

The cover features a white central area framed by purple borders at the top and bottom. The borders are decorated with diagonal lines and a lighter purple gradient. The title 'Annual Report 2018' is centered in the white area in a purple serif font.

Annual Report 2018

PERVEZ AHMED

SECURITIES LIMITED

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COMPANY INFORMATION

Board of Directors	Mr. Pervez Ahmed Mrs. Rehana Pervez Ahmed Mr. Ali Pervez Ahmed Mrs. Ayesha Ahmed Mansoor Mr. Muhammad Khalid Khan Mr. Mazhar Pervaiz Malik Mian Basit Rasheed	Chief Executive
Audit Committee	Mr. Muhammad Khalid Khan Mrs. Ayesha Ahmed Mansoor Mr. Mazhar Pervaiz Malik	Chairman
Chief Financial Officer	Mr. Muhammad Yousuf	
Company Secretary	Mr. Rizwan Atta	
Auditors	M/s Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants	
Legal Advisor	Cornelius, Lane & Mufti Advocates & Solicitors	
Banks	Al Baraka Bank (Pakistan) Limited Dubai Islamic Bank Pakistan Limited MCB Bank Limited Summit Bank Limited	
Registered Office	20-K, Gulberg II, Lahore.	
Share Registrars	THK Associates (Pvt.) Limited First Floor, 40-C, Block - 6 P.E.C.H.S. Karachi - 75400	
Website	www.pervezahmed.net	

VISION

Being an investment and financial services organization whose principles are centered to the financial success of its shareholders and clients, we are devoted to holding the highest degree of service quality and reliability while using our specialized skills and judgments for the financial and operational growth of the Company.

MISSION

To be an esteemed and prosperous Company, providing a diverse range of value added financial services to meet the growing demands of our clients and to earn a highest possible return for our shareholders, through dependable investment behavior and adhering to the best corporate governance standards.

PERVEZ AHMED SECURITIES LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirteenth Annual General Meeting of Pervez Ahmed Securities Limited will be held at the Registered Office of the Company 20-K, Gulberg II, Lahore on Saturday, October 27, 2018 at 3:30 p.m. to transact the following business:

1. To confirm the minutes of the last Annual General Meeting held on October 31, 2017.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2018 together with Directors' and Auditors' reports thereon.
3. To appoint Auditors of the Company for the year 2018-19 and to fix their remuneration. The present Auditors M/s Rahman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants, retire and being eligible offered themselves for the re-appointment.
4. To elect seven directors of the Company, as fixed by the Board of Directors, in term of Section 159 of the Companies Act 2017, for the period of three years with effect from October 31, 2018 in place of the following retiring Directors

Mr. Pervez Ahmed	Mrs. Rehana Pervez Ahmed
Mr. Ali Pervez Ahmed	Mrs. Ayesha Ahmed Mansoor
Mr. Muhammad Khalid Khan	Mr. Mazhar Pervaiz Malik
Mian Basit Rasheed	

Any member who seeks to contest election to the office of director, whether he is retiring or otherwise, shall file with the Company not later than 14 (fourteen) days before the date of meeting, a notice of his / her intention to offer himself / herself for election as a director together with his / her consent to act as director as required under Section 159 (3) of the Companies Act 2017.

By the order of the Board

Lahore: October 5, 2018

Rizwan Atta
Company Secretary

NOTES

- I THE Share Transfer Books of the Company will remain close from October 23, 2018 to October 27, 2018 (both days inclusive).
- II A member of the Company entitled to attend and vote may appoint another member as his/ her proxy to attend and vote instead of him /her.
- III Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.
- IV Beneficial owners of the physical shares and the shares registered in the name of Central Depository Company of Pakistan Ltd. or their proxies are required to produce their original Computerized National Identity Card (CNIC) or passport for identification purpose. In case of corporate entity, the Board of Directors' Resolution / power of Attorney with specimen signature shall be submitted along with proxy form.

DIRECTORS' REPORT

The Board of Directors of Pervez Ahmed Securities Limited is pleased to present the Annual Report for the year ended June 30, 2018 along with the audited financial statements of the Company for the year ended June 30, 2018.

Capital Market Review

During the financial year 2017-18 the Pakistan Stock Exchange 100 index recorded a fall of almost 10 percent. The benchmark PSX-100 index which was at 46,565 points at the beginning of the year, closed at 41,910 points at the end of the financial year on June 30, 2018. Foreign selling during the said financial year was recorded at US\$ 288.56 million whereas average daily trade volumes also reduced by 50% compared to the same period of last year.

Financial Review

The Financial results of the Company for the year ended June 30, 2018 are as under

	Year Ended	
	June 30, 2018 Rupees	June 30, 2017 Rupees
Operating revenue	50,830	289,074
Operating (loss) / profit	(8,108,381)	(1,133,805)
(Deficit) on remeasurement of investments	(30,709,117)	(246,546,090)
Share of (loss) / profit of associate	(12,365,029)	17,707,589
(Loss) before taxation	(60,182,527)	(229,972,306)
Taxation	(6,354)	(24,285)
(Loss) after taxation	(60,188,881)	(229,996,591)
(Loss) per share - Basic	(0.32)	(1.23)

Financial Results of the Company

During the year under review, the Company suffered a net loss of Rs. 60 million for the year ended June 30, 2018 as compared to loss of Rs. 230 million which is mainly due to impairment and remeasurement of investments at fair value.

The auditor has expressed an adverse opinion in audit report with respect to going concern assumption, litigation by one of the creditors and non providing mark-up during the year. However the management is making efforts for reviving the business and regularizing the matters with creditors.

Future Outlook

Present political and law and order challenges & increasing inflation and interest rates we might see unstable development in the Pakistan Stock market on the back of continuous devaluation of Pak Rupee against US Dollar and other currencies

Statement of Ethics & Business Practices

The Board has prepared and circulated the Statement of Ethics and Business Practices signed by every director and employee of the Company as a token of acknowledgement of his/her understanding of the standards of conduct in relation to everybody associated or dealing with the Company.

Dividend

In view of current losses in the current year, negative cash flow and available accumulated losses, dividend can not be declared.

Book Closure

The Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from October 23, 2018 to October 27, 2018 (both days inclusive). Transfer received by our Shares Registrar, M/s THK Associates (Pvt.) Limited - First Floor, 40 - C, Block - 6, P.E.C.H.S. Karachi 75400 at the close of business on October 22, 2018 will be considered to attend and vote at the meeting.

Pattern of Shareholding

The Statement of Pattern of Shareholding along with categories of shareholders of the Company as at June 30, 2018 and Code of Corporate Governance are annexed with this report.

Operating and Financial Data

Operating and financial data with key ratios for the six years is annexed.

Number of Board Meetings Held

Four meetings of the Board of Directors were held during the year ended June 30, 2018 and the attendance of the directors is as follows.

Mr. Pervez Ahmed	Chief Executive	4 attendance
Mrs. Rehana Pervez Ahmed	Director	4 attendance
Mr. Ali Pervez Ahmed	Director	4 attendance
Mrs. Ayesha Ahmed Mansoor	Director	4 attendance
Mr. Muhammad Khalid Khan	Director	4 attendance
Mr. Mazhar Pervaiz Malik	Director	4 attendance
Mian Basit Rasheed	Director	3 attendance

Auditors

The Auditors Messrs Rahman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants retire and being eligible offer themselves for reappointment. The Audit Committee recommends the reappointment of Messrs Rahman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants as auditors of the Company for the financial year ending June 30, 2018.

Audit Committee

The Audit Committee of the Company is in place and comprises the following members as required under the Code of Corporate Governance.

Mr. Muhammad Khalid Khan	Chairman
Mrs. Ayesha Ahmed Mansoor	Member
Mr. Mazhar Pervaiz Malik	Member

Meetings of the Audit Committee were held during the year ended June 30, 2018 as required by the Code of Corporate Governance for review of quarterly & annual accounts and other related matters. The meeting was also attended by the Chief Financial Officer, head of Internal Audit and External Auditors as and when it was required.

Statement in Compliance to the Code of Corporate Governance

The Directors are pleased to confirm that the Company has made compliance of the provisions set out by the Securities & Exchange Commission of Pakistan through the listing regulations of Pakistan Stock Exchange as prescribed in the Code of Corporate Governance and there is no material departure from the best practices as detailed in the listing regulations.

- 1 The financial statements prepared by the management of the Company present its state of affairs fairly, the result of its operations, cash flows and change in equity.
- 2 Proper books of accounts of the Company have been maintained.

- 3 Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- 4 International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- 5 The system of internal control is sound in design and has been effectively implemented and monitored.
- 6 The Company suffered net loss of Rs. 60 million during the year and has accumulated losses of Rs. 1,609 million as at the balance sheet date. The current liabilities of the Company exceeds its current assets by Rs. 638 million. These factors may cast doubt about the entity's ability to continue as going concern. However, the management is making continuous efforts to support the Company.
- 7 There has been no material departure from the best practices of corporate governance as defined in the listing regulations.
- 8 Financial highlights for the last six years are annexed.

Acknowledgement

The Board is thankful to its valued shareholders for their confidence in the Company, the Securities & Exchange Commission of Pakistan and to the management of Pakistan Stock Exchange Limited for their valuable support, assistance and guidance. The Board also thanks to the employees of the Company for their dedication and hard work.

