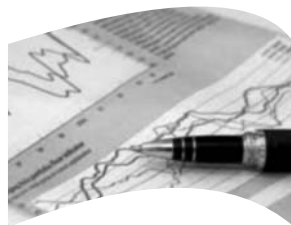


First Quarter Report
September 30,
2 0 1 1



**INVEST AND FINANCE
SECURITIES LIMITED**





COMPANY INFORMATION

Board of Directors	:	Mr. Muhammad Sohail Dayala (Chairman & Chief Executive Officer) Mr. Khalid Iqbal Siddiqui Syed Kaleem Akhtar Mr. Ahmad Zakir Hafeez Mr. Bashir Ahmed Khanani Mr. Shakeel Ahmed Syed Rashid Ali
Audit Committee	:	Mr. Bashir Ahmed Khanani - Chairman Mr. Shakeel Ahmed - Member Syed Kaleem Akhtar - 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 Standard Chartered Bank (Pakistan) Limited NIB Bank Limited KASB Bank Limited United Bank Limited Bank AL Habib Limited Habib Metropolitan Bank Limited Silk Bank Limited The Bank of Khyber Summit Bank Limited Bank Islami Pakistan 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.
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 first quarter ended September 30, 2011.

During the first quarter of the financial year, the Company earned operating profit of Rs. 7.173 million as compared to operating loss of Rs. 0.574 million for the corresponding period. This turnaround is mainly contributed by capital gains and income from inter-bank brokerage operations. Administrative and general expenses have increased due to establishment of Inter-bank brokerage department.

The Company suffered before and after tax loss of Rs. 10.593 million and Rs. 11.282 million respectively as compared to before and after tax profit of Rs. 0.204 million and Rs. 0.157 million respectively for the corresponding period. The loss is mainly resulted by impact of loss on re-measurement of investments due to decrease in share prices. Loss per share for the quarter is Rs. 0.1879 as compared to earnings per share of Rs. 0.0026 for the corresponding period.

Despite posting a loss during the first quarter of 2011-12, your company remains committed to pursuing methods of improving profitability. The SBP's easy monetary stance may result in appreciation in asset values and better brokerage commissions in equity and inter-bank markets.

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, October 14, 2011

MUHAMMAD SOHAIL DAYALA
Chairman & Chief Executive Officer



CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2011

	<u>Un-audited</u> <u>September</u> <u>30, 2011</u>	<u>Audited</u> <u>June</u> <u>30, 2011</u>
----- Rupees -----		
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	38,188,297	39,746,732
Intangible assets	46,939,593	46,954,227
Long-term investments	2,520,000	2,520,000
Long-term deposits	3,280,000	3,280,000
	<u>90,927,890</u>	<u>92,500,959</u>
CURRENT ASSETS		
Trade debts	351,553,921	362,107,843
Short-term investments	306,007,838	334,478,390
Advances, deposits, prepayments and other receivables	29,114,428	28,549,201
Advance tax - net	16,165,233	15,642,406
Receivable under MTS transactions	-	16,361,220
Receivable from NCCPL - net	-	246,109
Cash and bank balances	2,874,548	29,458,177
	<u>705,715,968</u>	<u>786,843,346</u>
TOTAL ASSETS	<u>796,643,858</u>	<u>879,344,305</u>
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	600,496,000	600,496,000
RESERVES		
Un-appropriated profit	8,055,174	19,337,423
	<u>608,551,174</u>	<u>619,833,423</u>
CURRENT LIABILITIES		
Short-term running finance	17,181,965	170,454,027
Payable to NCCPL - net	46,552,858	-
Trade and other payables	124,357,861	89,056,855
	<u>188,092,684</u>	<u>259,510,882</u>
CONTINGENCIES AND COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	<u>796,643,858</u>	<u>879,344,305</u>

The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS
ACCOUNT (UN-AUDITED)**

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2011

	First Quarter Ended	
	September 30, 2011	September 30, 2010
	----- Rupees -----	
OPERATING REVENUE		
Operating revenues	13,005,988	10,089,601
Gain on sale of investments-net	8,653,153	493,961
	21,659,141	10,583,562
EXPENDITURE		
Administrative and general expenses	(14,486,390)	(11,157,946)
Operating profit / (loss)	7,172,751	(574,384)
Other income	358,030	2,085,350
Financial charges	(1,738,546)	(2,149,441)
(Loss) / gain on revaluation of investments carried at fair value through profit and loss account- net	(16,384,880)	842,085
	(17,765,396)	777,994
(LOSS) / PROFIT BEFORE TAXATION	(10,592,645)	203,610
TAXATION	(689,604)	(47,031)
(LOSS) / PROFIT AFTER TAXATION	(11,282,249)	156,579
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(11,282,249)	156,579
Earnings per share - basic and diluted	(0.1879)	0.0026

