



2008 Annual Report



Javed Omer Vohra & Company Ltd.

(Incorporated in Pakistan under the Companies Ordinance, 1984)

OUR VISION

Our vision is to be customer-focused, quality driven and growth oriented Company endeavoring to play an active role in the development of capital market and to ensure value to our clients by providing best quality service that meets or exceeds their needs while achieving favorable returns to the Company, its employees and shareholders.

OUR MISSION

To realize our vision and fulfill our mission, we are committed to:

Promoting trust and strengthening long term business relationships with our clients in order to discover and meet their needs.

Using a combination of proven and innovative professional skills to address clients' needs and concerns.

Delivering high quality, accurate and timely services that represent value to our clients and generate profit for us.

As a growth oriented company, we are committed to provide a working climate that will make our people feel respected, fairly treated, listened to and involved. We're determined to create an environment in which we will offer all the employees an opportunity to learn, participate, contribute, be rewarded, grow and advanced based on excellence, not on politics.

To fulfill all our responsibilities being a good corporate citizen.



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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Javed Omer Vohra, Chairman & Chief Executive
Haji M. Iqbal
Mian Muhammad Saleem-ul-Haq
Mrs. Ayesha Mubashir
Mrs. Saira Faraz
Mrs. Fatima Amir
Syed Ahmed Karim

CHIEF OPERATING OFFICER

Mr. Ahmed Nabeel

CHIEF FINANCIAL OFFICER

Mr. M. Rafiq Javed

COMPANY SECRETARY

Mr. Asif Javed

AUDIT COMMITTEE

Haji M. Iqbal	Chairman
Mian Muhammad Saleem-ul-Haq	Member
Syed Ahmed Karim	Member

AUDITORS

M/s KPMG Taseer Hadi & Co.
Chartered Accountants

LEGAL ADVISORS

Mohsin Tayebaly & Co.

BANKERS

Bank Alfalah limited
Habib Bank Limited
MCB Bank Limited
Arif Habib Bank Limited

REGISTERED OFFICE

507 - 511, Karachi Stock Exchange Building,
I.I. Chundrigar Road, Karachi.
UAN: 111-568-111.
FAX: (021) 2415709
E-MAIL: jovcoltd@hotmail.com
Web site: www.jovcoltd.com



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Tuesday, 23rd September 2008 at 9.30 A.M at Carlton Hotel, DC-5 off. Zulifqar Street # 5, Phase VIII, D.H.A., Karachi to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of fifteenth Annual General Meeting held on October 25, 2007.
2. To receive consider and adopt the audited accounts of the Company together with Directors' and Auditor's report thereon for the year ended June 30, 2008.
3. To declare and approve issue of fully paid Bonus shares in proportion of 10 shares for every 100 shares held i.e. 10% as recommended by the Board of Directors for the year ended June 30, 2008.
4. To appoint Auditors for the year 2008-2009 and fix their remuneration.
5. To transact any other business with the permission of Chair.

Karachi: September 1, 2008

By Order of the Board
Sd/-
(Asif Javed)
Company Secretary

NOTES:

1. The share transfer books of the Company will remain closed from September 16, 2008 to September 23, 2008 (both days inclusive). Transfers received at 507-511, Stock Exchange Building, Stock Exchange Road, Karachi by the close of business on September 15, 2008 will be treated in time for the purpose of entitlement of Bonus shares to the transferees.
2. A member eligible to attend and vote may appoint another member as his/her proxy to attend and vote in the meeting.
3. The instrument appointing the proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of the attorney or other authority in order to be effective must be deposited at the Registered office of the Company, at least 48 hours before the time of holding the meeting.
4. The members whose shares are deposited with Central Depository Company of Pakistan Limited (CDC) and/or their proxies are requested to bring their original Computerized National Identity Card (CNIC) or Passport along with the participant's ID. Number and their account numbers in Central Depository Company of Pakistan Ltd. (CDC) to facilitate identification at the time of meeting.
5. The members are requested to timely notify any change in their addresses to the Company's Registered address at 507-511, Stock Exchange Building, Stock Exchange Road, Karachi.



DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the Company present their report together with the audited financial statements of the Company for the year ended June 30, 2008.

MARKET REVIEW

Karachi stock market remained highly volatile and showed shaky performance during the year under review. KSE 100 Shares Index opened with 13929.70 points on July 2, 2007 and reached at all time high of 15,676 points on April 18, 2008 but prolong political uncertainty, fragile economic situation, deteriorating law and order situation particularly in the northern part of the country, soaring oil prices, food inflation and international financial crunch triggered by US sub-prime mortgage crisis etc. not only shattered the confidence of investors but also pulled out the local investors from the equity markets of the country and the index started dropping by leaps and bounds and finally closed at 12,289.03 points on June 30, 2008. Market Capitalization also decreased from Rs 4.0 trillion on July 02, 2007 to Rs 3.3 trillion on June 30, 2008.

FINANCIAL HIGHLIGHTS

The summary of the financial results of the Company for the year ended 30 June, 2008 are as under.

	2008 (Rupees)	2007 (Rupees)
Brokerage Revenue	51,634,284	10,971,539
Dividend Income	23,589,765	14,489,353
Capital Gain/(Loss) on sale of investments	74,536,469	211,305,453
(Loss)/Gain on re-measurement of investments to fair value	(811,764,558)	763,306,510
(Loss)/profit before taxation	(859,474,453)	1,109,881,801
Taxation-current	(8,514,711)	(19,181,655)
-deferred	-	(2,588,929)
(Loss)/profit after taxation	(867,989,164)	1,088,111,217
(Loss)/earning per share-basic and diluted	(18.79)	23.55
		Restated
Book Value per share	23.42	60.34



FINANCIAL REVIEW

Market crises badly affected investment portfolio of the company, resultantly the unrealized loss on re-measurement of investments at fair value mounted to Rs.811.765mn on account of which Company suffered with a net loss of Rs.867.989mn for the year ended June 30, 2008. The Company however, realized a capital gain of Rs.74.536mn and earned improved brokerage revenue of Rs.51.634mn comparing with Rs.10.97mn of last year. Dividend income of Rs.23.589mn also showed improvement as compare to the figures of same period last year. Other operating income was Rs.2.949mn. Operating expenses decreased to Rs.28.636mn. Financial charges, however, increased due to excess short term borrowings obtained from various banks to meet KSE exposure and for investment purpose.

RECOVERY STATUS OF OUTSTANDING AMOUNT FROM CRESCENT GROUP OF COMPANIES

We are pleased to report that outstanding reconciled amount of Rs. 7,751,863 has been recovered from CSBM and paid to Chief Executive to settle his interest free loan against the said receivable. The present status of balance recoverable amount of Rs.348.035 million from Crescent Group of Companies as follows:

- **Crescent Standard Business Management (Pvt) Limited (CSBM) - Rs. 182.435 million:**
During Fy06 the Company had acquired 24 million shares of CSIBL costing Rs.297.5mn from CSBM to which SECP had objected and passed an order against CSBM, directing it to pay Rs.182.4mn to the Company. The said amount is attributable to the loss incurred by company due to fall in share price of CSIBL subsequent to sale, on account of certain price sensitive information held by directors one of whom was the CEO of CSBM at that time. CSBM is contesting the matter in an appeal filed before Appellant Bench of SECP and recovery is dependant upon outcome of appeal.
- **Crescent Standard Investment Bank Limited (CSIBL) - Rs. 165.600 million:**
This amount is receivable from CSIBL against 207 DHA Golf Club memberships. Due to dispute between CSIBL and Sysmax (Pvt) Ltd. on the original transaction, the matter had been referred to the Arbitration. So recovery of this amount is dependent on the decision of the Court, wherein IHFL as successor of CSIBL is also a party. The Company has also filed a suit before the High Court of Sindh at Karachi for recovery of the aforesaid outstanding amount along with profit against CSIBL (now IHFL) & Sysmax (Private) Limited.



BONUS SHARES

The Board has recommended issue of Bonus Shares in the proportion of 10 share(s) for every 100 share(s) held i.e. 10%.

MARKET OUTLOOK

Political instability, poor economic indicators, mounting chaos to the law and order as well as Afghan border situation etc. has drastically shaken investors' confidence. However, good news and support of government by establishing proposed equity market fund and ensuing financial results from corporate sector may help restore the investors' confidence and improve the market situation. It looks like that to make money from the portfolio will be very tough in future if things not set right in the country.

FUTURE PROSPECTS

To ensure sustained earnings and to avoid adverse effect of market volatility, the management has been focusing on expansion of brokerage business and retail client base. Therefore, the management intends to move its head office to DHA, Karachi very soon and thereafter, four rooms of present office at KSE Building will be disposed off. In future management is also planning to reduce the portfolio and leverage issues.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The Directors are pleased to report compliance according to the provision of Code of Corporate Governance and confirm that:

- 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.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.



- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- The value of investments of gratuity fund of the Company, based on audited accounts as at 30 June 2008 amounted to Rs. 3.039mn.

KEY FINANCIAL DATA

Statement of key operating and financial data of last six years in summarized form is enclosed.

BOARD MEETINGS

Four meetings of the Board of Directors were held during the year from July 2007 to June 2008. The attendance of directors at board meetings was as below:

Name of Directors	Attendance
Mr.Javed Omer Vohra	4
Ms. Saira Faraz	4
Ms. Ayesha Mubashir	3
Haji M. Iqbal	3
Mian Muhammad Saleem ul Haq	-
Syed Ahmed Karim	4
Mr. Gul Nawaz, Nominee NIT (resigned during the year)	2
Ms. Fatima Amir (joined during the year)	2

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



CHANGE IN BOARD OF DIRECTORS

Only one change occurred since our last report. Mr. Gul Nawaz, Director (Nominee NIT) resigned and the Board appointed Mrs. Fatima Amir as Director of the Company in his place to fill in the casual vacancy for the remainder period of the term of outgoing director.

APPOINTMENT OF AUDITORS

Present auditors Messrs KPMG Taseer Hadi & Co, Chartered Accountants, retire and offer themselves for re-appointment at the Annual General Meeting. The Audit Committee has recommended for their re-appointment for the year ending June 30, 2009.

PATTERN OF SHAREHOLDING

Statement of Pattern of Shareholding as on June 30, 2008, prepared in accordance with the requirements of Code of Corporate Governance, is annexed.