Lahore
October 5, 2018

For & on behalf of the Board

Pervez Ahmed
Chief Executive

FINANCIAL HIGHLIGHTS

Profit and Loss Account	2018 Rupees	2017 Rupees	2016 Rupees	2015 Rupees	2014 Rupees	2013 Rupees
Operating revenue	50,830	289,074	1,173,951	9,792,657	184,547	276,356
Administrative expenses	(1,668,450)	(1,415,796)	(1,778,176)	(1,457,631)	(2,653,321)	(9,109,611)
Operating (Loss) / profit	(1,617,620)	(1,126,722)	(604,225)	8,335,026	(2,468,774)	(8,833,255)
- Finance cost	(3,557)	(7,083)	(1,250)	(105)	(2,148)	(8,654)
- Other operating charges	(6,487,204)	-	-	-	(3,026,969)	(125,000)
- Other operating income	-	-	-	-	-	14,627,861
	(6,490,761)	(7,083)	(1,250)	(105)	(3,029,117)	14,494,207
(Deficit) / Surplus on remeasurement of investments	(30,709,117)	(246,546,090)	(231,332,431)	(997,136)	507,818,854	13,949,547
Impairment loss on available for sale of financial assets	(9,000,000)	-	(3,824,350)			
(Loss) / profit before Taxation & Share from Associated Undertaking	(47,817,498)	(247,679,895)	(235,762,256)	7,337,785	502,320,963	19,610,499
Share of (loss)/profit from Associated Undertaking	(12,365,029)	17,707,589	(830,399)	(22,038,153)	(4,504,206)	30,542,834
(Loss)/profit before Taxation	(60,182,527)	(229,972,306)	(236,592,655)	(14,700,368)	497,816,757	50,153,333
Taxation	(6,354)	(24,285)	(65,116)	(965,267)	(1,845)	(7,278)
(Loss)/profit before Taxation	(60,188,881)	(229,996,591)	(236,657,771)	(15,665,635)	497,814,912	50,146,055
Payouts						
- Cash dividend	Nil	Nil	Nil	Nil	Nil	Nil
- Stock dividend	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet						
Share capital	1,865,684,870	1,865,684,870	1,865,684,870	1,865,684,870	1,865,684,870	1,865,684,870
Share deposit money	20,622,850	20,622,850	20,622,850	20,622,850	20,622,850	20,622,850
Property, plant and equipment	178,744	233,282	306,382	405,146	538,698	722,996
Intangible assets	-	-	-	2,000,000	7,000,000	9,360,000
Long term investments	98,994,070	159,630,115	392,971,256	624,708,434	651,447,462	131,664,268
Short term investments	1,678,539	18,255,569	13,555,385	17,759,485	19,062,512	26,759,208
Total assets	112,832,467	187,381,926	425,414,913	662,331,591	687,065,451	178,126,292
Shareholders' equity	(562,137,900)	(501,949,019)	(271,952,428)	(35,294,657)	(19,629,022)	(496,821,084)
(Loss) / earning per share	(0.32)	(1.23)	(1.27)	(0.08)	2.67	0.56
Current ratio	0.0204 : 1	0.0408 : 1	0.046 : 1	0.05 : 1	0.04 : 1	0.05 : 1

Statement of Compliance With Best Practices of Code of Corporate Governance For The Year Ended June 30, 2018

Pervez Ahmed Securities Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2017 ("the Regulations") in the following manners.

1. The total number of directors are seven as per the following:
Male : Five
Female : Two
2. The composition of the Board of Directors ("the Board") is as follows:

Name of Director and Category

Independent Directors

- Mr. Mazhar Pervaiz Malik
- Mian Basit Rasheed

Other Non-Executive Directors

- Mrs. Rehana Pervez Ahmed
- Mrs. Ayesha Ahmed Mansoor
- Mr. Muhammad Khalid Khan

Executive Directors

- Mr. Pervez Ahmed
- Mr. Ali Pervez Ahmed

3. The Directors have confirmed that none of them is serving as director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable)
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act 2017 ("the Act") and the Regulations.
7. 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. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.
8. The Board of Directors have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and these Regulations.
9. Directors are well conversant with the Listing Regulations and legal requirements and as such are fully aware of their duties and responsibilities. However none of directors of the Company have obtained any certification in any Directors Training Program.

10. The Board has approved appointment of Chief Financial Officer and Company Secretary, including their remuneration and term and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below

Audit Committee

Mr. Muhammad Khalid Khan (Chairman)
Mrs. Ayesha Ahmed Mansoor
Mr. Mazhar Pervaiz Malik

HR and Remuneration Committee

Mr. Muhammad Khalid Khan (Chairman)
Mrs. Ayesha Ahmed Mansoor
Mian Basit Rasheed

13. The terms of reference of the aforesaid committees have been formed, documents and advised to the committee for compliance
14. The frequency of meeting of the committee were as per following:

Audit Committee - Quarterly
HR and Remuneration Committee - Yearly
15. The Board has set-up an effective internal audit function which is considered suitably qualified & experienced for the purpose and are conversant with the policies and procedures of the Company
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board 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 firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP
17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

on behalf of the Board

Lahore.
October 5, 2018

Chief Executive

INDEPENDENT AUDITOR'S REVIEW REPORT

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 ['the Regulations'] prepared by the Board of Directors of PERVEZ AHMED SECURITIES LIMITED for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulation.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the 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 are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Reference	Description
Paragraph 9	The Board has not arranged any directors training program for its directors during the year.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
Engagement Partner: ZUBAIR IRFAN MALIK

LAHORE: October 5, 2018

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of PERVEZ AHMED SECURITIES LIMITED ['the Company'], which comprise the statement of financial position as at June 30, 2018, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter described in 'Basis for Qualified Opinion' paragraph, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the loss, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

We conducted our audit in accordance with International Standards on Auditing ['ISAs'] as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan ['the Code'] and we have fulfilled our other ethical responsibilities in accordance with the Code.

- I. As referred to in note 2.2 to the financial statements, the Company has accumulated losses of Rs. 1609.49 million. Its current liabilities exceed current assets by Rs. 637.92 million. Further, the Trading Rights Entitlement Certificate issued to the Company was inactive due to inadequate net capital balance and the same has been sold to another company for which the directors of the Company have been penalized by the Securities and Exchange Commission of Pakistan, as referred to note 22.1.2 to the financial statements. Further as referred to in note 22.1.2 to the financial statements, the Additional Registrar of Companies ['ARC'], Securities and Exchange Commission of Pakistan has filed a petition in the Lahore High Court against the Company and its directors whereby the ARC has prayed that the affairs of the Company be declared as being conducted in an unlawful manner which is prejudicial for the shareholders, that the Company and its Directors be ordered to buy back the shares of minority shareholders at a price to be determined in accordance with Rule Book of Pakistan Stock Exchange Limited and that the directors be held responsible for not conducting the brokerage business as envisaged in the memorandum of association of the Company. The Company also has overdue debt finances and interest/markup thereon, as referred to note 15 and note 16 to the financial statements. One of the creditors has also filed a suit against the Company for recovery of its debts. These factors indicate existence of material uncertainty that raises doubts about the Company's ability to continue as a going concern and that the company may not be able to discharge its liabilities and realize its assets in the normal course of business. We consider that in the absence of any favourable settlement with the providers of debt finances/creditors, ability to obtain further financing and revival of its operations, the Company may not be able to settle its liabilities and realize its assets in the normal course of business. Consequently, the use of going concern assumption in the preparation of annexed financial statements is not appropriate and adjustments may be required to the recorded asset amounts and classification of liabilities. The financial statements do not disclose this fact.
- II. The Company has not recognized interest/markup on short term borrowings amounting to Rs. 75.834 million upto June 30, 2018. Had this interest/markup been recognized, accumulated losses as at June 30, 2018 and loss for the year then ended would have been higher by Rs. 75.834 million and Rs. 6.75 million respectively. The financial statements do not disclose this fact.

- III. As referred to note 22.1.1 to the financial statements, One of the creditors of the Company filed suit against the Company for the recovery of Rs. 36.57 million including late payment surcharge amounting to Rs. 17.45 million. The Company has not recognized provision for late payment surcharge of Rs. 17.45 million. Had the provision been recognized, accumulated losses as at June 30, 2018 and loss for the year then ended would have been higher by Rs. 17.45 million.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our

audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>1. Preparation of financial statements under Companies Act, 2017</p> <p>As disclosed in note 3 to the annexed financial statements, the Companies Act, 2017 ['the Act'] became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.</p> <p>The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>In the case of the Company, a summary of key additional disclosures and changes to the existing disclosures have been stated in note 3 to the annexed financial statements.</p> <p>The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from transition to the new reporting requirements under the Act.</p>	<p>We assessed the procedures applied by the management for identification of the changes required in the financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements.</p> <p>We also evaluated the sources of information used by the management for the preparation of these disclosures and the internal consistency of such disclosures with other elements of the financial statements.</p>

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of user taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) except for the effects of matters described in 'Basis for Qualified Opinion' paragraph, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) except for the effects of matters described in 'Basis for Qualified Opinion' paragraph, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) except for the effects of matters described in 'Basis for Qualified Opinion' paragraph, investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is ZUBAIR IRFAN MALIK.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
Engagement Partner: ZUBAIR IRFAN MALIK

LAHORE: October 5, 2018

Balance sheet*For The Year Ended June 30, 2018*

	Note	2018 Rupees	2017 Rupees
NON CURRENT ASSETS			
Property and equipment	7	178,744	233,282
Long term investments	8	98,994,070	159,630,115
Long term deposits	9	350,000	350,000
		99,522,814	160,213,397
CURRENT ASSETS			
Short term investments	10	1,678,539	18,255,569
Due from related parties	11	3,725,616	-
Current taxation	12	6,437,782	7,323,577
Cash at banks	13	1,467,716	1,589,383
		13,309,653	27,168,529
CURRENT LIABILITIES			
Trade and other payables	14	(488,374,539)	(489,444,092)
Unclaimed dividend		(885,404)	(885,404)
Accrued interest/markup	15	(21,757,327)	(21,757,327)
Short term borrowings	16	(94,598,931)	(105,440,931)
Due to related parties	17	(45,616,072)	(48,073,097)
		(651,232,273)	(665,600,851)
NET CURRENT ASSETS		(637,922,620)	(638,432,322)
NON-CURRENT LIABILITIES			
Employees retirement benefits	18	(3,115,244)	(3,107,244)
NET ASSETS		(541,515,050)	(481,326,169)
REPRESENTED BY:			
<i>Authorized capital</i>			
230,000,000 (2017: 230,000,000) ordinary shares of Rs. 10 each		2,300,000,000	2,300,000,000
Issued, subscribed and paid up capital	19	1,865,684,870	1,865,684,870
Discount on issue of shares	20	(818,331,810)	(818,331,810)
Accumulated losses		(1,609,490,960)	(1,549,302,079)
		(562,137,900)	(501,949,019)
Advance against issue of ordinary shares	21	20,622,850	20,622,850
TOTAL EQUITY		(541,515,050)	(481,326,169)
CONTINGENCIES AND COMMITMENTS			
	22	-	-
		(541,515,050)	(481,326,169)

The annexed notes from 1 to 39 form an integral part of these financial statements.

