

Half Yearly Report
December 31, 2014

INVEST AND FINANCE SECURITIES LIMITED

COMPANY INFORMATION

Board of Directors	Mr. Muhammad Sohail Dayala (Chairman & Chief Executive Officer) Mrs. Halima Dayala Syed Kaleem Akhtar Mr. Ahmad Zakir Hafeez Mr. Muhammad Awais Syed Rashid Ali Mr. Shakeel Ahmed
Audit Committee	Mr. Shakeel Ahmed - Chairman Syed Rashid Ali - Member Mrs. Halima Dayala - Member
HR & R Committee	Mr. Shakeel Ahmed - Chairman Mrs. Halima Dayala - Member Mr. Muhammad Sohail Dayala - Member
Company Secretary	Mr. Muhammad Awais
Chief Financial Officer	Mr. Ahmad Zakir Hafeez
Auditors	M/s. Riaz Ahmad, Saqib, Gohar & Company Chartered Accountants 5-Nasim, C.H.S. Major Nazir Bhatti Road, Off: Shaheed-e-Millat Road, Karachi, Pakistan.
Legal Advisor	M/s. K. D. Rajani & Company Suit No. 210, Progressive Plaza, Beaumont Road, Civil Lines, Karachi, Pakistan.
Share Registrar	M/s. Technology Trade (Private) Limited Dagia House, 241-C, Block-2, P.E.C.H.S., Off: Shahrah-e-Quaideen, Karachi, Pakistan.
Bankers	MCB Bank Limited Bank Alfalah Limited NIB Bank Limited Burj Bank Limited KASB Bank Limited United Bank Limited Bank AL Habib Limited BankIslami Pakistan Limited Habib Metropoliton Bank Limited Silk Bank Limited The Bank of Khyber Summit Bank Limited Habib Bank Limited JS Bank Limited Meezan Bank Limited
Registered Office	12th Floor, Corporate Tower, Techno City Building, Hasrat Mohani Road, Off: I. I. Chundrigar Road, Karachi, Pakistan.
Lahore Office/Branch	319-Siddiq Trade Centre, 72 Main Boulevard, Gulberg, Lahore, Pakistan.
Website	www.investfinance.com.pk

DIRECTORS' REVIEW

BEGIN IN THE NAME OF ALLAH THE MOST GRACIOUS AND MERCIFUL

Dear Member(s)

I, on behalf of Board of Directors of your Company, am pleased to present herewith un-audited condensed interim financial statements of the Company for the half year ended December 31, 2014. These condensed interim financial statements have been reviewed by the external auditors of the Company.

During the second quarter ended December 31, 2014, the Company earned operating revenues of Rs. 45.780 million as compared to Rs. 59.555 million for the same period during last year. Before and after tax profit stood at Rs. 41.127 million and Rs. 37.146 million respectively as compared to Rs. 79.929 million and Rs. 77.897 million respectively for the corresponding period. Earnings per share for the quarter are Rs. 1.86 as compared to Rs. 1.84 for the corresponding period.

For the half year ended December 31, 2014, the Company earned operating revenues of Rs. 73.706 million as compared to Rs. 115.222 million for the corresponding period. The Company earned before and after tax profit of Rs. 52.527 million and Rs. 47.635 million respectively as compared to Rs. 100.877 million and Rs. 97.095 million respectively for the same period during last year. Earnings per share for the half year are Rs. 1.65 as compared to Rs. 1.79 for the corresponding period.

The decrease in overall profits for the second quarter and half year as compared to corresponding periods is due to lower dividend income, capital gains and revaluation of investments. However, brokerage income has increased during the second quarter that has mitigated the above effect to some extent. Earnings have been calculated on the basis of weighted average number of ordinary shares as a result of buy back of shares and is explained in notes to the attached financial statements.

In conclusion, we pray to almighty Allah for his blessings, guidance, health and prosperity to us, our Company, Country and Nation.

For and on behalf of the Board of Directors

Karachi, February 13, 2015

MUHAMMAD SOHAIL DAYALA
Chairman & Chief Executive Officer

RASG

AGN INTERNATIONAL

RIAZ AHMAD, SAQIB, GOHAR & COMPANY
Chartered Accountants

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Invest and Finance Securities Limited** as at **December 31, 2014** and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with selected explanatory notes to the condensed interim financial information forming part thereof for the six months period then ended (here-in-after referred to as the 'condensed interim financial information'). Management of the company is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consist of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the six months period ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the condensed interim profit and loss account of the quarters ended December 31, 2013 & 2014 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2014 and we do not express a conclusion thereon.