TRADING IN COMPANY SHARES

Detail of purchase and sale of shares during the year by Directors, CEO, CFO, Company Secretary and their spouses and minor children is as under:

S.NO.	NAME	DESIGNATION	SHARES PURCHASED	SHARES SOLD
1	Mr. Javed Omer Vohra	Chief Executive	-	7,003,400

ACKNOWLEDGEMENT

We wish to place on record our gratitude to the valued clients, regulatory authorities, banks & financial institutions and also to the shareholders for their confidence and continued support. We also appreciate the efforts and dedication shown by the staff for the Company's affairs successfully.

For and on behalf of Board of Directors.

Javed Omer Vohra
Chief Executive

Karachi: August 11, 2008



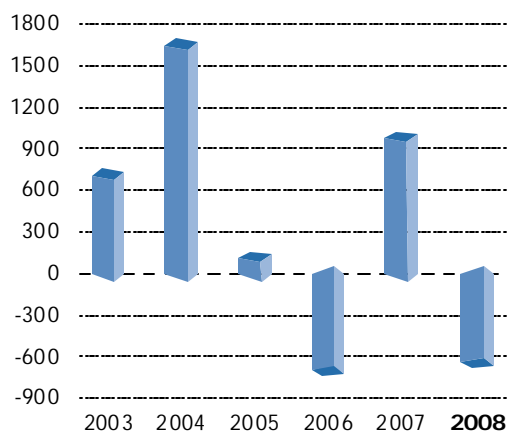
FINANCIAL HIGHLIGHTS

Rs. In '000

OPERATING RESULTS	2003	2004	2005	2006	2007	2008
Revenues	776,773	1,691,359	148,093	(731,070)	988,159	(662,004)
Profit/loss before Tax	741,782	1,607,391	(53,671)	(1,062,273)	1,109,882	(859,474)
Profit/loss after Tax	735,807	1,606,727	(63,674)	(1,070,736)	1,088,111	(867,989)
VALUATION						
Earning/loss Per Share	183.95	160.67	(3.18)	(35.69)	32.97	(18.79)
Break-up value	211.51	220.28	91.96	30.10	60.33	23.42
Dividends (%)						
Cash	250	250	150	-	12.50	-
Bonus	150	100	50	-	50	10
FINANCIAL POSITION						
Total Assets	1,294,637	4,674,575	4,966,070	1,463,002	3,062,402	2,277,097
Shareholder's equity	846,051	2,202,778	1,839,104	903,008	1,991,119	1,082,126
Shares Outstanding	4,000	10,000	20,000	30,000	33,000	46,200

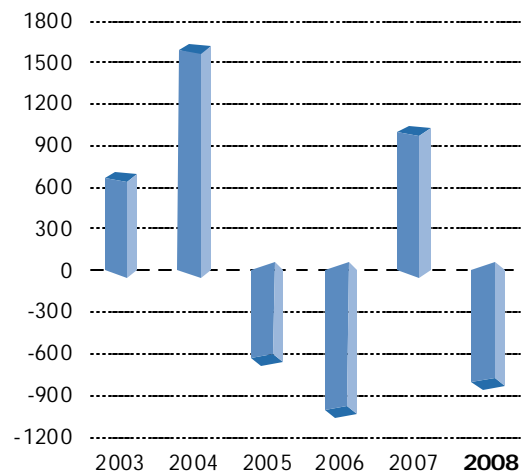
REVENUE

(Rupees in millions)



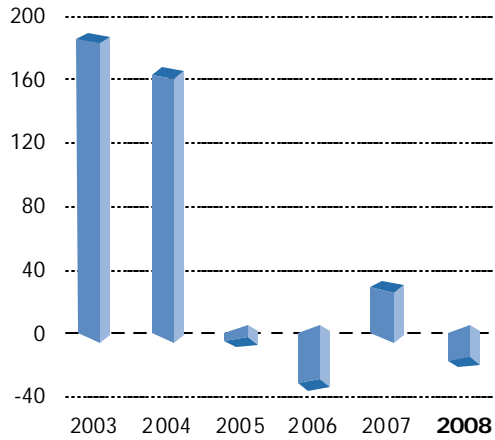
PROFIT AFTER TAX

(Rupees in millions)

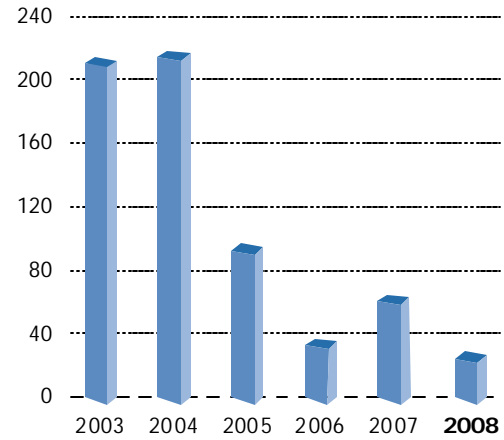




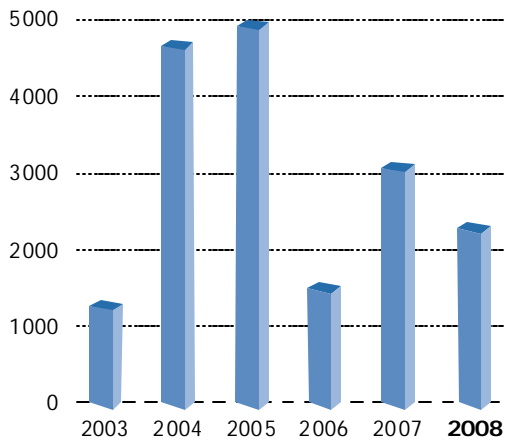
EARNINGS PER SHARE (Rupees in millions)



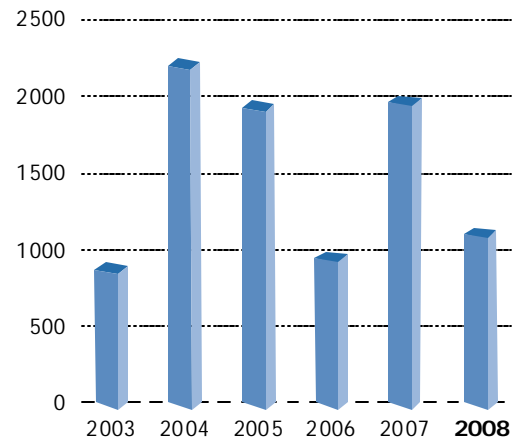
BREAK UP VALUE (Rupees in millions)



TOTAL ASSETS (Rupees in millions)



SHAREHOLDER'S EQUITY (Rupees in millions)





STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Karachi, Islamabad and Lahore Stock Exchange (s) for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

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

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes two independent non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to Banking Company, a DFI or an NBFIs or, being a member of a stock exchange has, has been declared as a defaulter by that stock exchange.
4. Casual vacancies that occurred in the Board during the year were filled up within the prescribed period.
5. The Company has prepared statement of Ethics and Business Practices, which has been signed by all the directors and employees of the Company.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies; along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employments of the CEO and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meeting were appropriately recorded and circulated.



9. The Board arranged an orientation course for its directors to apprise them of their duties and responsibilities. The Directors have also been provided with the copies of the listing Regulation, Code of Corporate Governance, Company's Memorandum and Articles of Association and all other relevant rules and regulations and hence are conversant of the relevant laws applicable to the Company, provisions of memorandum and articles of associations and aware of their duties and responsibilities.
10. The Board has approved appointment of CFO, Company Secretary and head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.
11. The directors' report for this year has been prepared in compliance with the requirements of the code and fully describes the salient matters required to be disclosed
12. The Financial Statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee. It comprises three members, all of whom are non-executive directors including the chairman of the committee.
16. The meetings of the audit committee were held at least once quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has set up an effective internal audit function and the employee working there in is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company and is involved in the internal audit function on a full time basis.
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 Accounts (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 confirmed that all other material principles contained in the code have been complied with.

Javed Omer Vohra
Chief Executive



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi-75530 Pakistan

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Javed Omer Vohra & Company Limited** ("the Company") to comply with the Regulations No. 37, 36 and Chapter XIII of the Listing Regulations of the Karachi, Islamabad and Lahore Stock Exchanges respectively 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.

Dated: 11th August 2008

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants



Taseer Hadi Khalid & Co., a partnership firm registered in Pakistan, is the Pakistan member firm of KPMG International, a Swiss cooperative



KPMG Taseer Hadi & Co.

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AUDITORS' REPORT TO THE MEMBERS

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

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) In our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) In our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon, have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;



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- 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 30 June 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.

Dated: 11th August 2008

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants





BALANCE SHEET

As at 30 June 2008

	Note	30 June 2008	(Rupees)	30 June 2007
CAPITAL AND RESERVES				
Share capital				
Authorized 75,000,000 (2007: 50,000,000) ordinary shares of Rs. 10 each		750,000,000		500,000,000
Issued, subscribed and paid-up share capital	4	462,000,000		330,000,000
Share premium		-		41,500,000
Unappropriated profit		619,880,115		1,619,619,279
Unrealized gain on revaluation of available for sale investments		246,083		-
		<u>1,082,126,198</u>		<u>1,991,119,279</u>
LIABILITIES				
Current liabilities				
Running finance under mark-up arrangements - secured	5	1,030,657,424		934,274,539
Interest and mark-up accrued		22,059,010		8,340,374
Creditors, accrued expenses and other liabilities	6	88,502,986		83,430,536
Provision for taxation	7	53,752,366		45,237,655
		<u>1,194,971,786</u>		<u>1,071,283,104</u>
Commitments	8			
		<u>2,277,097,984</u>		<u>3,062,402,383</u>

The annexed notes 1 to 29 form an integral part of these financial statements.