Lahore

Date: October 5, 2018

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

Profit and loss account

for the year ended June 30, 2018

	Note	2018 Rupees	2017 Rupees
Revenue	23	50,830	289,074
Administrative expenses	24	(1,668,450)	(1,415,796)
Bank and other charges		(3,557)	(7,083)
Loss on disposal of long term investments		(3,375,900)	-
Loss on disposal of short term investments		(3,111,304)	
		<u>(8,108,381)</u>	<u>(1,133,805)</u>
Impairment loss on long term investments	8.1.2	(9,000,000)	-
Changes in fair value of investments at fair value through profit or loss	10	(30,709,117)	(246,546,090)
		<u>(47,817,498)</u>	<u>(247,679,895)</u>
Share of (loss)/profit of associate	8	(12,365,029)	17,707,589
Loss before taxation		<u>(60,182,527)</u>	<u>(229,972,306)</u>
Taxation	25	(6,354)	(24,285)
Loss after taxation		<u>(60,188,881)</u>	<u>(229,996,591)</u>
Loss per share - basic and diluted	26	<u>(0.32)</u>	<u>(1.23)</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income

for the year ended June 30, 2018

	2018	2017
	Rupees	Rupees
Loss after taxation	(60,188,881)	(229,996,591)
Other comprehensive income	-	-
Total comprehensive loss	(60,188,881)	(229,996,591)

The annexed notes from 1 to 39 form an integral part of these financial statements.

Cash flow statement

for the year ended June 30, 2018

	Note	2017 Rupees	2016 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(60,182,527)	(229,972,306)
Adjustments for non-cash and other items			
Changes in fair value of investments at fair value through profit or loss		30,709,117	246,546,090
Impairment loss on long term investments		9,000,000	-
Loss on disposal of long term investments		3,375,900	-
Loss on disposal of short term investments		3,111,304	-
Dividend income		(50,830)	(289,074)
Provision for employees retirement benefits		8,000	8,000
Share of loss/(profit) of associate		12,365,029	(17,707,589)
Depreciation		54,538	73,100
		58,573,058	228,630,527
Changes in working capital			
Trade and other payables		(1,069,553)	(152,421)
Trade debts		(3,725,616)	-
Cash used in operations		(6,404,638)	(1,494,200)
Payments for:			
Income tax		879,441	(938,814)
Net cash used in from operating activities		(5,525,197)	(2,433,014)
CASH FLOW FROM INVESTING ACTIVITIES			
Dividend income		50,830	9,091,530
Long term deposits		-	705,000
Proceeds from sale of long term investments		2,745,875	-
Proceeds from sale of short term investments		5,063,850	-
Net cash generated from investing activities		7,860,555	9,796,530
CASH FLOW FROM FINANCING ACTIVITIES			
Short term borrowings		-	(2,500,000)
Borrowings from related parties		(2,457,025)	(5,391,975)
Net cash used in from financing activities		(2,457,025)	(7,891,975)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(121,667)	(528,459)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR		1,589,383	2,117,842
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	27	1,467,716	1,589,383

The annexed notes from 1 to 39 form an integral part of these financial statements.

Lahore

Date: October 5, 2018

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

Statement of Changes in Equity

for the year ended June 30, 2018

	Issued subscribed and paid-up capital Rupees	Advance against issue of ordinary shares Rupees	Discount on issue of shares Rupees	Accumulated profit Rupees	Total equity Rupees
As at July 01, 2016	1,865,684,870	20,622,850	(818,331,810)	(1,319,305,488)	(251,329,578)
Comprehensive loss					
Loss after taxation	-	-	-	(229,996,591)	(229,996,591)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	-	(229,996,591)	(229,996,591)
Transaction with owners	-	-	-	-	-
As at June 30, 2017	<u>1,865,684,870</u>	<u>20,622,850</u>	<u>(818,331,810)</u>	<u>(1,549,302,079)</u>	<u>(481,326,169)</u>
As at July 01, 2017	1,865,684,870	20,622,850	(818,331,810)	(1,549,302,079)	(481,326,169)
Comprehensive loss					
Loss after taxation	-	-	-	(60,188,881)	(60,188,881)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	-	(60,188,881)	(60,188,881)
Transaction with owners	-	-	-	-	-
As at June 30, 2018	<u>1,865,684,870</u>	<u>20,622,850</u>	<u>(818,331,810)</u>	<u>(1,609,490,960)</u>	<u>(541,515,050)</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.

Notes to and forming part of financial statements

for the year ended June 30, 2018

1 LEGAL STATUS AND OPERATIONS

Pervez Ahmed Securities Limited ("the Company") was incorporated in Pakistan on June 08, 2005 as a Single Member Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and was later converted to Public Limited Company and listed on Pakistan Stock Exchanges Limited. The Company is primarily a brokerage house engaged in the shares brokerage and trading, consultancy services and underwriting. The registered office of the Company is situated

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards ['IFRS'] issued by the International Accounting Standards Board ['IASB'] as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Going concern assumption

The Company has accumulated losses of Rs. 1,609.490 million. Its current liabilities exceed current assets by Rs. 637.92 million. Further, the Trading Rights Entitlement Certificate issued to the Company was inactive due to inadequate net capital balance and the same has been transferred to third party. These factors indicate existence of material uncertainty that raise doubts about the Company's ability to continue as a going concern and that the Company may not be able to discharge its liabilities and realize its assets in the normal course of business. However, these financial statements have been prepared on a going concern basis based on the following:

- The Company is reviewing its operations and various options are under consideration in this regard, including further financial support from directors in the form of interest free loans.
- Negotiations with lenders regarding settlement of overdue debt finances.
- The Company has continued financial support of its sponsors and associated companies in the form of interest free

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments at fair value/amortized cost. In these financial statements, except for the statement of cash flows, all transactions have been accounted for on accrual basis.

2.4 Judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. There are no estimation uncertainties as at the reporting date. Judgments made by management in the application of approved accounting and reporting standards as applicable in Pakistan that have significant effect on the financial statements and estimates with a

2.4.1 Depreciation method, rates and useful lives of property and equipment (see note 5.1)

The Company reassesses useful lives, depreciation method and rates for each item of property and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item.

2.4.2 Recoverable amount and impairment (see note 5.18)

The management of the Company reviews carrying amounts of its assets for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

2.4.3 Obligation under defined benefit plan (see note 5.3)

The Company's obligation under the defined benefit plan is based on assumptions of future outcomes, the principal ones being in respect of increases in remuneration, remaining working lives of employees and discount rates to be used to determine present value of defined benefit obligation. These assumptions are determined periodically by independent

2.4.4 Taxation (see note 5.15)

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provision for current tax. Provision for deferred tax is estimated after taking into account historical and expected future turnover and profit trends and their taxability under the current tax law.

2.4.5 Provisions (see note 5.19)

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third

2.4.6 Fair value of investments in unquoted equity securities (see note 5.1)

Fair value of investments in unquoted equity securities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis based on inputs from other than observable market.

2.5 Functional currency

These financial statements have been prepared in Pak Rupees which is the Company's functional currency.

2.6 Date of authorization for issue

These financial statements were authorized for issue on October 05, 2018 by the Board of Directors of the Company.

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

The following new and revised standards, interpretations and amendments are effective in the current year but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures.

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 - Income Taxes)

IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets have been amended to clarify the following aspects:

- Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of

Disclosure initiative (Amendments to IAS 7 - Statement of Cash Flows)

IAS 7 - Statement of Cash Flows have been amended to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Annual Improvements to IFRS Standards 2014–2016 Cycle (IFRS 12 - Disclosure of Interests in Other Entities)

IFRS 12 - Disclosure of Interests in Other Entities have been amended to clarify the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations

Companies Act, 2017

The Companies Act 2017 [‘the Act’] was enacted on May 30, 2017. The Act has brought certain changes with regard to the preparation and presentation of these financial statements. These changes, amongst others, included change in nomenclature of primary statements. Further, the disclosure requirements contained in the fourth schedule of the Act have been revised, resulting in elimination of duplicative disclosure with the IFRS disclosure requirements and incorporation of additional/amended disclosures including, but not limited to management assessment of sufficiency of tax provision in the financial statements (see note 25.1), additional disclosure requirements for related parties (see note 28), disclosure of significant events and transactions affecting the financial position and performance of the Company (see note 6) etc.

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments (2014)	July 01, 2018
IFRS 15 – Revenue from Contracts with Customers (2014)	July 01, 2018
IFRS 16 – Leases (2016)	January 01, 2019
IFRS 17 – Insurance contracts (2017)	January 01, 2021
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
Clarifications to IFRS 15 - Revenue from Contracts with Customers	January 01, 2018
IFRIC 22 - Foreign Currency Transactions and Advances Consideration	January 01, 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 - Share-based Payment)	January 01, 2018
Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4 - Insurance Contracts)	July 01, 2018
Transfers of Investment Property (Amendments to IAS 40 - Investment Property)	January 01, 2018
Annual Improvements to IFRS 2014–2016 Cycle	January 01, 2018
Prepayment Features with Negative Compensation (Amendments to IFRS 9 - Financial Instruments)	January 01, 2019
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28 - Investments in Associates and Joint Ventures)	January 01, 2019
Annual Improvements to IFRS Standards 2015 – 2017 Cycle	January 01, 2019
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19 - Employee)	January 01, 2019
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020

Other than afore mentioned standards, interpretations and amendments, IABS has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan [‘SECP’]:

IFRS 1 - First Time Adoption of International Financial Reporting Standards
IFRS 14 - Regulatory Deferral Accounts

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that, except as stated below, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the Company's financial statements other than in presentation/disclosures.

