744,395	6,744,395
	-	298,511,248	298,511,248	-	224,382,808	224,382,808
Segment results	-	-	(48,436,788)	-	-	82,828,322
Unallocated revenue			43,915,508			6,744,395
Profit/ (loss) before taxation			(4,521,280)			89,572,717
Taxation			14,946,920			16,374,066
Net profit / (loss) for the year			(19,468,200)			73,198,651
Other information						
Segment assets	-	1,679,481,536	1,679,481,536	-	1,639,393,759	1,639,393,759
Unallocated assets			348,758,343			220,246,382
Total assets			2,028,239,879			1,859,640,141
Segment liabilities	-	1,452,631,275	1,452,631,275	-	1,418,083,987	1,418,083,987
Unallocated liabilities			4,894,749			8,797,620
Total liabilities			1,457,526,024			1,426,881,607
Capital expenditure		50,083,606			95,249,023	
Segment depreciation			11,932,137			9,135,527

Geographical segments

These financial statements represents operations of the company in Pakistan only.

36. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 9, 2008 by the Board of Directors of the Company.

37. CORRESPONDING FIGURES

The comparative information presented in financial statements is that of ICSL (legal subsidiary)

Corresponding figures have been rearranged and re-classified wherever necessary to facilitate comparison, however, no significant reclassifications has been made.

38. GENERAL

- (i) The financial statements are presented in Pak Rupees, which is the company's functional and presentation currency.
- (ii) Figures have been rounded off to the nearest rupee.

Saeed Iqbal Chaudhry
Chairman

Nusrat Yar Ahmad
Chief Executive

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2008



No. of Shareholders	From	Shareholding To	Shares Held
199	1	100	8,867
598	101	500	124,729
177	501	1,000	117,491
286	1,001	5,000	569,383
46	5,001	10,000	314,651
17	10,000	15,000	213,986
7	15,001	20,000	124,131
3	20,001	25,000	67,331
5	25,001	30,000	134,307
2	30,001	35,000	66,820
2	35,001	40,000	77,063
1	45,001	50,000	50,000
3	60,001	65,000	192,200
1	70,001	75,000	71,063
1	80,001	85,000	80,345
1	85,001	90,000	88,500
1	90,001	95,000	92,981
1	100,001	105,000	103,109
2	130,001	135,000	266,477
1	170,001	175,000	175,000
1	335,001	340,000	339,781
1	575,001	580,000	577,147
1	960,001	965,000	962,351
1	990,001	995,000	990,926
1	1,095,001	1,100,000	1,095,158
1	1,115,001	1,120,000	1,117,876
1	1,405,001	1,410,000	1,405,537
1	1,850,001	1,855,000	1,852,721
3	2,550,001	2,555,000	7,662,291
1	3,355,001	3,360,000	3,358,903
1	5,185,001	5,190,000	5,185,260
2	5,510,001	5,515,000	11,023,933
1	6,605,001	6,610,000	6,606,766
1	29,525,001	29,530,000	29,525,286
1371			74,642,370

There are no shareholdings in the slabs which have not been included above.

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
INDIVIDUALS	1,301	62,278,933	83.44
INVESTMENT COMPANIES	3	65,033	0.09
JOINT STOCK COMPANIES	47	180,546	0.24
INVESTMENT CORPORATION OF PAKISTAN	2	1,874	0.00
ASSOCIATED COMPANIES	2	10,698,597	14.33
MODARABA COMPANIES	14	1,402,792	1.88
FOREIGNERS	1	13,765	0.02
OTHERS	1	830	0.00
TOTAL	1,371	74,642,370	100.00

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2008



COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS

CATEGORY NO.	CATEGORIES OF SHAREHOLDERS	NUMBER OF SHARES HELD	CATEGORY WISE NO. OF FOLIOS/ CDC ACCOUNTS	CATEGORY WISE SHARES	PERCENTAGE %
1	INDIVIDUALS	-	1,285	9,609,513	12.87
2	INVESTMENT COMPANIES	-	3	65,033	0.09
3	JOINT STOCK COMPANIES	-	47	180,546	0.24
4	DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE AND MINOR CHILDREN		16	52,669,420	70.56
	Mr. Saeed Iqbal Chaudhry	633			
	Mr. Nusrat Yar Ahmad	6,606,899			
	Mr. Qasim Rabbani	1,773			
	Mr. Sulaiman Ahmed Saeed Al-Hoqani	29,525,286			
	Syed Abid Raza	1,773			
	Mr. Rehan Ateeq	633			
	Mr. Javed Yousuf Ahmedjee	633			
	Mrs. Farida Saeed Chaudhry	5,510,596			
	Ms. Sereena Saeed Chaudhry	2,554,097			
	Ms. Saira Saeed Chaudhry	2,554,097			
	Ms. Ameena Saeed Chaudhry	2,554,097			
	Mr. Talal Ahmad Chaudhry	3,358,903			
5	EXECUTIVES	-	-	-	0.00
6	NIT/ICP		2	1,874	0.00
	Investment Corporation of Pakistan	1,874			
7	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES		2	10,698,597	14.33
	SC Associates (Pvt.) Ltd.	5,513,337			
	NY Associates (Pvt.) Ltd.	5,185,260			
8	PUBLIC SECTOR COMPANIES AND CORPORATIONS	-	-	-	0.00
9	BANKS, DFIs, NBFIs, INSURANCE COMPANIES, MODARABAS & MUTUAL FUNDS	-	14	1,402,792	1.88
10	FOREIGN INVESTORS	-	1	13,765	0.02
11	CO-OPERATIVE SOCIETIES	-	-	-	0.00
12	CHARITABLE TRUSTS	-	-	-	0.00
13	OTHERS	-	1	830	0.00
	TOTAL	-	1,371	74,642,370	100.00