Javed Omer Vohra
Chief Executive



	Note	30 June 2008	(Rupees)	30 June 2007
ASSETS				
Non-current assets				
Property and equipment	9	5,413,321		2,516,383
Rooms and booths	10	13,500,000		67,500,000
Intangible asset	11	7,000,000		7,000,000
Long term deposits		4,453,500		4,200,000
		<u>30,366,821</u>		<u>81,216,383</u>
Current assets				
Investments	12	2,032,014,207		2,768,816,571
Trade debtors - unsecured, considered good	13	61,469,803		93,311,400
Advances and other receivable	14	4,343,790		1,064,172
Trade deposits	15	45,843,488		87,598,000
Advance taxation		35,438,384		25,654,932
Cash and bank balances	16	13,621,491		4,710,972
		2,192,731,163		2,981,186,000
Non-current assets classified as held for sale	10	54,000,000		-
		<u>2,277,097,984</u>		<u>3,062,402,383</u>

Ayesha Mubashir
Ayesha Mubashir
Director



PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2008

	Note	30 June 2008	(Rupees)	30 June 2007
Brokerage revenue		51,634,284		10,971,539
Dividend income		23,589,765		14,489,353
Capital gain on sale of investments - net		74,536,469		211,305,453
(Loss) / gain on re-measurement of investments to fair value		(811,764,558)		763,306,510
Cost on repo transactions		-		(11,913,814)
		(662,004,040)		988,159,041
Operating expenses	17	(28,636,450)		(33,485,120)
Impairment on 'available for sale' securities	12.4	(1,000,000)		-
		(691,640,490)		954,673,921
Other operating income	18	2,948,922		198,859,892
		(688,691,568)		1,153,533,813
Financial charges	19	(170,782,885)		(43,652,012)
(Loss) / profit before taxation		(859,474,453)		1,109,881,801
Taxation - current	7	(8,514,711)		(19,181,655)
- deferred		-		(2,588,929)
		(8,514,711)		(21,770,584)
(Loss) / profit after taxation		(867,989,164)		1,088,111,217
				Restated
(Loss) / earnings per share - basic and diluted	21	(18.79)		23.55

The annexed notes 1 to 29 form an integral part of these financial statements.


 Javed Omer Vohra
 Chief Executive


 Ayesha Mubashir
 Director



CASH FLOW STATEMENT

For the year ended 30 June 2008

	30 June 2008	(Rupees)	30 June 2007
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation	(859,474,453)		1,109,881,801
<i>Adjustments for:</i>			
Depreciation	412,765		1,909,107
Impairment on 'available for sale' securities	1,000,000		-
Charge for defined benefit plan - gratuity fund	195,261		426,169
(Gain) / loss on disposal of property and equipment	(123)		369,695
Gain on disposal of investment property	-		(3,728,477)
Bad debts written off	-		17,244,664
Loss / (gain) on remeasurement of investments to fair value	811,764,558		(763,306,570)
Dividend income	(23,589,765)		(14,489,353)
Cost on repo borrowings	-		11,913,874
Financial charges	170,782,885		43,652,073
Cash generated from operating activities before working capital changes	101,391,128		403,872,983
<i>(Increase) / decrease in current assets</i>			
Trade debtors	31,841,597		(18,158,173)
Advances and other receivables	(2,665,929)		243,543,000
Trade deposits	41,754,512		(59,831,896)
Long term deposits	(253,500)		(350,000)
	70,676,680		163,204,931
<i>(Decrease) / increase in current liabilities</i>			
Creditors, accrued expenses and other liabilities	4,452,490		(19,863,578)
Cash generated from operations	176,520,298		549,214,336
Taxes paid	(9,783,452)		(3,443,776)
Financial charges paid	(157,064,249)		(57,664,742)
Dividend paid	(40,630,040)		(91,850)
Payment to gratuity fund	(1,256,500)		(527,500)
Net cash (used in) / generated from operating activities	(32,213,943)		487,483,528
CASH FLOWS FROM INVESTING ACTIVITIES			
Short term investments	(75,716,108)		(985,092,734)
Capital expenditure incurred - Property and equipments	(259,342)		(88,750)
Capital expenditure incurred - CWIP	(3,067,238)		-
Dividends received	23,737,315		14,538,803
Sale proceeds from disposal of property and equipment	17,000		2,070,000
Sale proceeds from disposal of investment property	-		27,593,000
Purchase of rooms and booths	-		(67,500,000)
Net cash used in investing activities	(55,288,373)		(1,008,479,681)
Decrease in cash and cash equivalents	(87,502,316)		(570,996,153)
Cash and cash equivalents at beginning of the year	(929,533,617)		(408,537,464)
Cash and cash equivalents at end of the year	(1,017,035,933)		(929,533,617)
Cash and cash equivalents comprises of:			
Cash and bank balances	13,621,491		4,740,922
Running finance under mark-up arrangements secured	(1,030,657,424)		(934,274,539)
	(1,017,035,933)		(929,533,617)

The annexed notes 1 to 29 form an integral part of these financial statements.


Javed Omer Vohra
 Chief Executive


Ayesha Mubashir
 Director



STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2008

	Share capital	Capital Reserves	Revenue Reserves		Total
		Share premium	Unappropriated profit	Unrealised gain on revaluation of available for sale investments	
----- (Rupees) -----					
Balance as at 30 June 2006	300,000,000	71,500,000	531,508,062	-	903,008,062
Issue of bonus shares	30,000,000	(30,000,000)	-	-	-
Profit for the year - total recognised income and expense for the year ended 30 June 2007	-	-	1,088,111,217	-	1,088,111,217
Balance as at 30 June 2007	330,000,000	41,500,000	1,619,619,279	-	1,991,119,279
Final dividend for the year ended 30 June 2007 @ 12.5%	-	-	(41,250,000)	-	(41,250,000)
Issue of bonus shares	132,000,000	(41,500,000)	(90,500,000)	-	-
Loss for the year	-	-	(867,989,164)	-	(867,989,164)
Unrealized gain on revaluation of available for sale investments	-	-	-	246,083	246,083
Total recognised income and expense for the year ended 30 June 2008	-	-	(867,989,164)	246,083	(867,743,081)
Balance as at 30 June 2008	<u>462,000,000</u>	<u>-</u>	<u>619,880,115</u>	<u>246,083</u>	<u>1,082,126,198</u>

The annexed notes 1 to 29 form an integral part of these financial statements.


 Javed Omer Vohra
 Chief Executive


 Ayesha Mubashir
 Director



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2008

1. LEGAL STATUS AND NATURE OF BUSINESS

Javed Omer Vohra & Company Limited ("the Company") was incorporated in Pakistan on 29 December 1992 as a public limited company under the Companies Ordinance, 1984 and is listed on all the stock exchanges in Pakistan. The Company is a corporate member of the Karachi Stock Exchange (Guarantee) Limited. The registered office of the Company is located at 507-511 Karachi Stock Exchange Building, I. I. Chundrigar Road, Karachi. Its principal activities include trading and brokerage for equities, underwriting of public issues, etc. The Company has also acquired membership of the National Commodity Exchange Limited.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the short term investments which are stated at fair value.

2.3 Functional and presentation currency

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

2.4 USE OF ESTIMATES AND JUDGEMENTS

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

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



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

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognised in the financial statements are described in note 26.

2.5 NEW ACCOUNTING STANDARDS AND IFRIC INTERPRETATIONS THAT ARE NOT YET EFFECTIVE

The following standards, amendments and interpretations of approved accounting standards, are only effective for accounting periods beginning on or after 1 July 2008 are either not relevant to Company's operations or are not expected to have significant impact on the Company's financial statements other than certain increased disclosures:

Revised IAS 1 - Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009). The objective of revising IAS 1 is to aggregate information in the financial statements on the basis of shared characteristics.

Revised IAS 23-Borrowing costs (effective from 1 January 2009). Amendments relating to mandatory capitalisation of borrowing costs relating to qualifying assets.

IAS 29- Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 1 July 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 1 January 2009). IAS 32 amended classification of Puttable Financial Instruments.

IFRS 2 (amendment)-Share-based payments (effective for annual periods beginning on or after 1 January 2009). IFRS 2 clarifies the vesting conditions and cancellations in the share-based payment arrangement.

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 1 July 2009).

IFRS 7 - Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 July 2008).

IFRIC 12 - Service Concession Arrangements (effective for annual period beginning on or after 1 January 2008).

IFRIC 13- Customer Loyalty Programmes (effective for annual period beginning on or after 1 July 2008).

IFRIC 14 IAS 19- The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective for annual period beginning on or after 1 January 2008).

IFRIC 15- Agreement for the Construction of Real Estate (effective for annual period beginning on or after 1 October 2009).

IFRIC 16- Hedge of Net Investment in a Foreign Operation (effective for annual period beginning on or after 1 October 2008).



3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Staff retirement benefits

The Company operates an approved funded defined benefit plan - gratuity scheme for its permanent employees. Contributions are made annually to the fund on the basis of actuarial recommendations.

Actuarial gains or losses arising from adjustments and changes in the actuarial assumptions which are in excess of 10% of the fair value of the plan assets or 10% of the defined benefit obligations are charged or credited to income over the employees' expected average remaining working lives.

Actuarial valuation of the scheme is undertaken at appropriate regular intervals and the latest valuation was carried out as at 30 June 2008 using projected unit credit method.

3.2 Compensated absences

The Company accounts for these benefits in the accounting year in which the absences are earned.

3.3 Taxation

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is provided using the balance sheet liability method, providing for all temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

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

3.4 Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Normal repairs and maintenance are charged to income, as and when incurred. Subsequent expenditure is capitalized only when it increases the future economic benefit embodied in the item of property and equipment. Capital work-in-progress is stated at cost less impairment losses, if any.

Depreciation is charged to profit and loss account by applying reducing balance method at the rates specified in note no. 9 to these financial statements. Depreciation on additions is charged from the month in asset is available for use and on disposal upto the month the asset is in use.



Gains or losses on disposal of fixed assets, if any, are taken to profit and loss account currently.

Where the carrying amount of assets exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

The residual values and useful lives of assets are reviewed and adjusted, if appropriate, at each balance sheet date.

3.5 Intangible assets

Intangible assets with indefinite life are stated at cost less impairment, if any. Intangible assets with finite useful life are stated at cost less amortisation and impairment, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

Intangible assets with indefinite useful lives are not amortised instead they are systematically tested for impairment at each balance sheet date. Intangible assets with finite useful lives are amortised at straight line basis over the estimated useful life of the asset.

3.6 Rooms and booths

These are stated at acquisition cost. Provision against impairment losses are made, in the value of these assets, if any.

3.7 Investments

All investments are initially recognised at fair value, being the cost of the consideration given including transaction costs associated with the investment, except for those classified as fair value through profit and loss, in which case the transaction costs are charged off to the profit and loss account.

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention such as 'T+2' purchases and sales are recognised at the trade date. Trade date is the date on which the Company commits to purchase or sale of assets.

The management determines appropriate classification of investment made by the Company in accordance with the requirements of International Accounting Standards (IAS) 39: 'Financial Instruments: Recognition and Measurement' at the time of purchase.

The Company classifies its investments in the following categories:

Financial assets 'at fair value through profit and loss'

An investment is classified as at fair value through profit and loss if it is held for trading or is designated as such upon initial recognition. Investments are designated at fair value through profit and loss if the company manages such investments and makes purchase and sale decisions based on their fair value. Subsequent to initial recognition these investments are marked to market and are carried on the Balance Sheet at fair value. Upon initial recognition, attributable transaction cost are recognised in profit and loss when incurred. Investments at fair value through profit and loss are measured at fair value, and changes therein are recognised in profit and loss.



Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices, are classified as 'available for sale'. Subsequent to initial measurement, 'available for sale' investments are re-measured to fair value. Net gains and losses arising on changes in fair values of these investments are taken to equity. When securities are disposed off or impaired, the related fair value adjustments previously taken to equity are transferred to the profit and loss account.

Unquoted equity securities are valued at the lower of cost and break-up value. Break-up value of equity securities is calculated with reference to the net assets of the investee company as per the latest available audited financial statements.

Fair value of listed securities are the quoted prices on the stock exchange at balance sheet date.

3.8 Securities purchased / sold under resale / repurchase agreements

Transactions of purchase under resale (reverse - repo) of marketable securities including the securities purchased under continuous funding system are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resale at a specified future date (reverse - repos) are not recognised in the balance sheet. Amounts paid under these agreements in respect of reverse repurchase transactions are included in assets. The difference between purchase and resale price is treated as income from reverse repurchase transactions and accrued over the life of the reverse repo agreement.

Transactions of sale under repurchase (repo) of marketable securities are entered into at contracted rates for specified periods of time. Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the balance sheet and are measured in accordance with accounting policies for investments. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as borrowing charges and accrued over the life of the repo agreement.

3.9 Trade and other receivables

Trade debts and other receivables are recognised at fair value and subsequently measured at amortised cost less impairment losses, if any. A provision for impairment in trade and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables where as debts deemed uncollectible are written off.

3.10 Revenue recognition

Brokerage income is recognised as and when such services are provided.

Capital gains and losses on sale of marketable securities are included in the profit and loss account in the period in which they arise.

Dividend income is recognised when the right to receive is established.

Underwriting commission is recognised when the agreement is executed.

Mark-up income on bank deposits and reverse-repo transactions are recognised on a time proportion basis that takes into account the effective yield.



3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of statement of cash flows, cash and cash equivalents are presented net of short term borrowings which are repayable on demand or in the short term and form an integral part of the Company's cash management.

3.12 Financial instruments

All financial assets and liabilities are recognised at the time when the company becomes a party to the contractual provisions of the instrument. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is taken to profit and loss account currently.

3.13 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.14 Trade and other payables

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

3.15 Impairment

The carrying value of Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If such indication exists the asset's recoverable amount is estimated. An impairment loss is recognised wherever the carrying value of the asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account.

3.16 Borrowing costs

Borrowing costs are interest and / or other auxiliary costs incurred by the Company in connection with borrowing of funds and is treated as periodic cost and charged to profit and loss account.

3.17 Provisions

Provisions are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.18 Earnings per share

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

3.19 Dividend distributions and appropriations

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

**4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**

30 June 2008	30 June 2007		30 June 2008	30 June 2007
(Number of shares)			(Rupees)	
4,000,000	4,000,000	Ordinary shares of Rs. 10/- each fully paid in cash	40,000,000	40,000,000
42,200,000	29,000,000	Ordinary shares of Rs. 10/- each issued as bonus shares	422,000,000	290,000,000
46,200,000	33,000,000		462,000,000	330,000,000

**5. RUNNING FINANCE UNDER
MARK-UP ARRANGEMENTS - SECURED**

MCB Bank Limited	5.1	356,471,473	429,992,041
Bank Alfalah Limited	5.2	451,702,823	204,582,458
Arif Habib Bank Limited	5.3	222,483,128	299,700,040
		1,030,657,424	934,274,539

- 5.1 The Company obtained short term running finance facility under mark-up arrangements from MCB Bank Limited amounting to Rs. 1,000 million (2007: Rs. 1,000 million) at a mark-up rate of 1 month KIBOR plus 1% with floor at 11% per annum (2007: 3 months KIBOR plus 2% with a floor at 11% per annum). This facility has been obtained against pledge of various shares having market value of Rs. 670.495 million. The facility will expire on 31 January 2009.
- 5.2 The Company obtained short term running finance facility under mark-up arrangements from Bank Alfalah Limited amounting to Rs. 500 million (2007: Rs. 350 million) at a mark-up rate of 3 months KIBOR (ask side) plus 1.5% with a floor at 11.50% per annum (2007: 3 months KIBOR (ask side) plus 2.5% with a floor of 12.75% per annum). This facility has been obtained against pledge of various shares having market value of Rs. 715.485 million. The facility is valid upto 30 November 2008.
- 5.3 The Company obtained short term running finance facility from Arif Habib Bank Limited, amounting to Rs. 750 million (2007: Rs. 300 million) at a mark-up rate of 3 months KIBOR (average ask side) plus 2% per annum (2007: 3 months KIBOR (average ask side) plus 2.5% with a floor of 12% per annum). This facility has been obtained against pledge of various shares having market value of Rs. 458.173 million. The facility will expire on 27 June 2009.

**6. CREDITORS, ACCRUED EXPENSES
AND OTHER LIABILITIES**

		30 June 2008	30 June 2007
		(Rupees)	
Trade creditors	6.1	83,003,452	78,783,563
Accrued expenses		1,339,050	1,106,449
Unclaimed dividend		4,160,484	3,540,524
		88,502,986	83,430,536



- 6.1 Includes Rs. 72.745 million (2007: Rs.44.820 million) relating to trades undertaken before the year-end but becoming due for payment after year-end under the T+2 system of clearing of Karachi Stock Exchange.
- 6.1.1 Includes Rs. 847 (2007: Rs.9.427 million) payable to directors of the company in respect of trade undertaken on their behalf.

7. TAXATION

7.1 Tax assessments

Income tax assessments of the Company have been filed upto tax year 2007, in accordance with the provisions of section 120 of Income Tax Ordinance 2001. However, the Income Tax Department has power to re-open these assessments within five years of their filing. The Commissioner of Income Tax has reopened the assessment for the tax year 2005, for which the audit is in progress.

The Additional Commissioner of Income Tax has re-opened the assessment for the tax years 2003 and 2004 under section 122(5A) and created an additional demand amounting to Rs. 14.933 million. The matter is still in progress, the Company has however filed appeal with the Commissioner of Income Tax (Appeals) on the following grounds:

- Allowance of only 4.75% of the total expenditure against the income earned by the Company
- Non-allowance of any profit and loss expenditure against the income earned by the Company under section 67 of the Ordinance.
- Application of tax rate @ 43% instead of correct rate of tax @ 35%

No provision has been made in the financial statements against this demand as management is confident that the ultimate decision of the appeal will be in the Company's favour.

7.2 Relationship between accounting profit and tax expense

	30 June 2008	30 June 2007
	(Rupees)	
Accounting (loss) / profit for the year before tax	<u>(859,474,453)</u>	<u>1,109,881,801</u>
Tax charge @ 35% (2007: 35%)	(300,816,059)	388,458,630
Tax effect of expenses that are deductible in determining taxable profit	(26,597,386)	(8,994,408)
Tax effect of expenses that are not deductible in determining taxable profit	68,677,681	35,208,867
Tax effect of income tax at lower rate	2,358,977	-
Tax effect of permanent differences	284,117,595	(319,751,971)
Effect of income exempt from tax	(26,087,764)	(73,956,909)
Tax effect under final tax regime	6,155,735	3,354,478
Others	705,932	(2,548,103)
Net charge for the year	<u>8,514,711</u>	<u>21,770,584</u>

8. COMMITMENTS

Securities purchased in future market	<u>90,391,990</u>	<u>-</u>
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9 PROPERTY AND EQUIPMENT

		30 June 2008	30 June 2007
		(Rupees)	
Operating assets	9.1	2,346,083	2,316,383
Capital work-in-progress	9.3	3,067,238	-
		<u>5,413,321</u>	<u>2,316,383</u>

9.1 Operating assets - at cost less accumulated depreciation and impairment losses

	2008							
	COST			Rate %	ACCUMULATED DEPRECIATION			Written down value as at 30 June 2008
	As at 01 July 2007	Additions / (disposals)	As at 30 June 2008		As at 01 July 2007	Charge for the year / (disposals)	As at 30 June 2008	
----- (Rupees) -----								
Furniture and fixtures	1,194,125	-	1,194,125	10.00	920,816	27,331	948,147	245,978
Office equipment	2,058,278	149,900	2,208,178	10.00	987,955	111,358	1,099,313	1,108,865
Computers	2,444,102	72,700	2,516,802	33.33	2,228,349	79,926	2,308,275	208,527
Vehicles	2,806,998	36,712 (46,500)	2,797,210	20.00	1,850,000	191,150 (29,623)	2,011,527	782,713
30 June 2008	8,503,503	259,312 (46,500)	8,716,315		5,987,120	412,765 (29,623)	6,370,262	2,316,083
----- (Rupees) -----								
	2007							
	COST			Rate %	ACCUMULATED DEPRECIATION			Written down value as at 30 June 2007
	As at 01 July 2006	Additions / (disposals)	As at 30 June 2007		As at 01 July 2006	Charge for the year / (disposals)	As at 30 June 2007	
----- (Rupees) -----								
Furniture and fixtures	1,194,125	-	1,194,125	10.00	890,448	30,368	920,816	273,309
Office equipment	2,023,978	31,300	2,058,278	10.00	870,327	117,628	987,955	1,070,323
Computers	2,389,652	54,450	2,444,102	33.33	2,131,830	96,519	2,228,349	215,733
Vehicles	2,806,998	(5,204,000)	2,806,998	20.00	3,772,630	841,675 (2,764,305)	1,850,000	956,998
30 June 2007	13,618,753	88,750 (5,204,000)	8,503,503		7,669,235	1,086,190 (2,764,305)	5,987,120	2,316,383

9.2 Disposal of fixed assets during the year

Particulars	Acquisition cost	Accumulated depreciation at 1 July 2007	Depreciation charge for the period	Written down value	Sale proceeds	Profit	Buyer's particular	Mode of disposal
----- (Rupees) -----								
Sahred motorcycle KAY-6961	46,500	(28,089)	(1,534)	16,877	17,000	123	Aqsa Traders	Negotiation

9.3 Capital work-in-progress (CWIP)

Details of CWIP relating to new office located at DHA - Phase VII Karachi are as follows:

Particulars	30 June 2008	30 June 2007
		(Rupees)
Furniture and fixture	1,197,613	-
Office equipment	1,330,625	-
Software	250,000	-
Computers	289,000	-
	<u>3,067,238</u>	<u>-</u>



10. ROOMS AND BOOTHS

		30 June 2008	30 June 2007
		(Rupees)	
Rooms and booths	10.1	13,500,000	67,500,000
Non-current assets classified as held for sale	10.2	54,000,000	-
		<u>67,500,000</u>	<u>67,500,000</u>

10.1 This represents the acquisition cost of Room and Booth located at 5th Floor in KSE Building.

10.2 This represents the carrying amount of four Rooms and Booths located at 5th Floor of KSE Building. As the head office of the company will be transferred to the new office located at DHA, Phase VII, Karachi, the Board has decided to disposed of four rooms out of five presently at KSE building. Accordingly this has been classified as assets held for sale in accordance with IFRS-5 'Non-current Assets Held for Sale and Discontinued Operations'

11. INTANGIBLE ASSET

This represents the cost of Karachi Stock Exchange (Guarantee) Limited (KSE) membership card.