IFRS 9 – Financial Instruments: Classification and Measurement (2014)

IFRS9 replaces IAS 39 - Financial Instruments: *Recognition and Measurement*. The standard contains requirements in the following areas:

- **Classification and measurement:** Financial assets are classified by reference to the business model within which they are held and their cash flow characteristics. The standard introduces a 'fair value through comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to measurement of entity's own credit risk.
- **Impairment:** IFRS9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit loss to have occurred before a credit loss is recognized.
- **Hedge accounting:** IFRS9 introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposure.
- **Derecognition:** The requirements for the derecognition of financial assets and liabilities are carried forward from IAS

Adoption of this IFRS9 may result in material adjustment to carrying amounts of financial assets and liabilities. However, the financial impact of the same cannot be estimated with reasonable certainty at this stage.

5 SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition.

Parts of an item of property, plant and equipment having different useful lives are recognized as separate items.

Major renewals and improvements to operating fixed assets are recognized in the carrying amount if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of operating fixed assets are recognized in profit or loss as incurred.

Depreciation is recognized in profit or loss by reducing balance method over the useful life of each item of property and equipment using the rates specified in note 7 to the financial statements.

Depreciation on additions to property and equipment is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

Depreciation method, useful lives and residual values are reviewed at each reporting date.

An item of property and equipment is de-recognized when permanently retired from use. Any gain or loss on disposal of property and equipment is recognized in profit or loss.

5.2 Ordinary share capital

Ordinary share capital is recognized as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized in profit or loss.

5.3 Employees retirement benefits

5.3.1 Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting and reporting standards as applicable in Pakistan. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash

5.3.2 Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss with the exception of remeasurements which are recognized in other comprehensive income. The amount recognized on statement of financial position represents the present value of defined benefit obligation. The details of the scheme are referred to in note 18 to the financial statements.

5.4 Financial instruments

5.4.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

5.4.2 Classification and measurement

The Company classifies its financial instruments into following classes depending on the purpose for which the financial assets and liabilities are acquired or incurred. The Company determines the classification of its financial assets and

(a) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Assets in this category are presented as current assets except for maturities greater than twelve months from the reporting date, where these are presented as non-current assets.

(b) Financial liabilities at amortized cost

Non-derivative financial liabilities that are not financial liabilities at fair value through profit or loss are classified as financial liabilities at amortized cost. Financial liabilities in this category are presented as current liabilities except for maturities greater than twelve months from the reporting date where these are presented as non-current liabilities.

(c) Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as such on initial recognition or are not classified as any other class. Assets in this category are presented as non-current assets unless management intends to dispose of the asset within twelve months from the reporting date.

(d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets that are either held for trading or are designated as such on initial recognition. Assets in this category are presented as current assets unless management intends to hold the investment for more than twelve months from the reporting date in which case these are presented

5.4.3 Measurement

The particular measurement methods adopted are disclosed in the individual policy statements associated with each

5.4.4 De-recognition

Financial assets are de-recognized if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are de-recognized if the Company's obligations specified in the contract expire or are discharged or cancelled. Any gain or loss on de-recognition of financial assets and financial liabilities is recognized in

5.4.5 Off-setting

A financial asset and a financial liability is offset and the net amount reported in the statement of financial position if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.5 Loans and borrowings

Interest bearing loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis.

5.6 Trade and other payables**5.6.1 Financial liabilities**

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.6.2 Non-financial liabilities

These, on initial recognition and subsequently, are measured at cost.

5.7 Trade and other receivables**5.7.1 Financial assets**

These are classified as 'loans and receivables'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.7.2 Non-financial assets

These, on initial recognition and subsequently, are measured at cost.

5.8 'Regular Way' sales and purchases of financial assets

'Regular Way' sales and purchases of financial assets are recognized at trade dates, which is the date that the Company commits to purchase or sell the investments.

5.9 Investments in listed equity securities

Investment in listed equity securities, on initial recognition, are measured at cost and classified as "financial assets at fair value through profit or loss". Subsequent to initial recognition these are measured at fair value. Gains and losses resulting from changes in fair value are recognized in profit or loss.

5.10 Investments in unquoted equity securities

Investment in unquoted equity securities, on initial recognition, are measured at cost. Subsequent to initial recognition these are measured at fair value, except where fair value cannot be measured reliably in which case these are carried at cost. These are classified as "available for sale financial assets" except for investments managed and evaluated on the basis of fair value which are classified as "financial assets at fair value through profit or loss. Gains and losses resulting from changes in fair value of available for sale investments are recognized in statement of comprehensive income and those of investments at fair value through profit or loss are recognized in profit or loss.

5.11 Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of the associates have been incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried at cost as adjusted for post acquisition changes in the Company's share of net assets of the associates, less any impairment in the investment. Losses of an associate in excess of the Company's interest in that associate are recognized only to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the associate.

5.12 Revenue

Revenue is measured at the fair value of the consideration received or receivable for services provided and other operating income earned in the normal course of business. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of revenue and the associated costs incurred or to be incurred can be measured reliably.

Revenue from different sources is recognized as follows:

Brokerage income is recognized as and when services are provided

Capital gains and losses on sale of investments are recognized at the time of recognition of sale of investments

Underwriting commission is recognized when agreement is executed.

Dividend income is recognized when right to receive payment is established.

Return on bank deposits is recognized using effective interest method.

5.13 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by accounting and reporting standards as applicable in Pakistan, and is presented in 'statement of comprehensive income'.

5.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the profit or loss as incurred.

5.15 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

5.15.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

5.15.2 Deferred taxation

Deferred tax is accounted for using the balance sheet approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date.

5.16 Earnings per share ['EPS']

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary

5.17 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and in current accounts with various banks after deducting balances under lien, if any. Cash and cash equivalents are carried at cost.

5.18 Impairment**5.18.1 Financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been

5.18.2 Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no

5.19 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

6 SIGNIFICANT EVENTS AND TRANSACTIONS

During the year, there are no significant events and transactions that have affected the Company's financial position and performance.

7 PROPERTY AND EQUIPMENT

2018											
COST						DEPRECIATION				Net book value as at	
As at July 01, 2017	Additions	Disposals	As at June 30, 2018	Rate %	As at July 01, 2017	For the year	Adjustment	As at June 30, 2018	Rupees	Rupees	Rupees
Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees			
<i>Assets owned by the Company</i>											
Furniture and fittings	416,000	-	-	20	370,603	9,079	-	379,682			36,318
Vehicles	1,090,270	-	-	20	961,518	25,750	-	987,268			103,002
Office equipment	2,613,334	-	-	33.33	2,554,201	19,709	-	2,573,910			39,424
	4,119,604	-	-		3,886,322	54,538	-	3,940,860			178,744
2017											
COST						DEPRECIATION				Net book value as at	
As at July 01, 2016	Additions	Disposals	As at June 30, 2017	Rate %	As at July 01, 2016	For the year	Adjustment	As at June 30, 2017	Rupees	Rupees	Rupees
Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees			
<i>Assets owned by the Company</i>											
Furniture and fittings	416,000	-	-	20	359,250	11,353	-	370,603			45,397
Vehicles	1,090,270	-	-	20	929,330	32,188	-	961,518			128,752
Office equipment	2,613,334	-	-	33.33	2,524,642	29,559	-	2,554,201			59,133
	4,119,604	-	-		3,813,222	73,100	-	3,886,322			233,282

	Note	2018 Rupees	2017 Rupees
8 LONG TERM INVESTMENTS			
Investment in related parties	8.1	93,994,070	146,190,365
Other investments	8.2	5,000,000	13,439,750
		98,994,070	159,630,115
8.1 Investment in related parties			
Pervez Ahmed Capital (Private) Limited	8.1.1	93,994,070	106,359,099
Origins Fabrics (Private) Limited	8.1.2	-	39,831,266
		93,994,070	146,190,365

8.1.1 Pervez Ahmed Capital (Private) Limited

This represents investment in ordinary shares of Pervez Ahmed Capital (Private) Limited, an associate within the definition of 'Associate' under International Accounting Standard 28 - Investment in Associates and Joint Ventures. Accordingly, the investment Pervez Ahmed Capital (Private) Limited has been accounted for using the equity method. Particulars of investment are as follows:

	2018 Rupees	2017 Rupees
Cost of investment		
8,498,300 (2017: 8,498,300) fully paid ordinary shares of Rs. 10 each	84,983,000	84,983,000
Share of post acquisition profits	9,011,070	21,376,099
	93,994,070	106,359,099
Percentage of ownership interest	49.36%	49.36%

Extracts of financial statements of associate

The assets and liabilities of Pervez Ahmed Capital (Private) Limited as at the reporting date and related revenue and loss based on the associate's audited financial statements for the reporting period are as follows:

	2018 Rupees	2017 Rupees
Assets	190,429,456	215,745,881
Liabilities	(3,930,464)	265,548
(Loss)/profit for the year	(25,051,177)	35,875,343
Share of (loss)/profit	(12,365,029)	17,707,589

8.1.2 Origins Fabrics (Private) Limited

Cost of investment	9,000,000	9,000,000
Changes in fair value	-	30,831,266
Accumulated Impairment	(9,000,000)	-
	-	39,831,266

This represents investment in 900,000 ordinary shares of Origins Fabric (Private) Limited ['OFPL']. OFPL was incorporated for the purpose of acquiring exclusive rights of ORIGINSLAWN, an extension of an already established and renowned retail brand ORIGINSREADY TO WEAR. The Company's shareholding in OFPL comprises 10,000 voting ordinary shares of Rs. 10 each and 890,000 non-voting ordinary shares of Rs. 10 each. The voting power held by the Company does not constitute control or significant influence. Therefore the investment has been accounted for under International Accounting Standard 39 - Financial Instruments: Recognition and Measurement.

The investment was made by the Company with a view to profit from total return of the investee in the form of dividends and changes in fair value. However, during the year, management has decided to fully impair this investment due to lack of future prospects.

8.2 Other investments

These represent investments in the following un-quoted equity securities.