SHAREHOLDERS HOLDING TEN PERCENT OR MORE VOTING INTEREST

TOTAL PAID-UP CAPITAL OF THE COMPANY 74,642,370 SHARES
 10% OF THE TOTAL PAID-UP CAPITAL OF THE COMPANY 7,464,237 SHARES

NAME OF SHAREHOLDER(S)	DESCRIPTION	NO. OF SHARES HELD	PERCENTAGE%
Mr. Sulaiman Ahmed Saeed Al-Hoqani	Falls in category # 4	29,525,286	39.56
	TOTAL	29,525,286	39.56

Invest Capital Investment Bank Limited
 (formerly Asset Investment Bank Limited)

KARACHI

Registered Office

Suite 816, 8th Floor, Progressive Plaza
Beaumont Road, Karachi.
Phone: (92-21) 521 5226-8
Fax: (92-21) 521 5200

Head Office

C3C, 12th Lane, Ittehad Commercial,
Khayaban-e-Ittehad, Phase-II, Ext. DHA, Karachi
Phone: (92-21) 111-111-097
Fax: (92-21) 531-3887

Stock Exchange Office

Room no. 704, 7th Floor,
Karachi Stock Exchange Building,
Stock Exchange Road, Karachi.
Phone: (92-21) 244 6334-5
Fax: (92-21) 244 6336

ISLAMABAD

301-302, 3rd Floor,
Muhammad Gulistan Khan House,
82-East, Fazal-ul-Haq Road,
Blue Area, Islamabad.
Phone: (92-51) 282 5904, 282 5907
Fax: (92-51) 227 5202

PESHAWAR

1st Floor, State Life Building, 34 The Mall,
Peshawar Cantt., Peshawar.
Phone: (92-91) 527 6026-28
Fax: (92-91) 527 3683

KOHAT

Office no. KCB 1, 198-C
CMH Chowk Kohat Cantt., Kohat.
Phone: (92-922) 520435-36
Fax: (92-922) 520437

LAHORE

16 - A, Main Gulberg, Lahore.
Phone: (92-42) 5776701-08
Fax: (92-42) 5776710

PROXY FORM



I / We, _____ S/o / W/o / D/o _____ of _____, a member of Invest Capital Investment Bank Limited and holder of _____ shares as per Registered Folio No. _____ and/or CDC participant I.D. No. _____ and Sub Account No. _____ do hereby appoint _____ of _____ (full address) or failing him/her _____ of _____ (full address) as my/our proxy to attend, act and vote for me/us and on my/our behalf at the Annual General Meeting to be held at 3:30 p.m. on October 31, 2008 and at any adjournment thereof.

Signed this _____ day of _____ 2008.

Signature and or Seal of Member _____

Please affix
Rs.5/-
Revenue
Stamp

In the presence of

Signature : _____

Signature: _____

Name : _____

Name : _____

Address : _____

Address : _____

CNIC No: _____

CNIC No: _____

Notes:

1. A member entitled to attend and vote at the above meeting may appoint any other person as his/her proxy. The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If a member is a corporation, either its common seal be affixed to the proxy form or the Board of Director's resolution /power of attorney along with specimen signature of the nominee shall be submitted with the proxy form. The proxy shall have a right to attend, speak and vote in place of the member.
2. Proxies in order to be effective must be received at the office of Share registrar of the Company, M/s Noble Computer Services (Pvt.) Ltd., 2nd Floor, Sohni Centre, BS 5 & 6, Main Karimabad, Block-4, Federal B. Area, Karachi at least 48 hours before the meeting and must be duly stamped, signed and witnessed.
3. A Proxy need not be a Member of the Company.
4. Beneficial owner of the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxies are required to produce their original National Identity Card (NIC) or passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the company with in stipulated time, duly witnessed by two persons whose name, address and NIC number must be mentioned on the form, along with attested copies of NIC or the passport of the beneficial owner and the proxy.

In case of corporate entity, the Board of Director's resolution/power of attorney with specimen signature of the nominee shall be submitted along with proxy form to the company.