12. INVESTMENTS

		30 June 2008	30 June 2007
		(Rupees)	
At fair value through profit & loss			
- Upon initial recognition - at fair value through profit & loss	12.1	7,029,899	7,891,250
- Held for trading	12.2	2,022,733,225	2,757,920,324
Available-for-sale	12.3	2,251,083	3,005,000
		<u>2,032,014,207</u>	<u>2,768,816,574</u>

12.1 Upon initial recognition - at fair value through profit & loss

Quoted - equity securities

Unless otherwise stated, holdings are in ordinary shares of Rs. 10 each.

Number of shares		Name of investee	30 June 2008		30 June 2007	
30 June 2008	30 June 2007		Carrying value	Fair value	Fair value	Fair value
----- (Rupees) -----						
INVESTMENT COMPANIES / BANKS						
-	25,005,000	Crescent Standard Investment Bank Limited (Reference no. 12.1.1)	-	-	-	-
TEXTILE SPINNING						
189,365	172,150	Gulistan Spinning Mills Limited	1,893,650	1,312,299	1,893,650	1,893,650
SUGAR & ALLIED						
560,000	504,000	Crescent Sugar Mills & Distillery Limited	6,912,375	5,717,600	5,997,600	5,997,600
			<u>8,806,025</u>	<u>7,029,899</u>	<u>7,891,250</u>	<u>7,891,250</u>
		Unrealised Loss on account of remeasurement to fair value Carrying value	<u>(1,776,126)</u>			
			<u>7,029,899</u>			

12.1.1 Trading of Crescent Standard Investment Bank Limited (CSIBL) was suspended by Securities and Exchange Commission of Pakistan (SECP) on 02 April 2007. During the year, as per the acquisition term of CSIBL by Innovative Investment Bank Limited (IIBL) [Formerly Innovative Housing Finance Limited], the Company has received 1 share of IIBL having face value of Rs. 10 against 200 shares of CSIBL.



12.2 Held for trading

Quoted - equity securities

Unless otherwise stated, holdings are in modaraba certificates, mutual fund units / certificates and ordinary shares of Rs. 10 each.

Number of shares		Name of investee	30 June 2008		30 June 2007
30 June 2008	30 June 2007		Carrying value	Fair value	Fair value
------(Rupees)-----					
MUTUAL FUNDS					
288,000	-	JS Growth Fund	4,360,123	3,504,960	-
283,000	-	UTP Large Capital Fund	2,647,996	2,521,530	-
LEASING					
1,095,500	1,295,500	Al-Zamin Leasing Corporation (formerly Crescent Leasing Corporation)	8,764,000	4,053,350	10,364,000
MODARABAS					
65,000	-	First Equity Modaraba	315,557	191,750	-
353,500	353,500	First Fidelity Leasing Modaraba	2,633,575	1,763,965	2,633,575
INVESTMENT COMPANIES/BANKS					
200,000	-	Arif Habib Bank Limited	5,376,149	3,836,000	-
5,000	-	Arif Habib Securities Limited	818,000	807,400	-
200,000	127,000	Atlas Bank Limited	2,893,751	2,096,000	2,178,050
-	4,474,800	BankIslami Pakistan Limited	-	-	66,899,007
19,557,000	12,408,000	Crescent Commercial Bank Limited	131,144,275	206,326,350	278,559,600
40,000	-	Dawood Securities Limited	1,399,745	710,000	-
65,000	-	First Capital Securities Corporation Limited	4,818,215	3,818,000	-
15,000	-	Habib Bank Limited	4,176,055	3,129,450	-
10,000	-	Habib Metropolitan Bank Limited	593,750	411,700	-
350,000	-	IGI Investment Bank Limited	3,566,250	2,768,500	-
110,000	-	Invest and Finance Securities Limited	3,563,712	2,157,100	-
-	2,500,000	JS Bank Limited	-	-	48,125,000
-	300,000	KASB Bank Limited	-	-	6,900,000
850,000	-	NIB Bank Limited	15,842,443	9,664,500	-
130,000	-	Pervez Ahmed Securities Limited	9,206,697	6,444,100	-
30,000	-	Sereni Bank Limited	1,216,332	745,200	-
8,000	-	Standard Chartered Bank (Pakistan) Limited	217,360	188,080	-
INSURANCE					
32,500	-	Atlas Insurance Limited	4,082,693	2,548,325	-
-	1,268,000	New Jubilee Life Insurance Company Limited	-	-	63,717,000
TEXTILE SPINNING					
-	12,500	Azam Textile Mills Limited	-	-	32,500
146,600	146,600	Babri Cotton Mills Limited	2,272,300	3,374,800	2,272,300
17,700	17,700	Bhanera Textile Mills Limited	3,452,385	2,920,500	3,452,385
67,000	41,000	Din Textile Mills Limited	1,769,600	1,594,600	1,142,900
31,300	37,000	Fazal Textile Mills Limited	8,717,050	24,355,782	10,304,500
26,300	21,700	Gadoor Textile Mills Limited	2,011,510	1,488,580	1,688,260
32,397	29,452	Gulistan Textile Mills Limited	756,916	874,719	756,916
80,465	73,150	Gulshan Spinning Mills Limited	936,320	1,207,780	936,320
168,350	168,350	Haji Muhammad Ismail Mills Limited	673,400	336,700	673,400
-	3,500	Idrees Textile Mills Limited	-	-	33,950
33,875	35,175	Indus Dyeing & Manufacturing Company Limited	2,472,875	2,743,536	2,367,775
5,900	5,900	Island Textile Mills Limited	557,550	704,460	557,550
209,990	209,990	Jarzna De Malucho Textile Mills Limited	5,785,225	15,119,280	5,785,225
15,000	15,000	Jubilee Spinning Mills Limited *	75,000	75,000	75,000
192,700	192,700	Kohat Textile Mills Limited	1,156,200	385,100	1,156,200
-	100	Sati Textile Mills Limited	-	-	2,350
31,500	15,000	Tata Textile Mills Limited	813,150	637,875	370,500



Number of shares		Name of investee	30 June 2008		30 June 2007
30 June 2008	30 June 2007		Carrying value	Fair value	Fair value
------(Rupees)-----					
TEXTILE WEAVING					
-	25,080	Kohinoor Weaving Mills Limited	-	-	739,860
605,500	473,500	Samin Textiles Limited	32,804,374	16,770,600	26,516,000
100	100	Shahhaj Textile Limited	2,155	2,000	2,155
TEXTILE COMPOSITE					
587,800	-	Artistic Denim Textile Mills Limited	36,127,974	25,022,646	-
265,800	264,300	Blessed Textile Limited	19,538,645	18,606,000	19,426,050
210,000	207,900	Faisal Spinning Mills Limited	14,967,570	8,379,000	14,812,875
505,112	953,000	Kohinoor Industries Limited	18,575,800	11,001,339	10,483,000
2,418,000	1,251,500	Kohinoor Textile Mills Limited	61,854,310	33,537,660	33,477,625
86,400	86,400	Manmooh Textile Mills Limited	8,942,400	11,145,600	8,942,400
1,355,400	1,355,900	Mian Textile Mills Limited	5,760,450	2,683,692	5,762,575
-	10,500	Nira Industries Limited	-	-	92,925
2,900,000	2,538,800	Nishat (Chaurian) Limited	118,811,900	69,629,000	104,389,320
75,500	-	Nishat Mills Limited	7,795,841	6,490,735	-
30,400	30,400	Sapphire Textile Mills Limited	3,096,240	4,119,200	3,096,240
214,500	210,500	Shams Textile Mills Limited	11,042,675	4,905,615	10,882,850
166,400	40,500	Suraj Cotton Mills Limited	10,040,421	8,902,400	2,399,625
8,617,158	9,550,880	The Crescent Textile Mills Limited	538,560,279	504,276,086	659,010,720
SYNTHETIC & RAYON					
3,500,000	1,511,000	Dewan Salman Fibre Limited	36,932,832	17,325,000	15,941,050
1,706,000	1,607,500	Polyron Limited ***	5,491,175	-	5,144,000
SUGAR & ALLIED					
2,260,090	2,260,590	Ausari Sugar Mills Limited	11,752,468	15,820,630	11,755,068
-	71,000	Dewan Sugar Mills Limited	-	-	784,550
20	284,900	JDW Sugar Mills Limited	1,191	1,475	20,042,715
6,050	-	Noon Sugar Mills Limited	198,000	164,863	-
40,000	1,275,100	Shakargunj Mills Limited	960,295	764,800	65,030,100
567,500	-	Tandiwala Sugar Mills Limited	8,879,300	5,896,325	-
CABLE & ELECTRIC GOODS					
343,000	-	Johnson and Philips (Pakistan) Limited	16,136,185	19,033,070	-
1,564,000	25,000	Pak Electron Limited	95,979,752	87,584,000	2,150,000
CEMENT					
8,632,500	2,706,000	Al-Abbas Cement Industries Limited	118,075,592	98,928,450	39,642,900
100,000	85,000	Artock Cement Pakistan Limited	12,162,200	7,713,000	10,408,250
105,700	500,000	Cherat Cement Company Limited	51,989,690	28,653,093	28,250,000
355,000	-	D. G. Khan Cement Company Limited	29,208,687	23,834,700	-
3,540,000	-	Dewan Cement Limited	54,711,880	43,400,400	-
-	1,000,000	Fauji Cement Company Limited	-	-	19,700,000
5,050,000	-	Flying Cement Limited	92,957,210	36,309,500	-
818,725	5,051,000	Kohat Cement Company Limited	39,379,131	29,971,582	275,279,500
5,500,000	2,112,500	Maple Leaf Cement Limited	128,134,570	60,005,000	51,545,000
5,180	4,300	Mustekam Cement Limited *	667,010	455,840	587,810
1,000,000	3,000,000	Pakistan Cement Limited	11,189,277	6,800,000	43,350,000
5,000,000	500,000	Zeal Pak Cement Factory Limited *	28,719,750	13,700,000	2,700,000
TOBACCO					
-	62,500	Pakistan Tobacco Limited	-	-	9,812,500
ENGINEERING					
500,000	2,555,152	Crescent Steel and Allied Products Limited	36,957,395	30,865,000	181,415,792
278,700	110,000	K S R Pumps Company Limited	40,702,663	42,915,555	17,594,500
80,060	-	Sazgar Engineering Works Limited	6,731,742	8,796,192	-