	Note	2018 Rupees	2017 Rupees
Available for sale investments			
Dawood Family Takaful Limited	8.2.1	5,000,000	5,000,000
Lahore Stock Exchange			
Cost	8.2.2	-	12,264,100
Accumulated impairment	8.2.2	-	(3,824,350)
		-	8,439,750
		5,000,000	13,439,750

8.2.1 These represent 500,000 (June 30, 2017: 500,000) ordinary shares of Rs. 10 each. The investment is held for an indefinite period and has been classified as "Available for sale financial asset". The investment has been carried at cost as its fair value cannot be measured reliably.

8.2.2 These represents 843,975 ordinary shares in LSE Financial Services Limited ["LSE"], which were sold to a related party during the year.

	2018 Rupees	2017 Rupees
9 LONG TERM DEPOSITS UNSECURED, CONSIDERED GOOD		
Central Depository Company of Pakistan Limited	50,000	50,000
Lahore Stock Exchange	100,000	100,000
National Clearing Company of Pakistan Limited	200,000	200,000
	350,000	350,000

10 SHORT TERM INVESTMENTS

This represents investment in listed equity securities classified as "Financial assets at fair value through profit or loss". Particulars of investments are as follows:

		2018		2017	
	Note	Carrying value	Fair value	Carrying value	Fair value
		Rupees	Rupees	Rupees	Rupees
Related parties					
D.S. Industries Limited					
Nil (2017: 3,614,000) ordinary shares of Rs. 10 each.	10.1	-	-	10,010,780	13,841,620
Other investments					
Reliance Cotton Mills Limited					
1,500 (2017: 1500) ordinary shares of Rs. 10 each.		196,665	239,385	123,300	196,665
Engro Chemicals Limited					
2,600 (2017: 2,600) ordinary shares of Rs. 10 each.		847,366	816,036	865,722	847,366
Engro Fertilizers Limited					
260 (2017: 260) ordinary shares of Rs. 10 each.		14,362	19,476	16,795	14,362
Jahangir Siddiqui and Company Limited					
48 (2017: 48) ordinary shares of Rs. 10 each.		1,096	874	950	1,096
KASB Bank Limited					
399 (2017: 399) ordinary shares of Rs. 10 each.		4,401	4,768	4,201	4,401
Lotte Chemical Pakistan Limited					
50,000 (2017: 50,000) ordinary shares of Rs. 10 each.		492,500	598,000	300,500	492,500
UBL Shariah Stock Fund					
Nil (2017: 17,367) units.		-	-	2,430,711	2,857,559
		1,556,390	1,678,539	13,752,959	18,255,569

- 10.1** D.S. Industries Limited is an Associated Undertaking as defined in Section 2(4) of the Companies Act, 2017. The Company holds only nil (2017: 5.88%) voting power in D.S. Industries. The Company does not have significant influence over the investee company as defined under International Accounting Standard 28 - Investment in Associates and Joint Ventures. Accordingly, the investment has been accounted for under International Accounting Standard 39 - Financial Instruments: *Recognition and Measurement* and classified as "Financial asset at fair value through profit or loss". During the year these share have been disposed off.

11 DUE FROM RELATED PARTIES

- 11.1** This represent receivable from Pervez Ahmed Capital (Private) Limited, related party against sale of investment. The ageing analysis is as follows:

	2018	2017
	Rupees	Rupees
Past due by less than one year	3,725,616	-
Past due by one year or more	-	-
	3,725,616	-
12 CURRENT TAXATION		
Advance income tax/income tax refundable	6,444,136	7,359,711
Provision for taxation	(6,354)	(36,134)
	6,437,782	7,323,577
13 CASH AT BANKS		
Cash at banks		
current accounts	1,467,636	1,589,303
saving accounts	80	80
	1,467,716	1,589,383

	Note	2018 Rupees	2017 Rupees
14 TRADE AND OTHER PAYABLES			
Trade creditors		473,017,644	473,017,645
Accrued expenses		2,052,331	2,020,481
Withholding tax payable		9,025,128	9,957,881
Payable against purchase of investment	14.1	4,086,600	4,086,600
Other payables		192,836	361,485
		488,374,539	489,444,092

14.1 This represents consideration for purchase of ordinary shares in Origins Fabrics (Private) Limited payable to an Ex-Director of the Company.

15 ACCRUED INTEREST/MARKUP

This represents over-due interest/markup on borrowings.

	Note	2018 Rupees	2017 Rupees
16 SHORT TERM BORROWINGS - SECURED			
These represent short term finances utilized under interest/markup arrangements from banking companies			
Murabaha finance	16.1	91,897,151	102,739,151
Running finance	16.2	2,701,780	2,701,780
		94,598,931	105,440,931

16.1 This facility was obtained from Al Baraka Bank (Pakistan) Limited (formerly known as Burj Bank Limited) for trading in shariah compliant securities. These are secured against pledge of equity securities approved by the bank's Shariah Board with 40% margin. The facility carries profit at matching KIBORplus 1.30% (2017: matching KIBORplus 1.30%) per annum. The facility has expired and has not been renewed at the reporting date. Hence the entire amount outstanding is overdue. The management is in negotiations with the lender regarding settlement of this facility, however, no major terms have been agreed so far. During the year, bank has disposed off shares of D.S. Industries Limited and secured principle payment

16.2 This facility was obtained from Summit Bank Limited. During the year ended June 30, 2011, the bank accepted properties valued at Rs. 104 million and certain listed securities against settlement of outstanding liability with the remaining amount of Rs. 2.702 million to be waived off once the transfer of the above mentioned properties is completed.

	Note	2018 Rupees	2017 Rupees
17 DUE TO RELATED PARTIES			
Associated companies	17.1	15,400,000	17,657,025
Directors	17.2	30,216,072	30,416,072
		45,616,072	48,073,097

17.1 This represent interest free advance obtained from D.S. Textiles Limited, related party. This is unsecured and payable on

17.2 These represent interest free advances obtained from Directors of the Company. These are unsecured and payable on

18 EMPLOYEES RETIREMENT BENEFITS

The Company operates an unfunded gratuity scheme, a defined benefit plan, for all its employees who have completed the minimum qualifying service period. Under the scheme, the Company pays a lump-sum benefit equal to last drawn monthly gross salary for each year of service to scheme members whereas the members of the scheme are not required to make any contributions to the scheme. The scheme is administered by the management of the Company under the supervision and directions of the Board of Directors of the Company. The amount recognized on statement of financial position

The Company has only one employee as at the reporting date. Majority of obligation pertains to the key management personnel of the Company, who have voluntarily opted out of the scheme in the previous years in view of the financial position of the Company (see note 28). The provision for the year pertains to one employee only. The difference between present value of defined benefit obligation and the carrying amount liability is not expected to be material. Accordingly, no

	2018	2017
	Rupees	Rupees
The movement in defined benefit obligation is as follows:		
As at beginning of the year	3,107,244	3,099,244
Charged to profit or loss for the year	8,000	8,000
Benefits paid during the year	-	-
As at end of the year	3,115,244	3,107,244

19 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2018	2017	Note	2018	2017
No. of shares	No. of shares		Rupees	Rupees
Ordinary shares of Rs. 10 each				
59,928,500	59,928,500	Issued for cash	599,285,000	599,285,000
17,529,079	17,529,079	Issued as fully paid bonus shares	175,290,790	175,290,790
29,390,860	29,390,860	Issued at discount for cash	293,908,600	293,908,600
79,720,048	79,720,048	Issued at discount for other than cash 19.1	797,200,480	797,200,480
186,568,487	186,568,487		1,865,684,870	1,865,684,870

19.1 These were issued to directors of the Company against acquisition of properties by the Company for onward transfer to banking companies against settlement of debt finances.

20 DISCOUNT ON ISSUE OF ORDINARY SHARES

This represents discount on issue of ordinary shares under section 84 of the repealed Companies Ordinance, 1984.

21 ADVANCE AGAINST ISSUE OF ORDINARY SHARES

These represent advances against issue of ordinary shares received from Pervez Ahmed Capital (Private) Limited. Shares will be issued against these advances when the Boards of Directors of the Company and Pervez Ahmed Capital (Private) Limited decide. Accordingly, no interest has been charged on these advances.

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

22.1.1 One of the creditors of the Company filed suit against the Company for the recovery of Rs. 36.57 million including late payment surcharge amounting to Rs. 17.45 million. The Company has filed a counter claim of Rs. 18.86 million against the creditor. No provision has been made in this regard as the management of the Company expects favourable outcome of

22.1.2 The Additional Registrar of Companies [‘ARC’] Securities and Exchange Commission of Pakistan has filed a petition in the Lahore High Court against the Company and its directors whereby the ARC has prayed that the affairs of the Company be declared as being conducted in an unlawful manner which is prejudicial for the shareholders, that the Company and its Directors be ordered to buy back the shares of minority shareholders at a price to be determined in accordance with Rule Book of Pakistan Stock Exchange Limited and that the directors be held responsible for not conducting the brokerage business as envisaged in the memorandum of association of the Company. The prayer has been made on the following

- The Company is not being run in accordance with the law and the state of affairs of the Company are prejudicial to the interest of the minority shareholders as the some minority shareholders have filed a complaint to that effect.
- The Company has not declared any dividends 2008-09 and its does not have a bright future outlook as the directors have no concrete plan for the revival of business of the Company.

- c) The Company is principally a brokerage house and has sold its Trading Rights Entitlement Certificate ['TREC'] of Lahore Stock Exchange, without which the Company cannot operate as a brokerage house. (The TREC was sold without the authority of shareholders in general meeting for which the directors of the Company have already been fined Rs. 700,000 vide Securities and Exchange Commission of Pakistan's order dated June 14, 2016).
- d) The Company has not recognized any provision against debt owed to a creditor of Rs. 36.57 million including late payment surcharge amounting to Rs. 17.45 million.
- e) The Company has not recognized interest/markup on short term borrowings amounting to Rs. 75.834 upto June 30, 2018.
- f) The Company has failed to comply with the best practices of the Code of Corporate Governance.

The petition is pending adjudication. The outcome of the petition cannot be ascertained as at the reporting date with certainty.