Riaz Ahmad, Saqib, Gohar & Company
Chartered Accountants
Karachi: February 13, 2015 **Engagement Partner: Shahid Kamran**

CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2014

	Un-audited December 31, 2014	Audited June 30, 2014
ASSETS	----------Rupees---------	
NON-CURRENT ASSETS		
Property, plant and equipment	**30,492,395**	32,865,361
Intangible assets	**3,700,005**	3,700,005
Long-term investments	**43,078,600**	43,078,600
Long-term deposits	**1,521,627**	2,221,627
	78,792,627	81,865,593
CURRENT ASSETS		
Trade debts	**69,143,266**	151,230,611
Short-term investments	**211,427,927**	303,093,614
Advances, deposits, prepayments and other receivables	**30,245,319**	36,377,075
Advance tax - net	**31,863,984**	29,785,002
Receivable from NCCPL - net	**124,504,663**	610,205,017
Cash and bank balances	**91,164,118**	28,225,669
	558,349,277	1,158,916,988
TOTAL ASSETS	**637,141,904**	1,240,782,581
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
SHARE CAPITAL		
Authorized capital	**1,000,000,000**	1,000,000,000
Issued, subscribed and paid-up capital	**200,156,500**	400,097,900
RESERVES		
Un-appropriated profit	**315,877,722**	468,184,141
	516,034,222	868,282,041
CURRENT LIABILITIES		
Short-term running finance	**52,204,907**	330,703,052
Trade and other payables	**68,902,775**	41,797,488
	121,107,682	372,500,540
CONTINGENCIES AND COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	**637,141,904**	1,240,782,581

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND SECOND QUARTER ENDED DECEMBER 31, 2014

	Half Year Ended		Second Quarter Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	----------Rupees----------		----------Rupees----------	
OPERATING REVENUES				
Operating revenues	**48,493,639**	60,179,107	**31,172,845**	35,798,717
Gain on sale of investments-net	**25,212,059**	55,042,995	**14,607,299**	23,756,272
	73,705,698	115,222,102	**45,780,144**	59,554,989
Operating expenses	**(31,698,341)**	(31,462,243)	**(13,829,885)**	(16,306,627)
Operating profit	**42,007,357**	83,759,859	**31,950,259**	43,248,362
Other income - net	**874,713**	573,582	**303,198**	470,672
Financial charges	**(1,271,386)**	(2,370,469)	**(589,814)**	(793,576)
Gain on revaluation of investments carried at fair value through profit and loss account - net	**10,916,440**	18,913,613	**9,463,294**	37,004,044
	10,519,767	17,116,726	**9,176,678**	36,681,140
PROFIT BEFORE TAXATION	**52,527,124**	100,876,585	**41,126,937**	79,929,502
TAXATION	**(4,892,143)**	(3,781,091)	**(3,980,391)**	(2,032,548)
PROFIT AFTER TAXATION	**47,634,981**	97,095,494	**37,146,546**	77,896,954
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**47,634,981**	97,095,494	**37,146,546**	77,896,954
Earnings per share - basic and diluted	**1.65**	1.79	**1.86**	1.84

