



NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that Fifteenth Annual General Meeting of the Members of Invest and Finance Securities Limited ('the Company') will be held on Friday, August 29, 2014 at 10:00 am at Seminar Hall, Institute of Cost and Management Accountants of Pakistan, City Campus, Plot No. 36/4, Hussain Shah Shaheed Road, Soldier Bazar, Karachi, Pakistan; to transact the following businesses:

Ordinary Business:

1. To confirm the minutes of the Fourteenth Annual General Meeting of the Company held on September 16, 2013;
2. To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended June 30, 2014, together with the Directors' and Auditors' Reports thereon;
3. To appoint the Statutory Auditors for the year ending June 30, 2015, and to fix their remuneration;
4. To transact any other business with the permission of the Chair.

Special Business:

5. To seek approval of Members, through Special Resolution, for purchase/buy back, under and pursuant to the provisions of Section 95A of the Companies Ordinance, 1984 and the Companies (Buy-Back of Shares) Rules, 1999, upto a maximum of 20,009,790 Company's own issued ordinary shares of the nominal value of Rs. 10/- each at a purchase price of Rs. 20/- per share within a period of sixty days from the date of approval/passing of special business/resolution.

By order of the Board

MUHAMMAD AWAIS
Director & Company Secretary

Karachi: August 07, 2014

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from August 22, 2014 to August 29, 2014 (both days inclusive) and no transfer of shares will be accepted for registration during this period. Transfers received in order at the Office of Company's Share Registrar M/s. Technology Trade (Private) Limited, Dagia House, 241-C, Block-2, P.E.C.H.S., Off: Shakra-e-Quaideen, Karachi, Pakistan ('Registrar') at the close of business on August 21, 2014 will be considered in time to attend and vote at the Meeting and to send the tender notice subject to approval of business at Agenda Item 5.
2. Members (Non-CDC) are requested to promptly notify change in their addresses, if any, to the Registrar of the Company. All Members holding their shares in book entry form in CDS are requested to please update their particulars with their Participants.
3. Members (Non-CDC) are requested to provide their valid CNIC/NTN & Dividend Mandate Information to the Registrar of the Company, if not provided earlier. All Members holding their shares in book entry form in CDS are requested to please update their CNIC/NTN and dividend mandate information with their Participants, if not updated earlier.
4. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
5. a) Individual beneficial owner of CDC entitled to attend and vote at the meeting must bring his/her Participant ID and Account/Sub-Account number along with original NIC or original passport to authenticate his/her identity. In case of Corporate entity, resolution of Board of Directors/Power of Attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.
b) For appointing the proxy; the Individual beneficial owner of CDC shall submit the proxy form as per above requirements together with attested copy of NIC or Passport of the beneficial owner and proxy. In case of corporate entity, the Board of Directors' resolution/power of attorney, alongwith the specimen signature of the nominee, shall be submitted along with the proxy form to the Company.
The proxy form shall be witnessed by two witnesses with their names, addresses, and NIC numbers. The proxy shall produce his/her original NIC or original Passport at the time of meeting.

"Statement under Sections 95A(3) and 160(1)(b) of the Companies Ordinance, 1984, concerning the Special Business, is attached alongwith the Notice circulated to the members of the Company, and is deemed an integral part hereof"



STATEMENT UNDER SECTIONS 95A(3) AND 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

This statement is annexed as an integral part of the Notice of the Fifteenth Annual General Meeting of the Members of Invest and Finance Securities Limited ("the Company" or "IFSL") to be held on Friday, August 29, 2014 at 10:00 am at Seminar Hall, Institute of Cost and Management Accountants of Pakistan, City Campus, Plot No. 36/4, Hussain Shah Shaheed Road, Soldier Bazar, Karachi, Pakistan; and sets out the material facts and other required information concerning the Special Business to be transacted at the Meeting.

Special Business

5. To seek approval of Members, through Special Resolution, for purchase/buy back, under and pursuant to the provisions of Section 95A of the Companies Ordinance, 1984 and the Companies (Buy-Back of Shares) Rules, 1999, upto a maximum of 20,009,790 Company's own issued ordinary shares of nominal value of Rs. 10/- each at a purchase price of Rs. 20/- per share within a period of sixty days from the date of approval/passing of special business/resolution.

The Board of Directors of the Company in its meeting held on July 24, 2014 has approved and recommended to seek approval from the Members of the Company, through special resolution, to purchase/buy back by the Company upto a maximum of 20,009,790 its own issued ordinary shares of the nominal value of Rs. 10/- each at a purchase price of Rs. 20/- per share within a period of sixty days from the date of approval/passing of special business/resolution ('the proposed purchase').