22.2 Commitments

There are no material commitments as at the reporting date.

	Note	2018 Rupees	2017 Rupees
23 REVENUE			
Dividend income		50,830	289,074
		50,830	289,074
24 ADMINISTRATIVE EXPENSES			
Salaries and benefits	24.1	8,000	8,000
Postage and communication		20,171	85,855
Traveling, conveyance and entertainment		68,452	95,940
Legal and professional		406,361	296,184
Rent, rates and taxes		104,320	4,320
Printing and stationery		87,001	52,385
Fees and subscription		773,042	632,922
Auditor's remuneration	24.2	75,000	75,000
Advertisement		35,280	33,210
Depreciation	7	54,538	73,100
Others		36,285	58,880
		1,668,450	1,415,796

24.1 These include charge in respect of employees retirement benefits amounting to 8,000 (2017: Rs. 8,000).

	Note	2018 Rupees	2017 Rupees
24.2 Auditor's remuneration			
Annual statutory audit		50,000	50,000
Limited scope reviews and certifications		25,000	25,000
		75,000	75,000

	Note	2018 Rupees	2017 Rupees
25 TAXATION			
Current tax			
current year	25.1	6,354	36,134
prior year		-	(11,849)
		6,354	24,285
Deferred tax	25.3	-	-
		6,354	24,285

25.1 Provision for taxation has been made in accordance with Section 5 (2017: Section 5) of the Income Tax Ordinance, 2001. There is no relationship between tax expense and accounting profit. Accordingly no numerical reconciliation has been presented. According to management, the provision for current taxation made in the financial statements is sufficient to discharge tax liability. A comparison of last three years of provision for current taxation with tax assessed is presented

	2017	2016	2015
	Rupees	Rupees	Rupees
Provision for current taxation as per financial statements	24,285	65,116	965,267
Tax assessment under the Ordinance	36,134	47,395	971,139
25.2	Assessments for and upto the tax years 2017 are deemed assessments in terms of Section 120 (1) of the Ordinance, as per returns filled by the Company.		
25.3	The Company has deferred tax asset of Rs. 347.47 million (2016: Rs. 340.59 million) which has not been recognized as future taxable profits are not expected to be available against which the asset could be utilized.		
25.4	The Government of Pakistan vide Finance Act 2017 notified a reduced tax rate of 30% for tax year 2018 as compared to 32% applicable to previous year for Companies.		

	Unit	2018	2017
26			
LOSS PER SHARE - BASIC AND DILUTED			
Loss attributable to ordinary shareholders	Rupees	(60,188,881)	(229,996,591)
Weighted average number of ordinary shares outstanding during the year	No. of shares	186,568,487	186,568,487
Loss per share - Basic	Rupees	(0.32)	(1.23)
There is no anti-dilutive effect on the basic loss per share of the Company.			

	2018	2017
	Rupees	Rupees
27		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,467,716	1,589,383
	1,467,716	1,589,383

28 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associates and associated undertakings, sponsors and directors, and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. Key management personnel do not draw any compensation from the Company. Transactions with sponsors and directors are limited to provision of temporary interest free loans to the Company. Transactions with associates and associated undertakings are limited to provision of interest free loans to the Company. The details of Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date are as follows:

Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding in the
D.S. Textile Limited	Associated company	Common directorship	0.60%
Pervez Ahmed	Key management personna	Chief executive officer	1.588%
Ali Pervez	Key management personna	Director	0.00%
Ayesha Ahmed Mansoor	Key management personna	Director	0.00%
Pervez Ahmed Capital (Private) Limited	Associated company	Associated company	N/A

Details of transactions and balances with related parties is as follows:

		2018	2017
		Rupees	Rupees
28.1	Transactions with related parties		
	Nature of relationship		
	Nature of transactions		
	Associated companies and undertakings	Temporary loan repaid	2,257,025
		Sale of investment	1,250,000
			8,439,750
	Sponsors and directors	Temporary loan repaid	200,000
			-
28.2	Balances with related parties		
	Nature of relationship		
	Nature of balance		

Associated companies and undertakings	Borrowings	15,400,000	17,657,025
	Investment in equity securities	93,994,070	160,031,985
	Advance against issue of ordinary shares	20,622,850	20,622,850
	Receivable against sale of investment	3,725,616	-
Sponsors and directors	Borrowings	30,216,072	30,416,072
Key management personnel	Post employment benefits payable	2,340,000	2,340,000

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS, AND EXECUTIVES

Chief Executive and Directors are on payroll of the Company. However, in view of losses they do not draw any compensation from the Company. Employees retirement benefits outstanding include Rs. 2.3 million (2016: Rs. 2.3 million) pertaining to these directors for services rendered upto the date salary was paid to them. Further, no person employed by the Company meets the definition of 'Executives' under Clause IV(A) of the Fourth Schedule to the Companies Act, 2017.

30 CAPITAL MANAGEMENT

All the efforts of the management is towards ensuring that the Company continues as a going concern. The measures include introduction of capital by directors and sponsors of the Company and settlement of debt finances. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises total borrowings less cash and cash equivalents. Total capital comprises equity as shown in the balance sheet plus debt. Gearing ratio of the Company has not been presented as the Company has negative equity as at the reporting date.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, except those imposed by stock exchanges regarding minimum capital requirements and those under Rule 2(d) of, and Third Schedule to the Securities and Exchange Rules, 1971 pertaining to maintenance of net capital balance.

31 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	2018	2017
	Rupees	Rupees
31.1 Financial assets		
<i>Loans and receivables</i>		
Cash at banks	1,467,716	1,589,383
<i>Available for sale financial assets</i>		
Long term investments	5,000,000	13,439,750
<i>Financial assets at fair value through profit or loss</i>		
Long term investments	-	39,831,266
Short term investments	1,678,539	18,255,569
	8,146,255	73,115,968
	2018	2017
	Rupees	Rupees
Financial liabilities		
<i>Financial liabilities at amortized cost</i>		
Short term borrowings	94,598,931	105,440,931
Accrued interest/markup	21,757,327	21,757,327
Trade creditors	473,017,644	473,017,645
Accrued liabilities	2,052,331	2,020,481
Payable against purchase of investment	4,086,600	4,086,600
Other payables	192,836	361,485
	595,705,669	606,684,469

32 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

32.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its

32.1.1 Maximum exposure to credit risk

Credit risk principally arises from the Company's loans and receivables. The maximum exposure to credit risk as at the reporting date is as follows:

	2018	2017
	Rupees	Rupees
Loans and receivables		
Cash at banks	1,467,716	1,589,383
	1,467,716	1,589,383

32.1. Concentration of credit risk

The Company identifies concentrations of credit risk by reference to type of counter party. Maximum exposure to credit risk by type of counterparty is as follows:

	2018	2017
	Rupees	Rupees
Banking companies	1,467,716	1,589,383
	1,467,716	1,589,383

32.1. Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. All counterparties, with the exception of associated companies, have external credit ratings determined by various credit rating agencies. Credit quality of associated companies is assessed by reference to historical defaults rates and present ages.

(a) Counterparties with external credit ratings

These include banking companies and financial institutions, which are counterparties to 'cash at bank'. These counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company.

32.1. Collateral held

The Company does not hold any collateral to secure its financial assets.

32.1. Credit risk management

The company places deposits with banking companies with reasonably high credit ratings as determined by various credit rating agencies.

32.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

32.2. Exposure to liquidity risk

The followings is the analysis of contractual maturities of financial liabilities, including estimated interest payments.

	2018				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Short term borrowings	94,598,931	94,598,931	94,598,931	-	-
Accrued interest/markup	21,757,327	21,757,327	21,757,327	-	-
Trade creditors	473,017,644	473,017,644	473,017,644	-	-
Accrued liabilities	2,052,331	2,052,331	2,052,331	-	-
Payable against purchase of investment	4,086,600	4,086,600	4,086,600	-	-
Other payables	192,836	192,836	192,836	-	-
	595,705,669	595,705,669	595,705,669	-	-
	2017				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Short term borrowings	105,440,931	105,440,931	105,440,931	-	-
Accrued interest/markup	21,757,327	21,757,327	21,757,327	-	-
Trade creditors	473,017,645	473,017,645	473,017,645	-	-
Accrued liabilities	2,020,481	2,020,481	2,020,481	-	-
Payable against purchase of investment	4,086,600	4,086,600	4,086,600	-	-
Other payables	361,485	361,485	361,485	-	-
	606,684,469	606,684,469	606,684,469	-	-

32.2.2 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company is facing liquidity shortfall due to which its current liabilities exceed current assets by Rs. 637.893 million (2017: Rs. 638.684 million) as at the reporting date. The Company has overdue debt finances and interest/markup thereon which have not been settled. Further, the Trading Rights Entitlement Certificate issued to the Company being inactive due to inadequate net capital balance has been sold by the Company to a third party. In order to mitigate the liquidity shortfall, the Company has made/planned strategic investments in equity securities of project carrying high return with view to profit from their return in the form of dividends. However, the Company has continued support of its directors and associated undertakings in the form of interest free loans.

32.3 Market risk**32.3.1 Currency risk**

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency. The Company is not exposed to currency risk as at the reporting date.

32.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company is not exposed interest rate risk, except to the extent of risk arising from settlement overdue debt finances and interest/markup thereon.

32.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is exposed to price risk due to changes in active market prices of investment in listed equity securities. A ten percent increase in market prices would have increased profit for the year by Rs. .167 million (2017: Rs. 1.826 million). A ten percent decrease in market prices would have had an equal but opposite effect on profit for the year.

33 FAIR VALUE MEASUREMENTS

The Company measures some of its assets at fair value at the end of each reporting period. Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements and has the following levels.

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value hierarchy of assets measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

33.1 Financial Instruments**33.1.1 Financial instruments measured at fair value****a) Recurring fair value measurements**

Nature of asset	Hierarchy	Valuation technique and key	2018 Rupees	2017 Rupees
Investment in listed equity securities (see note 10)	Level 1	Quoted bid prices in active	1,678,539	18,255,569

b) Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

33.1.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

33.2 Assets and liabilities other than financial instruments.

None of the assets and liabilities other than financial instruments are measured at fair value.