Number of shares		Name of Investee	30 June 2008		30 June 2007
30 June 2008	30 June 2007		Carrying value	Fair value	Fair value
			----- (Rupees) -----		
TRANSPORT					
-	100,000	Pakistan International Airlines Corporation Limited 'A'	-	-	835,000
TECHNOLOGY & COMMUNICATION					
-	329,000	Eye Television Net Limited	-	-	16,217,900
200,000	-	Pak Data Communication Limited	23,655,972	15,594,000	-
25,000	-	Pakistan Telecommunication Limited 'A'	1,016,310	966,000	-
4,900,000	-	Southern Networks Limited	52,423,449	28,714,000	-
7,060,000	4,200,000	Telecard Limited	88,243,382	45,078,800	54,600,000
425,000	11,510,000	TRG Pakistan Limited	3,258,215	2,656,250	188,764,000
2,355,675	-	Worldcall Telecom Limited	45,087,038	34,204,701	-
CHEMICAL					
35,000	-	ICI Pakistan Limited	7,368,993	5,647,950	-
100,000	-	Nimer Industries Chemical Limited	574,999	338,000	-
-	700,000	Pakistan PTA Limited	-	-	3,850,000
30,100	35,500	Wan-Nobel Chemical Limited	993,300	1,811,117	1,748,800
PHARMACEUTICAL					
220,550	200,000	Hignoon Laboratories Limited	17,042,885	12,447,842	17,000,000
-	2,500	Ostika Pakistan Limited	-	-	144,250
5,000	-	Sanofi-Aventis Pakistan Limited	1,398,305	1,160,750	-
PAPER & BOARD					
1,544,820	956,200	Century Paper and Board Mills Limited	92,270,426	77,241,000	59,810,310
-	200	Packages Limited	-	-	63,810
60,064	51,470	Security Papers Limited	5,703,577	4,604,506	5,865,007
FOOD & PERSONAL CARE-PRODUCTS					
932,500	114,000	Quice Food Industries Limited **	5,628,650	2,331,250	527,700
-	300,000	Siddique Sons Tin Plate Limited	-	-	9,705,000
58,100	57,900	Treet Corporation Limited	18,353,210	15,106,000	18,290,610
133,650	100,600	Zulfikar Industries Limited	18,490,600	20,448,450	15,090,000
GLASS & CERAMICS					
2,549,715	2,650,715	Baluchistan Glass Limited	34,676,124	17,338,062	34,682,975
600,000	124,500	Emca Industries Limited	11,950,390	9,252,000	1,612,275
189,172	94,586	Tariq Glass Industries Limited	8,914,731	2,865,956	6,550,081
POWER GENERATION AND DISTRIBUTION					
-	400	Generach Pakistan Limited	-	-	1,220
2,507,000	2,707,000	Japan Power Generation Limited *	15,042,000	13,963,990	16,242,000
-	100,500	Karachi Electric Supply Corporation	-	-	678,374
142,000	1,285,500	Kotlnoor Power Company Limited	1,771,732	2,712,200	5,784,750
-	14,500	Sinra Energy Limited	-	-	394,400
800,000	800,000	Southern Electric Power Company Limited	5,240,000	4,280,000	5,240,000
REFINERY					
-	600,000	Basifcor Pakistan Limited	-	-	8,875,000
-	252,900	Basifcor Pakistan Limited - Right shares	-	-	4,488,975
OIL AND GAS MARKETING					
-	7,400	Oil and Gas Development Corporation Limited	-	-	886,370
20,000	-	Su- Northern Gas Company Limited	1,244,656	871,400	-
-	500,000	Su- Southern Gas Company Limited	-	-	12,900,000
AUTOMOBILE PARTS & ACCESSORIES					
107,700	-	Atlas Battery Limited	16,143,435	16,680,576	-
855,500	315,500	General Tyre and Rubber Company of Pakistan Limited	28,624,125	17,879,950	9,307,250



Number of shares		Name of investee	30 June 2008		30 June 2007
30 June 2008	30 June 2007		Carrying value	Fair value	Fair value
------(Rupees)-----					
AUTOMOBILE ASSEMBLER					
-	600,000	Dewan Farooq Motors Limited	-	-	9,340,000
450,000	135,000	Gandhara Nissan Limited	19,727,250	10,777,500	5,670,000
1,190	-	Pak Suzuki Motors Company Limited	437,500	142,550	-
-	25,000	SUZUKI Motorcycles Pakistan Limited	-	-	437,500
MISCELLANEOUS					
227,500	-	Ganmon Pakistan Limited	7,079,800	2,420,600	-
112,500	103,500	Maqpac Films Limited	1,863,700	662,625	1,749,150
545,000	1,000,000	Pace Pakistan Limited	19,539,835	15,445,300	28,500,000
141,100	1,000	Service Industries Limited	20,471,175	20,953,350	32,000
9,500	-	United Distribution Pakistan	261,175	244,530	-
			2,832,721,657	2,022,733,225	2,757,920,324
Unrealised Loss on account of remeasurement to fair value			(809,988,432)		
Carrying value:			2,022,733,225		

³ As at 30 June 2008, these companies were listed on default counter of KSE.

^{3a} The shares are in process of transfer in the name of the Company. As at 30 June 2008, this company was listed on default counter of KSE.

^{3b} As at 30 June 2008, this Company is under suspension by KSE and is not traded in the Market since 11 Oct 2007 as it has gone into winding up proceedings through the order passed by the High Court of Baluchistan.

12.3 Available-for-sale

Funds & unquoted - equity securities

Number of shares / units		Name of investee	30 June 2008		30 June 2007
30 June 2008	30 June 2007		Carrying value	Fair value	Fair value
------(Rupees)-----					
125,025	-	Innovative Investment Bank Limited (Formerly Innovative Housing Finance Limited) ^{****}	-	-	-
21,913	20,000	HS Income Fund	2,000,000	2,246,083	2,000,000
500	500	Sapphire Power Limited ^{****}	5,000	5,000	5,000
10,000	10,000	Sunbiz (Private) Limited (face value Rs.100 per share) ^{****} (refer note 12.4)	-	-	1,000,000
			2,005,000	2,251,083	3,005,000
Unrealised gain on account of remeasurement to fair value			246,083		
Carrying value:			2,251,083		

^{****} The financial statements are not available for break-up value. (Refer note no. 17.1.1).

^{****} Mr. Tanveer Jamal is the CEO of Sunbiz (Private) Limited and Mr. Shahid Asqillah is the CEO of Sapphire Power Limited.

12.4 The company holds 10,000 shares of Sunbiz (Private) Limited (SI) having face value of Rs. 100 per share. As per the audited financial of the Sunbiz Limited for the year ended 30 June 2007 the shareholders equity is negative and the break-up value per share is Rs. 375 negative.

12.5 Includes investments pledged with KSE and Banks as follows:

- With KSE, market value as at 30 June 2008 amounting to Rs.107,796 million (2007: Rs. 59,998 million) on account of exposure requirements.
- With Banks, market value as at 30 June 2008 amounting to Rs: 1,845,093 million (2007: Rs. 2,018,232 million) on account of short term finances. (Refer note 5).

12.6 The percentage of the equity held by the Company in the following investee companies are more than 10 percent.

Number of shares		Name of investee	Percentage Holding	
30 June 2008	30 June 2007		30 June 2008	30 June 2007
8,617,158	9,530,880	The Crescent Textile Mills Limited	17.51	21.35



12.7 During 2006, the Company acquired 24 million shares of Crescent Standard Investment Bank (CSIBL) from Crescent Standard Business Management (Private) Limited (CSBM). As at 22 June 2006, the Securities and Exchange Commission of Pakistan (SECP) under the provision of Section 15B of the Securities and Exchange Ordinance, 1962, ordered CSBM to pay 182.435 million to the Company, being the amount of loss incurred by the Company due to fall in share price subsequent to sale on account of certain price sensitive information available with the directors (one of whom was the Chief executive of Javed Omer Vohra & Company Limited) and Chief Executive of CSBM at the time of sale.

13. TRADE DEBTORS - Unsecured, considered good		30 June 2008	30 June 2007
		(Rupees)	
Considered good	13.1	61,469,803	93,311,400
Considered doubtful		68,471	17,244,664
		<u>61,538,274</u>	<u>110,556,064</u>
Provision against impairment losses		(68,471)	-
Bad debts written off		-	(17,244,664)
		<u>61,469,803</u>	<u>93,311,400</u>

13.1 Includes Rs. 0.980 million (2007: Rs. 4.229 million) receivable from KSE on account of trading in shares by the Company in its own portfolio settled subsequent to year-end.

14. ADVANCES AND OTHER RECEIVABLES		30 June 2008	30 June 2007
		(Rupees)	
Advance to CSIBL	14.1	165,600,000	165,600,000
Receivable from defined benefit plan-gratuity	14.2.2	1,040,361	279,122
Advances to Staff	14.3	692,800	-
Dividend receivable		262,500	410,050
Other advances		2,348,129	375,000
		<u>169,943,790</u>	<u>166,664,172</u>
Provision against advance to CSIBL	14.1	(165,600,000)	(165,600,000)
		<u>4,343,790</u>	<u>1,064,172</u>

14.1 During 2006, the Company advanced a sum of Rs. 165.6 million to Crescent Standard Investment Bank Limited (CSIBL) for the purpose of finance to be provided by the later to Sysmax (Private) Limited for extension and reconstruction of Defence Authority Golf Club. CSIBL sub delegated and assigned its rights in 207 Defence Authority Golf Club memberships to the Company as security against the finance. The Company has an option to call for full or partial repayment with a maximum mark-up rate of 19% within one and a half year. In view of the liquidity problems being faced by CSIBL, the amount has been provided in full. During the year ended 30 June 2008, the Company has filed suit in the Sindh High Court for the recovery of this amount.