Therefore, if thought appropriate, fit and proper, following resolutions are proposed to be passed as special resolutions with or without modification:

"RESOLVED THAT the Company be and is hereby authorized, under and pursuant to the provisions of Section 95A of the Companies Ordinance, 1984 and the Companies (Buy-Back of Shares) Rules, 1999, to buy back / purchase, in accordance with the provisions of the said Section and Rules, upto a maximum of 20,009,790 its own issued ordinary shares of the nominal value of Rs. 10/- each at a purchase price of Rs. 20/- per share within a period of sixty days from the date on which this resolution is passed."

"FURTHER RESOLVED THAT the ordinary shares purchased pursuant to the above resolution will be cancelled and issued share capital will be reduced by an amount equal to the aggregate nominal value of the cancelled shares."

"FURTHER RESOLVED THAT the purchase aforesaid by the Company of its own issued ordinary shares shall be made through a tender offer in such form or forms as the Chief Executive Officer and/or the Company Secretary of the Company may determine through the publication of an abridge notice in newspapers and by notices to the Members of the Company individually under postal certificate or through Courier Service and/or Registered Post."

"FURTHER RESOLVED THAT for the purpose of giving effect to the above resolutions and for the purposes of implementing, procuring and completing the buy-back/purchase by the Company of its own issued ordinary shares pursuant thereto, the Chief Executive Officer and/or the Company Secretary be and is/are hereby authorized to take all such steps and do all such acts, deeds and things that may be required in this respect."

"FURTHER RESOLVED THAT in case any error, omission, or mistake is pointed by the Securities and Exchange Commission of Pakistan and/or any other competent authority in the aforesaid Resolutions, the Chief Executive Officer and/or the Company Secretary be and is/are hereby authorized to make necessary amendments/corrections therein as permitted under the law and such amendments/corrections shall be deemed to be part of these Special Resolutions without the need of the Members to pass fresh Special Resolutions."



Details of Proposed Purchase

The Proposed Purchase will allow to exercise the power of the Company to purchase upto a maximum of 20,009,790 its own issued ordinary shares of the nominal value of Rs.10/- each representing about 50% of the existing issued share capital of the Company. The power to purchase the shares will have to be exercised within a period of sixty days from the date on which the above mentioned special resolutions are passed by the Members.

The price at which the above mentioned shares are purchased by the Company shall be Rs. 20/- per share. The shares will be purchased using the distributable profits of the Company. The amount of distributable profits to be utilized depends on the actual number of shares purchased by the Company. If all 20,009,790 issued ordinary shares are purchased by the Company, the distributable profits of the Company will be utilized to the extent of Rs. 400,195,800/-.

The ordinary shares purchased through the proposed purchase will be cancelled. The issued share capital shall be reduced by an amount equal to the aggregate nominal value of the cancelled shares.

The Purposed Purchase will be effected through a tender system, whereby the Members desiring to sell to the Company the ordinary shares held by them will make an offer to the Company on a prescribed Form of Offer, which will be sent to the Members individually at their addresses recorded with the Company, under postal certificate or through Courier Service and/or Registered Post, and will also be available at the Registered Office of the Company, website of the Company www.investfinance.com.pk and at designated branches of one or more authorized bank(s) at which such Forms of Offer are required to be submitted, within the period to be specified in the tender notice ('closing date'). The notice inviting tender offers will also be published, in abridge form, in the newspapers.

The Company shall take a decision on the acceptance of the offers received from the Members within stipulated time. Where the offers received exceed the maximum number of shares to be purchased then the offers will be accepted on a pro rata basis in slabs of 500 shares, that is, offers to the extent of 500 shares or less will be first accommodated (and if required; on a pro rata basis within such slab, but so that resulting fractions will be ignored), and thereafter in slabs of 500 shares (and to the extent required on a pro rata basis within the relevant slab, but so that resulting fractions will be ignored) until offers for the maximum number of shares to be purchased have been accepted.

The Company will communicate to the Members its decision regarding acceptance of the offers received within stipulated time. At that time the Company will provide all necessary instructions and information regarding submission of shares:

- 1) If shares are held in physical form: submission of share certificates together with relevant transfer deeds duly signed, verified and witnessed and authorization to split shares, if required; and
- 2) If shares are held on the Central Depository System (CDS): submission of an "Inter/intra participant/account Free Delivery Report" (evidencing transfer of shares), duly authenticated, by the concerned Participant/CDC Investor Account Services, confirming transfer of shares to a specified Investor/Sub Account on the CDS to be opened by the Company specifically for this purpose.