34 SHARES IN THE COMPANY HELD BY ASSOCIATED UNDERTAKINGS AND RELATED PARTIES

Ordinary shares in the Company held by associated undertakings and related parties, other than chief executive and directors, are as follows:

	2018	2017
	No. of shares	No. of shares
D.S. Industries Limited	61,550	61,550
D.S. Textiles Limited	1,119,395	1,119,395
D.S. Apparel (Private) Limited	69,375	69,375
Infinite Securities Limited	80,000	80,000
	1,330,320	1,330,320

35 OPERATING SEGMENTS

The Company operates as single reportable segment only.

36 ASSETS PLEDGED AS SECURITY

Listed securities valued at Rs. 13.842 million (2017: Rs. 13.842 million) are pledged with banks as security against debt

37 NUMBER OF EMPLOYEES

Total number of employees of the Company as at the reporting date are 1 (2017: 1). Average number of persons employed by the Company during the period are 1 (2017: 1).

38 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

39 GENERAL

Figures have been rounded off to the nearest rupee.

Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. Significant reclassifications are referred to in relevant notes to the financial statements.

**Categories of Shareholders
As At June 30, 2018**

Categories	Number	Shares Held	%age
Associated Companies & Related Parties			
D.S.Industries Limited	1	61,550	0.033
D.S.Textiles Limited	1	1,119,395	0.600
D.S.Apparel (Pvt.) Limited	1	69,375	0.037
Infinite Securities Limited	1	80,000	0.043
Chief Executive & Directors			
Mr. Pervez Ahmed - Chief Executive	1	2,962,398	1.588
Mrs. Rehana Pervez Ahmed	1	735,140	0.394
Mr. Ali Pervez Ahmed	1	762	0.000
Mrs. Ayesha Ahmed Mansoor	1	735,866	0.394
Mr. Muhammad Khalid Khan	1	646	0.000
Mr. Mazhar Pervaiz Malik	1	500	0.000
Mian Basit Rasheed	1	1,000	0.001
Banks, DFI and NBFIs	3	2,947	0.002
Joint Stock Companies	29	1,249,617	0.670
General Public (Local)	7,829	175,003,036	93.801
General Public (Foreign)	120	4,501,255	2.413
Others	2	45,000	0.024
Total	7994	186,568,487	100.000

Detail of Shareholding of 5% and above.

Shares Held	Percentage
N/A	0.000

**Pattern of Shareholding
As At June 30, 2018**

Number of Shareholders	Shareholding		Total Number of Shares Held	%age
	From	To		
602	1	100	31,304	0.017
839	101	500	333,404	0.179
1,607	501	1,000	1,279,926	0.686
2,023	1,001	5,000	5,806,483	3.112
924	5,001	10,000	7,593,419	4.070
364	10,001	15,000	4,751,910	2.547
289	15,001	20,000	5,411,885	2.901
187	20,001	25,000	4,451,003	2.386
130	25,001	30,000	3,712,405	1.990
97	30,001	35,000	3,202,756	1.717
78	35,001	40,000	3,016,003	1.617
55	40,001	45,000	2,376,786	1.274
114	45,001	50,000	5,626,482	3.016
44	50,001	55,000	2,330,510	1.249
35	55,001	60,000	2,053,409	1.101
37	60,001	65,000	2,322,542	1.245
42	65,001	70,000	2,875,527	1.541
35	70,001	75,000	2,582,593	1.384
30	75,001	80,000	2,352,500	1.261
11	80,001	85,000	922,516	0.494
17	85,001	90,000	1,506,890	0.808
20	90,001	95,000	1,880,699	1.008
77	95,001	100,000	7,684,999	4.119
20	100,001	105,000	2,063,146	1.106
15	105,001	110,000	1,627,000	0.872
12	110,001	115,000	1,360,500	0.729
7	115,001	120,000	828,000	0.444
10	120,001	125,000	1,238,000	0.664
10	125,001	130,000	1,279,966	0.686
7	130,001	135,000	930,500	0.499
8	135,001	140,000	1,110,000	0.595
7	140,001	145,000	1,008,620	0.541
20	145,001	150,000	2,995,000	1.605
4	150,001	155,000	611,001	0.327
4	155,001	160,000	635,000	0.340
1	160,001	165,000	165,000	0.088
3	165,001	170,000	504,175	0.270
10	170,001	175,000	1,742,000	0.934
3	175,001	180,000	531,000	0.285
2	180,001	185,000	370,000	0.198
4	185,001	190,000	759,000	0.407
1	190,001	195,000	190,500	0.102
33	195,001	200,000	6,597,500	3.536
6	200,001	205,000	1,219,000	0.653
4	205,001	210,000	837,500	0.449
1	210,001	215,000	213,000	0.114
3	215,001	220,000	654,000	0.351
1	220,001	225,000	220,500	0.118
4	225,001	230,000	913,535	0.490
4	230,001	235,000	934,500	0.501
4	235,001	240,000	947,500	0.508
6	245,001	250,000	1,500,000	0.804
5	250,001	255,000	1,260,717	0.676
1	255,001	260,000	256,500	0.137
1	260,001	265,000	263,000	0.141
4	265,001	270,000	1,074,104	0.576
3	275,001	280,000	838,000	0.449
2	280,001	285,000	564,500	0.303
1	290,001	295,000	293,500	0.157
12	295,001	300,000	3,599,735	1.929
1	305,001	310,000	310,000	0.166
4	310,001	315,000	1,246,500	0.668
2	315,001	320,000	640,000	0.343
1	320,001	325,000	325,000	0.174
1	325,001	330,000	327,000	0.175
1	330,001	335,000	335,000	0.180
1	340,001	345,000	344,000	0.184
2	345,001	350,000	700,000	0.375
1	355,001	360,000	360,000	0.193
1	360,001	365,000	361,242	0.194
1	370,001	375,000	375,000	0.201
1	375,001	380,000	376,500	0.202
1	385,001	390,000	390,000	0.209
4	395,001	400,000	1,600,000	0.858
1	400,001	405,000	402,500	0.216
1	410,001	415,000	415,000	0.222
1	415,001	420,000	419,000	0.225
2	420,001	425,000	849,264	0.455
2	425,001	430,000	859,000	0.460
1	430,001	435,000	431,500	0.231
1	440,001	445,000	445,000	0.239
1	455,001	460,000	460,000	0.247
2	460,001	465,000	925,500	0.496
2	465,001	470,000	937,500	0.502
1	470,001	475,000	475,000	0.255
1	480,001	485,000	485,000	0.260
9	495,001	500,000	4,000,000	2.144
2	500,001	505,000	1,000,601	0.536
1	505,001	510,000	506,010	0.271
1	550,001	555,000	555,000	0.297
1	560,001	565,000	562,500	0.301
1	570,001	575,000	574,500	0.308
2	585,001	590,000	1,175,500	0.630
2	595,001	600,000	1,198,000	0.642
1	610,001	615,000	613,000	0.329
1	645,001	650,000	646,250	0.346
1	695,001	700,000	698,000	0.374
2	700,001	705,000	1,404,502	0.753
1	710,001	715,000	713,175	0.382
1	730,001	735,000	730,050	0.391
1	735,001	740,000	738,500	0.396
1	765,001	770,000	767,000	0.411
1	770,001	775,000	772,500	0.414
1	785,001	790,000	786,000	0.421
2	795,001	800,000	1,600,000	0.858
1	895,001	900,000	900,000	0.482
1	910,001	915,000	911,000	0.488
1	920,001	925,000	921,500	0.494
1	970,001	975,000	975,000	0.523
4	995,001	1,000,000	4,000,000	2.144
1	1,005,001	1,010,000	1,009,500	0.541
1	1,100,001	1,105,000	1,102,000	0.591
1	1,115,001	1,120,000	1,119,395	0.600
1	1,180,001	1,185,000	1,181,000	0.633
1	1,345,001	1,350,000	1,346,500	0.722
1	1,420,001	1,425,000	1,423,500	0.763
1	1,455,001	1,460,000	1,460,000	0.783
1	1,470,001	1,475,000	1,473,000	0.790
1	1,530,001	1,535,000	1,531,500	0.821
1	1,595,001	1,600,000	1,600,000	0.858
1	1,745,001	1,750,000	1,750,000	0.938
1	1,845,001	1,850,000	1,850,000	0.992
2	1,995,001	2,000,000	4,000,000	2.144
1	2,200,001	2,205,000	2,205,000	1.182
1	2,825,001	2,830,000	2,830,000	1.517
1	2,900,001	2,905,000	2,902,548	1.556
7994			186,568,487	100.000

مجلسِ نظام کی رپورٹ

پرویز احمد سیکورٹیز لمیٹڈ کی مجلسِ نظام 30 سال 2018ء کو ختم ہونے والے مالی سال کے لئے کمپنی کے نظر ثانی ساہ حسابات معہ سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

کمپنیل مارکیٹ کا جائزہ

مالی سال 2017-18 کے دوران پاکستان اسٹاک ایکسچینج 100 انڈیکس نے تقریباً 10 فیصد کی کمی درج کی ہے۔ پنج مارک کے ایس ای-100 انڈیکس سہ سال کے آغاز میں 46,565 پوائنٹس پر تھا، 30 سال 2018ء کو مالی سال کے اختتام پر 41,910 پوائنٹس پر بند ہوا۔ مذکورہ مالی سال کے دوران غیر ملکی فروخت 288.56 ملین امریکی ڈالر درج کی گئی جبکہ یومیہ او ساہ ورتی حجم میں بھی گزشتہ سال کی اسی مدت کے مقابلے 50 فیصد تک کمی ہوئی۔

مالیاتی جائزہ

30 سال 2018ء کو ختم ہونے والے سال کے لئے کمپنی کے مالی نتائج حسب ذیل ہیں:

تفصیل	مختتمہ سال 30 سال 2018ء (روپے)	مختتمہ سال 30 سال 2017ء (روپے)
آپریٹنگ آمدنی	50,830	289,074
آپریٹنگ (نقصان) / منافع	(8,108,381)	(1,133,805)
سرمایہ کاری کی بحالی پر خسارہ	(30,709,117)	(246,546,090)
شراکے کے نقصان کا حصہ	(12,365,029)	17,707,589
(نقصان) ٹیکس سے پہلے	(60,182,527)	(229,972,306)
ٹیکسیشن	(6,354)	(24,285)
(نقصان) ٹیکس کے بعد	(60,188,881)	(229,996,591)
(نقصان) فی شیئر - بنیادی	(0.32)	(1.23)

کمپنی کے مالیاتی نتائج

زیر جائزہ سال کے دوران، 30 سال 2018ء کو ختم ہونے والے مالی سال کے لئے کمپنی نے 230 ملین روپے نقصان کے مقابلے 60 ملین روپے کا خالص نقصان بردا سس کیا جس کی بنیادی وجہ سرمایہ کاری کی فیئر ویلیو میں اتار چڑھاؤ اور تبدیلی ہے۔

آڈیٹرز نے سال کے دوران گونگ کنسرن مفروضہ، کمز چہندگان میں سے ایک کی طرف سے مقدمہ بازی اور مارک اپ کی عدم فراہمی کی بابت اپنی رپورٹ میں منفی رائے کا اظہار کیا ہے۔ تاہم انتظامیہ کاروبار کی بحالی اور کمز دہندگان کے ساتھ معاملات کو باکر عدہ کرنے کے لئے کوششیں کر رہے ہیں۔

مستقبل کا نقطہ نظر

موسادہ سیاسی اور امن و امان کے مسائل اور افراط زر اور سود کی شرحوں میں اساکرا اور امریکی ڈالر اور دیگر کرنسیوں کے مقابلے پاکستانی روپیہ کی کرر میں مسلسل کمی کی پشت پر ہم پاکستان اسٹاک مارکیٹ میں غیر مستحکم ترقی دیکھ سکتے ہیں۔

اخلاقیات اور کاروباری طریقوں کا بیان

بورڈ نے کمپنی کے ساتھ منسلک یا کاروبار کرنے والے ہر ایک شخص سے متعلقہ سابعہ اخلاق کے معیارات کو پیشگی سمجھنے کے اعتراف کے طور پر کمپنی کے ہر ایک ڈائریکٹر اور ملازم کی طرف سے دستخط ساہ اخلاقیات اور کاروباری طریقوں کا بیان تیار اور جاری کیا ہے۔

منافع منقسمہ

منفی نقد بہاد اور دستیاب مجموعی نقصانات کے باعث موسادہ سال میں حالیہ نقصانات کے مد نظر منافع منقسمہ کا اعلان نہیں کیا جا سکا ہے۔

کتابوں کی بندش

کمپنی کی حصص منتقلی کتابیں 23 اکتوبر 2018ء تا 27 اکتوبر 2018ء (بشمول دونوں ایام) بند رہیں گی اور اس دوران رجسٹریشن کے لئے حصص کی کوئی منتقلی کر بل قبول نہیں ہوگی۔ 22 اکتوبر 2018ء کو کاروبار کے اختتام تک ہمارے شیئرز رجسٹر، میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی منزل، 40-C، پتھرک P.E.C.H.S,6، کراچی کو موصول ہونے والی منتقلیاں اجلاس میں شرکے اور حق رائے دہو کے لئے کر بل قبول ہوگی۔

نمونہ حصص داری

30 سان 2018ء کے مطابق نمونہ حصص داری کا بیان معد کمپنی کے حصص یافتگان کی کیئرگیز اور کارپوریٹ گورننس کا سابعہ اخلاق اس رپورٹ کے ہمراہ منسلک ہیں۔

آپریٹنگ اور مالیاتی اعداد و شمار

گزشتہ چھ سالوں کے لئے آپریٹنگ اور مالیاتی اعداد و شمار مع کلیدی تناسب منسلک ہیں۔

بورڈ کے منعقدہ اجلاسوں کی تعداد

30 سان 2018ء کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے اور ڈائریکٹرز کی حاضری مندرجہ ذیل ہے:

نام	عہدہ	تعداد حاضری
جناب پرویز احمد	چیف ایگزیکٹو	4
محترمہ ریحانہ پرویز احمد	ڈائریکٹر	4
جناب علی پرویز احمد	ڈائریکٹر	4
محترمہ عائشہ احمد منصور	ڈائریکٹر	4
جناب محمد خالد خان	ڈائریکٹر	4
جناب مظہر پرویز ملک	ڈائریکٹر	4
میاں با سارشد	ڈائریکٹر	3

آڈیٹرز

موسادہ آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئی ہیں اور اہل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنے آپ کو پیش کرتے ہیں۔ بورڈ کی آڈٹ کمیٹی نے 30 سان 2019ء کو ختم ہونے والے مالی سال کے لئے بطور آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو دوبارہ مقرر کرنے کی سفارش کی ہے۔

آڈٹ کمیٹی

کارپوریٹ گورننس کے سابعہ اخلاق کی تعمیل میں آڈٹ کمیٹی تشکیل دی گئی ہے اور مندرجہ ذیل اراکین پر مشتمل ہے:

نام	عہدہ
جناب محمد خالد خان	چیئرمین
محترمہ عائشہ احمد منصور	رکن
جناب مظہر پرویز ملک	رکن

سہ ماہ اور سالانہ حسابات کے جائزہ اور دیگر متعلقہ معاملات کے لئے کارپوریٹ سابعہ اخلاق کے تحت درکار 30 سان 2018ء ختم سال کے دوران آڈٹ کمیٹی کے اجلاس منعقد ہوئے۔ اجلاس میں چیف فنانشل آفیسر، داخلی آڈٹ کے سربراہ اور جب ضرورت پیش آئی بیرونی آڈیٹرز نے بھی شرکت کی۔

کارپوریٹ گورننس کا سابعده اخلاق

کارپوریٹ گورننس کے سابعده اخلاق کی تعمیل میں بیان

ڈائریکٹرز بخوشی تصدیق کرتے ہیں کہ کمپنی نے کارپوریٹ گورننس کے سابعده اخلاق میں مجوزہ پاکستان اسٹاک ایکسچینج کے مندرجہ قواعد کے ذریعے سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان کی طرف سے کرم کی گئی دفعات کی تعمیل کی ہے اور درجہ ذیل تفصیلی قواعد کے مطابق بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔

- 1- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاد اور ایکٹیوٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- 2- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئی ہیں۔
- 3- مالی حسابات کی تیاری میں مناسبتا کا دتنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسبتا اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- 4- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کی پیروی کی گئی ہے اور کسی انحراف کا واضح انکشاف کیا گیا ہے۔
- 5- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- 6- سال کے دوران کمپنی نے 60 ملین روپے کا خالص نقصان اٹھایا اور بیلنس شیٹ کی تاریخ تک 1,609 ملین روپے کا مجموعی نقصان اٹھایا ہے۔ کمپنی کی موسادہ واجب ادائیگیاں اسکے موسادہ اثاثوں سے 638 ملین روپے تک ہو کر گئی ہیں۔ یہ عناصر کمپنی کی اہلیت مسلسل جاری رہنے کے بارے میں شق پیدا کر سکتے ہیں۔ تاہم انتظامیہ کمپنی کی مدد کے لئے مسلسل کوششیں کر رہا ہے۔
- 7- فہرستی رابطوں میں تفصیلی کارپوریٹ گورننس کے بہترین طریقوں میں سے کسی خاطر خواہ شق سے مادی انحراف نہیں ہو رہا ہے۔
- 8- گزشتہ چھ سالوں کی مالیاتی جھلکیاں منسلک ہیں۔

اظہار تشکر

بورڈ کمپنی میں اپنے کربل کر حصص یافتگان کے اعتماد، بھرپور حمایت، مدد اور رہنمائی کے لئے سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کی شکر گزار ہے۔ بورڈ کمپنی کے ملازمین کی لگن اور سخت محنت کا بھی شکریہ ادا کرتا ہے۔

منجانب بورڈ

پرویز احمد

چیف ایگزیکٹو

لاہور، تاریخ: 5 اکتوبر 2018ء

FORM OF PROXY Annual General Meeting

The Company Secretary
Pervez Ahmed Securities Limited
20-K, Gulberg II,
Lahore.

Dear Sir,

I/We ----- of (full address) ----- being a member(s) of Pervez Ahmed Securities Limited holding ----- Ordinary Shares as per Registered Folio No. / CDC A/c No. ----- hereby appoint Mr./ Mrs./ Miss ----- of (full address) ----- or failing him / her Mr./ Mrs./ Miss ----- of (full address) ----- being member of the Company as my/our Proxy to attend, act and vote for me / us and on my / our behalf at the ----- Annual General Meeting of the Company to be held on 27th October 2018

Signed this ----- day of ----- 2018

Witnesses:

Signature _____
Name _____
Address _____
CNIC No./ Passport No. _____

Five
Rupees
Revenue
Stamp

Signature should be agreed with the
Specimen Signatures with the
Company

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint a proxy to attend and vote instead of him/her.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his constituted attorney or if such appointer is a corporation or company under the common seal of such corporation or company.
3. In case of individual, the account holder or sub-account holder and / or the person whose securities are in group account shall submit the Proxy form along with following documents:
 - a. The Proxy form shall be witnessed by the two persons whose names, addresses and CNIC number shall be mentioned on the form.
 - b. Attested copies of CNIC or the passport of the beneficial owners and the Proxy shall be furnished with the Proxy form.
 - c. The Proxy shall produce his / her original CNIC or original passport at the time of the meeting.

In case of corporate entity, the Board of Director's resolution / power of attorney with specimen signature shall be submitted along with Proxy form to the company.
4. The Proxy Form, duly completed, must be deposited with the Company Secretary of Pervez Ahmed Securities Limited, 20 – K Gulberg II Lahore not less than 48 hours before the time for holding the meeting.

Registered Office: | 20-K Gulberg II, Lahore.

| Ph: (042) 3575 9621, 3575 9464, 3571 4810

| Fax: (042) 3571 0312