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half Year Ended	
	December 31, 2014	December 31, 2013
	----------Rupees----------	
Cash Flows From Operating Activities		
Profit before taxation	**52,527,124**	100,876,585
Adjustments for:		
Depreciation	**2,372,966**	2,584,739
Amortization of software	**-**	78,064
Financial charges	**1,271,386**	2,370,469
Gain on revaluation of investments carried at fair value through profit and loss account - net	**(10,916,440)**	(18,913,613)
Gain on disposal of property, plant & equipment	**-**	(9,846)
	(7,272,088)	(13,890,187)
Profit before working capital changes	**45,255,036**	86,986,398
Changes in working capital		
Decrease in current assets		
Trade debts	**82,087,345**	151,322,372
Short term investments	**102,582,127**	10,785,974
Advances, deposits, prepayments and other receivables	**6,131,756**	21,943,975
Receivable from NCCPL - net	**485,700,354**	225,593,889
	676,501,582	409,646,210
Increase in current liabilities		
Trade and other payables	**29,733,285**	9,623,160
Cash generated from operations	**751,489,903**	506,255,768
Income tax paid	**(6,971,125)**	(7,088,111)
Finance charges paid	**(3,899,384)**	(4,821,693)
Net cash generated from operating activities	**740,619,394**	494,345,964
Cash Flows From Investing Activities		
Long term deposits	**700,000**	-
Purchase of property, plant & equipment	**-**	(385,642)
Proceeds from disposal of Property, plant & equipment	**-**	450,000
Net cash generated from investing activities	**700,000**	64,358
Cash Flows From Financing Activities		
Payments made against buy back of shares	**(399,882,800)**	(390,671,550)
Net increase in cash and cash equivalents	**341,436,594**	103,738,772
Cash and cash equivalents at the beginning of the period	**(302,477,383)**	(353,847,396)
Cash and cash equivalents at the end of the period	**38,959,211**	(250,108,624)

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Share capital	Unappropriated profit	Total
	----------Rupees----------		
Balance as at June 30, 2013	660,545,600	407,089,879	1,067,635,479
Buy Back of 26,044,770 shares having face value of Rs. 10/- each at a purchase price of Rs. 15/- each	(260,447,700)	(130,223,850)	(390,671,550)
Total comprehensive income for the half year ended December 31, 2013	-	97,095,494	97,095,494
Balance as at December 31, 2013	400,097,900	373,961,523	774,059,423
Total comprehensive income for the half year ended June 30, 2014	-	94,222,618	94,222,618
Balance as at June 30, 2014	**400,097,900**	**468,184,141**	**868,282,041**
Buy Back of 19,994,140 shares having face value of Rs. 10/- each at a purchase price of Rs. 20/- each	**(199,941,400)**	**(199,941,400)**	**(399,882,800)**
Total comprehensive income for the half year ended December 31, 2014	**-**	**47,634,981**	**47,634,981**
Balance as at December 31, 2014	**200,156,500**	**315,877,722**	**516,034,222**

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

1. STATUS AND NATURE OF BUSINESS

Invest and Finance Securities Limited ('the Company') was incorporated under the Companies Ordinance, 1984 on September 27, 1999 as a Private Limited Company and converted into Public Unquoted Company w.e.f. November 27, 2006. Effective March 20, 2008 the Company became a listed Company with its shares quoted on the Karachi Stock Exchange Limited. The registered office of the Company is situated at 12th Floor, Corporate Tower, Techno City Building, Hasrat Mohani Road, Off: I. I. Chundrigar Road, Karachi, Pakistan.

The Company is Trading Right Entitlement (TRE) Certificate Holder of the Karachi Stock Exchange Limited and the Lahore Stock Exchange Limited, Corporate Member of the Pakistan Mercantile Exchange Limited and is registered with/accredited by Financial Markets Association of Pakistan as inter-bank broker and Mutual Funds Association of Pakistan as Service Provider/Distributor. The Company is engaged in Financial Brokerage, Corporate Finance and Financial Research.

2. BASIS OF PREPARATION

ACCOUNTING CONVENTION, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been presented in condense form in accordance with the requirements of International Accounting Standard (IAS)-34 "Interim Financial Reporting" as applicable in Pakistan. These condensed interim financial statements do not include all of the information required of full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2014.

These financial statements are un-audited and are being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency and rounded off to the nearest rupee.

The accounting policies applied for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2014.

3. TAXATION

Provision for Taxation has been estimated at the current rate of taxation.