The Members concerned will be required to submit the above documents within such period as specified in the acceptance letter. If the acceptance is on a pro-rata basis, then the acceptance will specify the number of shares which the Company has agreed to purchase.

If the above documents are not submitted by the members concerned within the specified period, the acceptance of the offer shall in accordance with the provisions of Rule 5(10) of the Companies (Buy-Back of shares) Rules, 1999 be deemed to have been revoked and the Company will not purchase the ordinary shares offered by the Member concerned.

The purchase price for the shares purchased by the Company shall be paid to the Members concerned within 7 days of the receipt by the Company of the above mentioned documents through a bank draft/pay order made out in favour of the Member concerned for the amount of the purchase price for the shares purchased from such Member.



Please note that as per SRO 192(I)/2010 of Securities and Exchange Commission of Pakistan; process of buy back of shares is required to be completed within thirty Days of the issue of tender notice. Therefore, time period will be adjusted in order to comply with the stipulated time and will be communicated at the time of respective process/step.

Debt-Equity and Current Ratios

As at June 30, 2014, the Debt-Equity and Current Ratios of the Company are 0.43:1 and 3.11:1 respectively.

Justification/Rationale for the Proposed Purchase

This is second purchase by the Company of its own issued ordinary shares. The Company purchased 26,044,770 shares in previous purchase and share capital was accordingly reduced from 66,054,560 shares to 40,009,790 shares. The Company has decided to further reduce the capital as the Company still has excess capital/funds and shall has sufficient capital/funds after the proposed purchase to meet its business requirements.

The Proposed Purchase when implemented is expected to improve earnings per share for Members retaining their shares and the same is also evident from financial results for the year ended June 30, 2014 where earnings have increased substantially with regard to previous and reduced capital. This will also result in better dividends. Further, it will provide an opportunity to those Members who wish to liquidate their investment in the Company at a reasonable price and to make their individual decisions with regard to their capital. It is important to highlight that in case an initial member (since listing) accepts this offer, he/she will get return of around 19% per annum.

As regards the price of Rs. 20/- per share for the proposed purchase by the Company of its own issued ordinary shares; please note that current price per share at Karachi Stock Exchange Limited ('KSE') is around Rs. 18/- and average price per share (on the basis of closing rates) of the Company's shares at the KSE for last three years is as follows:

Period	Average price per share
July 2011 - June 2012	9.44
July 2012 - June 2013	13.41
July 2013 - June 2014	14.47

The Board of Directors of the Company, therefore, believes that price of Rs. 20/- per share would be reasonable.

Source of Funding

The Company shall utilize its distributable profits for the Purposed Purchase. The Company has sufficient cash resources available for the Proposed Purchase.

Effects of Proposed Purchase

In the event, Company purchases the maximum of 20,009,790 issued ordinary shares of the nominal value of Rs.10/- each authorized to be purchased under the Proposed Purchase (whereupon such shares shall be cancelled), the effect of the Proposed Purchase on the Share Capital and Financial Position are set out below:

a) Share Capital

Description	No. of Shares	Amount (Rs.)
Share capital as at June 30, 2014	40,009,790	400,097,900/-
Less: Proposed purchase to be cancelled	(20,009,790)	(200,097,900/-)
Share capital after the proposed purchase	20,000,000	200,000,000/-



b) Financial Position

The proposed purchase will not have an adverse effect on the Company's financial position and will result in the consolidation of shareholders' equity and will increase earnings per share in future.

A majority of Directors, including the Chief Executive, have executed the declaration of solvency in the form prescribed by the Companies (Buy-Back of shares) Rules, 1999, which will be filed with the Securities and Exchange Commission of Pakistan and the Registrar of Companies within prescribed time following the purchase of the issued ordinary shares of the Company. In this declaration the Directors have confirmed that they have made a full inquiry into the affairs of the Company and are of the opinion that the Company shall continue to operate as a going concern and is capable of meeting its liabilities on time during the period up to the end of the immediately succeeding financial year.

Interest of Directors

The Directors are likewise interested in the special business/proposed purchase, to the extent of their respective shares, as the other Members and they may also participate in the proposed purchase.

Documents for Inspection

The following documents are available for inspection at the Office of the Company Secretary at Registered Office of the Company, 12th Floor, Corporate Tower, Technocity Building, Hasrat Mohani Road, Off: I. I. Chundrigar Road, Karachi, Pakistan and may be inspected up to and including the day preceding the date of the meeting during normal office hours:

- Memorandum and Articles of Association
- Declaration of solvency
- Financial statements