**14.2 DEFINED BENEFIT PLAN - EMPLOYEES' GRATUITY FUND****General description**

The Company operates an approved gratuity fund for all its permanent employees, which is administered by the Board of Trustees. The Company's costs and contributions are determined based on an actuarial valuation carried out at each year end by using Projected Unit Credit Method. The benefits under the gratuity scheme are payable on retirement at the age of 60 or on earlier cessation of service as under:

14.2.1 Principal actuarial assumptions

The last actuarial valuation of the scheme was carried out on 30 June 2008 and the significant assumptions used for actuarial valuation are as follows:

	30 June 2008	30 June 2007
Discount rate	12%	10% p.a.
Expected rate of increase in salary in future years	11%	9% p.a.
Expected rate of return on plan assets during 2007-2008	10%	9% p.a.
Average expected remaining working life time of employees	10 years	11 years

14.2.2 Reconciliation of payable / (receivable) to defined benefit plan

	30 June 2008	30 June 2007
(Rupees)		
Present value of defined benefit obligations	3,039,034	2,409,521
Fair value of plan assets	(3,589,001)	(2,429,161)
Net actuarial losses not recognized	(490,394)	(259,482)
<i>Asset recognised in the balance sheet</i>	<u>(1,040,361)</u>	<u>(279,122)</u>

14.2.3 Movement in defined benefit obligation

- Obligation as at 1 July	2,409,521	1,773,865
- Current service cost	495,719	387,943
- Interest cost	240,952	159,618
- Benefits paid	(161,000)	(108,000)
- Actuarial loss on obligation	53,842	196,065
- Obligation as at 30 June	<u>3,039,034</u>	<u>2,409,521</u>



14.2.4 Movement in fair value of plan assets

	30 June 2008	30 June 2007
	(Rupees)	
- Fair value as at 1 July	2,429,161	1,562,770
- Expected return on plan assets	242,916	140,649
- Contribution by the Company	1,256,500	527,500
- Benefits paid	(161,000)	(108,000)
- Actuarial (loss) / gain on plan assets	(178,576)	306,242
- Fair value as at 30 June	<u>3,589,001</u>	<u>2,429,161</u>

14.2.5 Movement in (receivable) / payable to defined benefit

Balance as at 1 July	(279,122)	(177,791)
Charge for the year	495,261	426,169
Contribution to the fund during the year - Company's Contribution	(1,256,500)	(527,500)
Balance as at 30 June	<u>(1,040,361)</u>	<u>(279,122)</u>

14.2.6 Charge for defined benefit plan

Current service cost	495,719	387,943
Interest cost	240,952	159,648
Expected return on plan assets	(242,916)	(140,649)
Amortization of actuarial losses	1,506	19,227
Expense recognised in profit and loss account	<u>495,261</u>	<u>426,169</u>

14.2.7 Actual return on plan assets

The actual return on the assets during the year is:

- Expected return on plan assets	242,916	140,649
- Actuarial (loss) / gain on plan assets	(178,576)	306,242
	<u>64,340</u>	<u>446,891</u>

14.2.8 Five year data on surplus / deficit of the plan & experience adjustments

	2008	2007	2006	2005	2004
	----- (Amount in Rupees) -----				
- Present value of defined benefit obligation	(3,039,034)	(2,409,521)	(1,773,856)	(1,658,986)	(1,253,186)
- Fair value of plan assets	<u>3,589,001</u>	<u>2,429,161</u>	<u>1,562,770</u>	<u>1,873,510</u>	<u>1,566,578</u>
- Surplus / (Deficit)	<u>549,967</u>	<u>19,640</u>	<u>(211,086)</u>	<u>214,524</u>	<u>303,342</u>
- Experience adjustments on plan liabilities (loss / gain)	<u>53,842</u>	<u>196,065</u>	<u>(248,812)</u>	<u>(31,842)</u>	<u>(47,192)</u>
- Experience adjustments on plan assets (loss) / gain	<u>(178,576)</u>	<u>306,242</u>	<u>(49,340)</u>	<u>(193,540)</u>	<u>(689,289)</u>

14.2.9 Components of plan assets as a percentage of total plan assets

	2008 %	2007 %
Bank balances	<u>100</u>	<u>100</u>

**14.2.10 Expected charge to the fund in the next financial year**

The Company contributes to the gratuity fund according to the actuary's advice. Based on actuarial advice the management estimates that the charge in respect of defined benefit plans for the year ending 30 June 2009 would be Rs. 0.676 million.

14.3 Advance to Staff

The Company has a policy of providing interest free loan to its employees, only permanent employees are entitled to this loan.

15. TRADE DEPOSITS

30 June
2008

30 June
2007

(Rupees)

Deposits	15.1	<u>45,843,488</u>	<u>87,598,000</u>
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15.1 This represents Rs. 45.843 million (2007: Rs. 87.595 million) being the amount of deposit with KSE for various margin requirements relating to exposure on KSE.

16. CASH AND BANK BALANCES

Cash at banks

- On current accounts		13,571,480	4,707,332
- On deposit accounts		50,011	33,590
		<u>13,621,491</u>	<u>4,740,922</u>

17. OPERATING EXPENSES

Salaries, allowances and other benefits	17.1	11,329,212	5,574,799
Charge for the defined benefit plan - staff gratuity fund	14.2.6	495,261	426,169
Rent, rates and taxes		328,950	187,950
Repairs and maintenance		383,163	450,602
Utility charges		313,711	257,593
Insurance		48,206	186,159
Auditors' remuneration	17.2	545,825	310,000
Computer expenses		250,205	323,999
Printing and stationery		1,343,900	1,064,331
Advertisement		342,346	293,688
Stamp charges		-	338,193
Telephone, postage and fax charges		859,057	526,350
Legal and professional charges		862,000	285,000
Depreciation	9	412,765	1,909,107
Traveling and conveyance		29,428	38,770
Entertainment		174,249	182,383
Fees and subscription		2,918,657	1,709,140
Vehicle running expenses		203,013	177,801
KSE charges		2,199,207	570,542
National Clearing Service Charges		525,939	287,332
Central Depository Company (CDC) charges		2,821,252	1,088,232
Donation	17.3	200,000	-
Bad debts written off		-	17,244,664
CVT Charges		1,988,050	-
Others		62,054	52,316
		<u>28,636,450</u>	<u>33,485,120</u>

17.1 This includes salary of Rs. 900,000 (2007: Rs. 462,097) to Chief Executive Officer of the Company.



17.2 Auditors' remuneration

	30 June 2008	30 June 2007
	(Rupees)	
Audit fee	250,000	200,000
Fee for half yearly review and other certifications	230,000	85,000
Out of pocket expenses	65,825	25,000
	545,825	310,000

17.3 This represent donation paid to Citizens Police Liaison Committee. None of the directors or their spouses have any interest in the donee's fund.

18. OTHER OPERATING INCOME

Income from financial assets

Mark-up income	18.1	2,505,664	45,217,935
Reversal of provision for doubtful debts		-	150,270,551
		2,505,664	195,488,486

Income from non-financial assets

Gain / (loss) on disposal of property and equipment	9.2	123	(369,695)
Gain on disposal of investment property		-	3,728,417
Commission on handling of share applications		47,135	12,684
Underwriting commission		337,500	-
Other income		58,500	-
		443,258	3,371,406
		2,948,922	198,859,892

18.1 This represents markup income of Rs. 2,501 million (2007: nil) on cash margins on deliverable future contracts and markup income of Rs. 3,906 (2007: 196,642) on deposit with the bank.

19. FINANCIAL CHARGES

	30 June 2008	30 June 2007
	(Rupees)	
Mark-up on short term finance	170,151,147	43,458,979
Bank charges	631,738	193,033
	170,782,885	43,652,012

20. REMUNERATION OF CHIEF EXECUTIVE

The aggregate amounts charged in the accounts for the remuneration, including all benefits, to the Chief Executive Officer (CEO) and Executives of the Company were as follows:

	Chief Executive		Executives	
	30 June 2008	30 June 2007	30 June 2008	30 June 2007
	(Rupees)		(Rupees)	
Basic salary	620,688	318,693	1,516,068	369,930
House rent allowance	279,312	143,404	686,732	166,470
Utilities	-	-	-	-
Conveyance	-	-	7,200	3,600
Bonus	-	-	160,000	-
Retirement benefits	75,000	-	435,000	-
Leave encashment	-	-	122,630	36,822
	975,000	462,097	2,927,630	576,822
Number of persons	1	1	2	1



20.1 The Chief Executive is provided with free use of the Company's maintained car.

21. EARNINGS PER SHARE - basic and diluted	30 June 2008	30 June 2007
	(Rupees)	
(Loss) / Profit after tax	<u>(867,989,164)</u>	<u>1,088,111,217</u> Restated
Weighted average ordinary shares in issue during the year	(Number)	
	<u>46,200,000</u>	<u>46,200,000</u> Restated
	(Rupees)	
(Loss) / Earning per share	<u>(18.79)</u>	<u>23.55</u>

22. RELATED PARTY TRANSACTIONS

Related parties comprises of major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefit fund, directors, key management personnel and their close family members. Transactions with related parties are entered into at rates negotiated with them.

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

	30 June 2008	30 June 2007
	(Rupees)	
Brokerage and advisory income earned from:		
- Directors	<u>25,731,828</u>	<u>3,127,010</u>
- Close family members of directors	<u>54,508</u>	<u>3,220</u>
Payable to Directors	<u>847</u>	<u>9,427,000</u>
Payments to staff retirement fund	<u>1,256,500</u>	<u>902,500</u>
Receivable from staff retirement fund	<u>1,040,361</u>	<u>279,122</u>
Key management personnel - salaries and benefits	<u>2,492,630</u>	<u>576,822</u>
Key management personnel - retirement benefits	<u>435,000</u>	<u>-</u>

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Fair value of all the financial assets and financial liabilities are estimated to approximate their respective carrying values.



24. RISK MANAGEMENT

The Company Primarily invests in the portfolio of money market investments such as spread functions, continuous funding system functions, investments in marketable securities and short term debt securities. Such investment are subject to but varying degree of risk. These risk emanate various factors that include, but are not limited to:

24.1 Market Risk

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

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

24.2 Credit risk and concentration of credit risk

Credit risk, arising from the inability of the counter parties to meet the terms of the Company's financial instrument contracts, is generally limited to the amounts, if any, by which the counter party obligations exceed the obligations of the Company. Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse creditworthy counter parties thereby mitigating any significant concentrations of credit risk.

The financial assets amounting to Rs.116.111 million (2007: Rs.186.174 million) are subject to credit risk.

24.3 Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet its obligations and commitments.

Prudent Liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

24.4 Capital Risk Management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder or issue new shares.

The Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimise risk.