4. PROPERTY, PLANT AND EQUIPMENT

	Un-audited December 31,2014	Audited June 30, 2014
	---------- Rupees----------	
Opening book value	**32,865,361**	36,465,311
Add: Additions during the period	**-**	2,338,022
Less: Disposals during the period (at book value)	**-**	(629,875)
Depreciation charged during the period	**(2,372,966)**	(5,308,097)
	(2,372,966)	(5,937,972)
Closing book value	**30,492,395**	32,865,361

5. RELATED PARTY TRANSACTIONS

The related parties comprise of major shareholders, associated companies with or without common directors, directors of the company and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the entity. The company considers all members of their management team, including the Chief Executive Officer and Directors to be its key management personnel. Remuneration and benefits to executives of the company are in accordance with the terms of the employment. Transactions with other related parties are entered into at rates negotiated with them. Details of transactions with related parties, other than those which have been disclosed elsewhere in these condensed interim financial statements are as follows:

	Un-audited December 31. 2014	Un-audited December 31, 2013
Brokerage income earned from:	---------- Rupees----------	
Directors	**861,944**	419,059
Employees	**49,624**	113,321
Transactions		
Contribution to IFSL - Employees Provident Fund	**797,858**	790,452
Balances		
Payable to Directors	**7,215,333**	-

6. CONTINGENCIES AND COMMITMENTS

6.1 Bank Guarantee in favour of Karachi Stock Exchange Limited from The Bank of Khyber Limited secured against pledge of shares held by the Company.	**25,000,000**	25,000,000

6.2 The Company has pledged/hypothecated TRE Certificate of Karachi Stock Exchange Limited (KSE) and 1,602,953 ordinary shares of KSE with KSE in compliance with Base Minimum Capital (BMC) requirement under Regulation 2.1 of the Regulations Governing Risk Management of the KSE.

The Company has pledged/hypothecated TRE Certificate of Lahore Stock Exchange Limited (LSE) and 337,590 ordinary shares of LSE with LSE in compliance with Base Minimum Capital (BMC) requirement under Regulation 2.1 of the Regulations Governing Risk Management of the LSE.

6.3 In Tax Year 2011 and 2012, the income tax authorities have showed their intention to charge Workers' Welfare Fund (WWF) under the provisions of the Workers' Welfare Fund Ordinance, 1971 amounting to Rs. 1,015,441/- and Rs. 4,443,599/- respectively through Show Cause Notices dated June 16, 2013. The Company has filed a writ petition under Article 199 of the Constitution of Islamic Republic of Pakistan in the Honorable High Court of Sindh at Karachi for grant of stay order against the imposition of WWF. The Honorable High Court of Sindh has granted Stay Order in favor of the Company. The income tax authorities have further showed their intention to amend the assessment for the Tax Year 2012 determining a net tax payable amounting to Rs. 2,283,047/- (which is mainly due to imposition of WWF) through Show Cause Notice dated April 11, 2013.

6.4 The income tax authorities have issued another Show Cause Notice dated June 28, 2014 to charge WWF for the Tax Year 2013 amounting to Rs. 4,925,073/-. The Company replied to the Show Cause Notice based on its plea adopted for the Tax Year 2011 and 2012. The management is confident that the eventual outcome of the matter will be decided in favour of the Company. Accordingly, no provisions have been made in these financial statements.

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

7. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

The paid-up/issued capital of the Company has been reduced to Rs. 200,156,500/- comprising 20,015,650 ordinary shares of Rs. 10/- each as result of purchase/buy back of Company's own ordinary shares under and pursuant to the provisions of Section 95A of the Companies Ordinance, 1984 and the Companies (Buy-Back of Shares) Rules, 1999. Total 19,994,140 shares were purchased and payment of Rs. 399,882,800/- was made to the concerned members (i.e. Rs.10/- per share from the issued, subscribed & paid-up capital and Rs. 10/- per share from the un-appropriated profit).

8. EARNINGS PER SHARE

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

	Half Year Ended December 31		Second Quarter Ended December 31	
	2014	2013	2014	2013
	--------Rupees--------		--------Rupees--------	
Profit after taxation	**47,634,981**	97,095,494	**37,146,546**	77,896,954
Weighted average number of ordinary shares*	**28,817,418**	54,164,556	**20,015,650**	42,274,553
Earnings per share-basic and diluted	**1.65**	1.79	**1.86**	1.84

* As a result of buy back of shares as explained in note 7.

9. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on February 13, 2015 by the Board of Directors of the Company.

10. GENERAL

Figures in these condenced interim financial statements have been rounded to the nearest rupee. The figures of the corresponding period have been re-arranged, wherever necessary, to facilitate comparison and for better presentation.

CHIEF EXECUTIVE OFFICER

DIRECTOR



INVEST AND FINANCE SECURITIES LIMITED

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