The annexed notes form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER_____
DIRECTOR



**CONDENSED INTERIM CASH FLOW
STATEMENT (UN-AUDITED)**

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2011

	First Quarter Ended	
	September 30, 2011	September 30, 2010
----- Rupees -----		
Cash Flows From Operating Activities		
(Loss) / profit before taxation	(10,592,645)	203,610
Adjustments for:		
Depreciation	1,302,435	1,216,740
Amortization of software	14,634	21,951
Financial charges	1,738,546	2,149,441
Loss / (gain) on revaluation of investments carried at fair value through profit and loss - net	16,384,880	(842,085)
Gain on disposal of assets	(319,000)	-
	<u>19,121,495</u>	<u>2,546,047</u>
Profit before working capital changes	8,528,850	2,749,657
Changes in working capital		
Decrease / (Increase) in current assets		
Trade debts	10,553,922	(44,018,380)
Short term investments	12,085,672	(123,615,236)
Advances, deposits, prepayments and other receivables	(565,227)	(1,856,277)
Receivable under MTS transactions	16,361,220	-
Receivable from NCCPL	246,109	(333,522)
	<u>38,681,696</u>	<u>(169,823,415)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	33,771,501	170,464,772
Payable to NCCPL	46,552,858	-
Cash generated from operations	<u>127,534,905</u>	<u>3,391,014</u>
Income tax paid	(1,212,431)	(1,101,270)
Finance charges paid	(209,041)	(103,197)
Net cash generated from operating activities	<u>126,113,433</u>	<u>2,186,547</u>
Cash Flow From Investing Activities		
Proceeds from disposal of fixed assets	575,000	-
Net cash generated from investing activities	<u>575,000</u>	<u>-</u>
Cash Flow From Financing Activities		
Net increase in cash and cash equivalents	<u>126,688,433</u>	<u>2,186,547</u>
Cash and cash equivalents at the beginning of the period	(140,995,850)	12,245,712
Cash and cash equivalents at the end of the period	<u>(14,307,417)</u>	<u>14,432,259</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2011

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 (Guarantee) 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 a Corporate Member of the Karachi Stock Exchange (Guarantee) Limited, the Lahore Stock Exchange (Guarantee) Limited and the Pakistan Mercantile Exchange Limited (formerly National Commodity Exchange Limited) and is accredited by Financial Markets Association of Pakistan as inter-bank broker. 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 condensed 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, 2011.

These financial information 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 information 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, 2011.

3 TAXATION

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

4 FIXED ASSETS

Fixed Capital Expenditure during the period amounted to Rs. Nil (June 30, 2011: Rs. 7.406 million). Deletion in Fixed Assets during the period amounted to Rs. 0.40 million (June 30, 2011: Rs. 4.109 million).

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 financial statements, are as follows:

	<u>Un-audited September 30, 2011</u>	<u>Un-audited September 30, 2010</u>
Brokerage income earned from:	----- Rupees -----	
Directors	1,089	-
Employees	34,248	53,176
Transactions		
Contribution to IFSL - Employees Provident Fund	324,009	263,456
Advisory commission	598,387	-
Rent paid to related party	300,000	300,000
	<u>Un-audited September 30, 2011</u>	<u>Audited June 30, 2011</u>
	----- Rupees -----	
Balances		
Loan to director	12,748,000	12,898,000

6 CONTINGENCIES AND COMMITMENTS

Bank Guarantee in favour of Karachi Stock Exchange (Guarantee) Limited from KASB Bank Limited and secured against charge over current assets of the Company.	<u>10,000,000</u>	<u>10,000,000</u>
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7 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on October 14, 2011 by the Board of Directors of the Company.

8 GENERAL

Figures have been rounded off to the nearest rupee.

The figures of the corresponding period have been re-arranged, wherever necessary, to facilitate comparison.

CHIEF EXECUTIVE OFFICER

DIRECTOR



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