25. INTEREST / MARK-UP RATE RISK EXPOSURE

Interest / mark-up rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark-up rate risk arises from mismatches of financial assets and liabilities that mature or reprice in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. Information about the Company's exposure to mark-up rate risk based on contractual refinancing and maturity dates, whichever is earlier, is as follows:

Effective rate of mark-up / return (%)	30 June 2008					
	Mark-Up bearing				Non-mark-up bearing	Total
	Less than one month	One month to three months	Three months to one year	One year to five years		
	(Rupees)					
Financial Assets						
Long term deposits	-	-	-	-	4,153,500	4,153,500
Investments	-	-	-	-	2,032,014,207	2,032,014,207
Trade debtors - unsecured, considered good	-	-	-	-	61,169,803	61,169,803
Advances and other receivable	-	-	-	-	4,343,790	4,343,790
Trade deposits	8 to 12	36,420,526	-	-	9,477,967	45,898,493
Cash and bank balances	4 to 6	-	50,011	-	13,571,480	13,621,491
		36,420,526	50,011	-	21,752,757,747	21,612,746,279
Financial Liabilities						
Running finance under mark-up arrangements - secured	11 to 14	356,471,473	674,185,951	-	-	1,030,657,424
Interest and mark-up accrued	-	-	-	-	22,059,010	22,059,010
Creditors, accrued expenses and other liabilities	-	-	-	-	88,502,986	88,502,986
		356,471,473	674,185,951	-	110,561,996	1,041,219,420
On balance sheet gap		(356,471,473)	(637,769,420)	50,011	21,642,737,746	1,026,526,859
Off Balance Sheet						
Commitments for:						
Securities purchased in future market						
		(90,391,990)	-	-	-	(90,391,990)
Total Gap		(446,863,463)	(637,769,420)	50,011	21,642,737,746	936,134,869
Effective rate of mark-up / return (%)	30 June 2007					
	Mark-Up bearing				Non-mark-up bearing	Total
	Less than one month	One month to three months	Three months to one year	One year to five years		
	(Rupees)					
Financial Assets						
Long term deposits	-	-	-	-	4,700,000	4,700,000
Investments	-	-	-	-	2,768,816,574	2,768,816,574
Trade debtors - unsecured, considered good	-	-	-	-	93,311,400	93,311,400
Advances and other receivable	-	-	-	-	1,064,172	1,064,172
Trade deposits	-	-	-	-	87,598,000	87,598,000
Cash and bank balances	0.3 to 9.5	33,590	-	-	4,707,332	4,740,922
		33,590	-	-	2,959,697,478	2,959,731,068
Financial Liabilities						
Running finance under mark-up arrangements - secured	12.5 to 13.5	-	934,274,539	-	-	934,274,539
Interest and mark-up accrued	-	-	-	-	8,340,374	8,340,374
Creditors, accrued expenses and other liabilities	-	-	-	-	83,430,536	83,430,536
		-	934,274,539	-	91,770,910	1,026,045,449
On balance sheet gap		33,590	(934,274,539)	-	2,867,926,568	1,933,685,619
Off Balance Sheet						
Commitments for:						
Securities purchased in future market						
		-	-	-	-	-
Total Gap		33,590	(934,274,539)	-	2,867,926,568	1,933,685,619

26. ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In preparing these financial statements, the significant estimates and judgments made by the management in applying accounting policies include the following:

Income taxes

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

Investment stated at fair value

Management has determined fair value of certain investments by using quotations from active market conditions and information about the financial instruments. These estimates are subjective in nature and involve some uncertainties and matters of judgement (e.g. valuation, interest rate, etc.) and therefore, cannot be determined with precision.

Property and equipment

The Company reviews the value of the assets for possible impairment on an annual basis. Useful lives and residual values of property and equipment are also re-assessed at each balance sheet date. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on the depreciation charge and impairment.

Intangible assets

The Company reviews the value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of intangible assets.

Trade debtors

The Company reviews its trade and other receivables regularly to assess amount of any provision required against such trade debtors.

Retirement benefits

The Company contributes to the staff gratuity fund on the basis of actuarial valuation which takes into account certain assumptions regarding interest rate, increase in salary and inflation rate etc. Any change in these estimates in future years might effect the Company's liability with corresponding effect on the charge for the retirement benefits plan.



Rooms and booths

The Company reviews the value of Rooms and booths for possible impairment on annual basis. Any change in the estimates in future years might affect the carrying amounts of such assets.

27. GENERAL

Corresponding figures have been rearranged and reclassified, whenever necessary, for better presentation and disclosure.

Reclassification from	Reclassification to	30 June 2007 (Rupees)
<i>Balance Sheet</i>		
Advances, deposits, prepayments and other receivables	- Advances and other receivables	1,064,172
	- Trade deposits	87,598,000

28. NON-ADJUSTING EVENT SUBSEQUENT TO BALANCE SHEET DATE

The Board of Directors of the Company has approved cash dividend nil (2007: 12.5%) amounting to Rs. nil (2007: Rs. 41.25 million) and bonus of 10% (2007: 50%) in their meeting held on 11 August 2008. This appropriation will be approved in the forthcoming Annual General Meeting. The financial statements for the year ended 30 June 2008 do not include the effect of the appropriation which will be accounted for in the period in which it is declared.

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 11 August 2008.



 Javed Omer Vohra
 Chief Executive



 Ayesha Mubashir
 Director



PATTERN OF SHAREHOLDING

Form "34"
As on June 30, 2008

NUMBER OF SHAREHOLDERS	SHAREHOLDING			TOTAL SHARES HELD
	From		To	
1,265	1	-	100	94,547
3,073	101	-	500	1,106,013
2,171	501	-	1000	1,912,463
2,785	1001	-	5000	6,768,490
388	5001	-	10000	2,890,115
124	10001	-	15000	1,531,794
63	15001	-	20000	1,158,967
58	20001	-	25000	1,342,321
24	25001	-	30000	679,952
11	30001	-	35000	360,797
15	35001	-	40000	580,493
7	40001	-	45000	301,090
15	45001	-	50000	733,438
8	50001	-	55000	423,918
4	55001	-	60000	232,500
8	60001	-	65000	507,930
6	65001	-	70000	415,500
3	70001	-	75000	220,000
2	75001	-	80000	153,355
3	80001	-	85000	249,300
2	85001	-	90000	176,146
1	90001	-	95000	92,000
3	95001	-	100000	300,000
4	100001	-	105000	405,649
2	105001	-	110000	220,000
2	115001	-	120000	235,400
1	125001	-	130000	128,000
1	130001	-	135000	134,158
1	135001	-	140000	138,600
2	140001	-	145000	285,460
1	145001	-	150000	150,000
1	150001	-	155000	154,100
1	155001	-	160000	160,000
1	165001	-	170000	170,000
1	170001	-	175000	175,000
1	180001	-	185000	185,000
1	195001	-	200000	197,799
1	200001	-	205000	202,500
1	240001	-	245000	240,020
1	270001	-	275000	275,000
1	275001	-	280000	277,300
1	325001	-	330000	326,900
2	345001	-	350000	690,372
1	450001	-	455000	454,000
1	485001	-	490000	488,000
1	630001	-	635000	632,597
1	795001	-	800000	798,000
1	990001	-	995000	995,000
1	1295001	-	1300000	1,300,000
1	1520001	-	1525000	1,520,953
1	1580001	-	1585000	1,580,276
1	1915001	-	1920000	1,917,496
1	9530001	-	9535000	9,531,291
10,076				46,200,000



DETAILS OF PATTERN OF SHAREHOLDING AS PER REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE

CATEGORIES OF SHAREHOLDERS	SHARES HELD	% age
5.1 - Directors, Chief Executive Officer, Their Spouse and Children		
Directors	3,222,116	6.97
Mr. Javed Omer Vohra	3,217,496	
Haji M. Iqbal	770	
Mian Muhammad Saleem UI Haq	770	
Ms. Ayesha Mubashir	770	
Ms. Saira Faraz	770	
Ms. Fatima Amir	770	
Mr. S. A. Karim	770	
Spouse		
Mrs. Fozia Parveen Vohra W/o. Mr. Javed Omer Vohra	9,531,291	20.63
5.2 - Associated Companies, Undertakings & Related Parties		
Nil		
5.3 - NIT & ICP (Name Wise Detail)	1,520,953	3.29
National Bank of Pakistan, trustee Deptt. (CDC)	1,520,953	
5.4 - Banks, DFI'S, NBFIS	1,310,680	2.84
5.5 - Insurance Companies	71,380	0.15
5.6 - Modaraba and Mutual Fund	189,745	0.41
5.7 - Other Companies	7,544,253	16.33
5.8 - General Public	22,809,582	49.38
TOTAL	46,200,000	100 %
Shareholders holding 10% & above		
Mrs. Fozia Parveen Vohra W/o. Mr. Javed Omer Vohra	9,531,291	20.63



FORM OF PROXY
SIXTEENTH ANNUAL GENERAL MEETING

The Company Secretary
Javed Omer Vohra & Co. Limited
507-511, Karachi Stock Exchange Building,
Stock Exchange Road,
Karachi.

I/We _____
of _____ being member(s) of
Javed Omer Vohra & Co. Limited holding _____ Ordinary shares as per Registered Folio
No _____ and/or CDC A/c No. (for members who have shares in CDS) _____
hereby appoint Mr./Mrs./Miss _____ of (full address) _____

_____ who is/are also member(s) of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held on September 23, 2008 at 9:30 A.M. at Carlton Hotel, DC-5, off. Zulifqar Street # 5, Phase VIII, D.H.A. Karachi and/or any adjournment thereof.

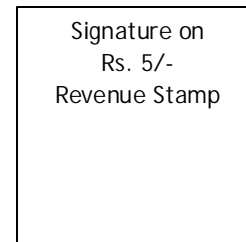
As witness my/our hand/seal this _____ day of _____ 2008.

Signed by _____

Witnesses:

1. _____
Name _____
CNIC No. _____
Address _____

2. _____
Name _____
CNIC No. _____
Address _____



NOTES: -

1. This proxy form, duly completed and signed, must be received at the Registered Office of the Company, not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he/she himself/herself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.
4. Any individual Beneficial Owner of the Central Depository Company entitled to vote at this meeting must bring his/her National Identity Card or original passport with him/her to prove his/her identity, and in case of proxy, must enclose an attested copy of his/her National Identity Card. Representatives of corporate members should bring the usual documents required for such purpose.

AFFIX
CORRECT
POSTAGE

The Company Secretary
Javed Omer Vohra & Company Ltd.

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