

Annual Report 2014

Pervez Ahmed Securities Limited

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COMPANY INFORMATION

Board of Directors	Mr. Pervez Ahmed Mrs. Rehana Pervez Ahmed Mr. Ali Pervez Ahmed Mr. Hassan Ibrahim Ahmed Mrs. Ayesha Ahmed Mansoor Mr. Muhammad Khalid Khan Mr. Mazhar Pervaiz Malik	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	Burj Bank Limited Dubai Islamic Bank Pakistan Limited MCB Bank Limited NIB Bank Limited Silk Bank Limited Summit Bank Limited	
Registered Office	20-K, Gulberg II, Lahore.	
Stock Exchange Office	Room No. 317, Third Floor, Lahore Stock Exchange Building, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.	
Share Registrars	THK Associates (Pvt.) Limited Ground Floor, State Life Building No 3, Dr. Ziauddin Ahmed Road, Karachi - 75530	
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 Ninth Annual General Meeting of Pervez Ahmed Securities Limited will be held at the Registered Office of the Company 20-K, Gulberg II, Lahore on Friday October 31, 2014, at 4:30 p.m. to transact the following business:

1. To confirm the minutes of last Annual General Meeting held on October 31, 2013
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2014 together with Directors' and Auditors' reports thereon.
3. To appoint Auditors of the Company for the year 2014-2015 and to fix their remuneration. The present Auditors M/s Rahman Sarfraz Rahim Iqbal Rafiq - Chartered Accountants, retire and being eligible offered themselves for the re-appointment.

By the order of the Board

Lahore: October 09, 2014

Rizwan Atta
Company Secretary

NOTES

- I The Share Transfer Books of the Company will remain close from October 25, 2014 to October 31, 2014 (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 Limited 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

Directors of Perez Ahmed Securities Limited, are pleased to present the ninth annual report of the Company for the year ended June 30, 2014 along with the financial statements and auditor's report thereon.

Capital Market Review

The stock market of Pakistan showed a marvelous performance in FY-14 where the KSE-100 benchmark index closed above 29,650 with annualized gain of 41.16%. Foreign investments remained net buyers during the period with their net inflows of US\$ 256.17 million into Pakistan's equity market. Average daily volumes also showed handsome improvement from the previous years

These positive gains by the market were backed by the positive GDP growth that remained above 4% mark. The IPO and other privatization transactions boosted the investors' confidence. The increase in foreign exchange reserves was also a reason that created attraction for the investors. The smooth political transition of power also played favourably in the country's investment climate.

Financial Review

The Financial results of the Company for the year ended June 30, 2014 are as under

	Year Ended	
	June 30, 2014 Rupees	June 30, 2013 Rupees
Operating revenue	184,547	276,356
Operating (loss)	(5,497,891)	(8,833,255)
Finance cost	(2,148)	(8,654)
Surplus on remeasurement of investments	507,818,854	13,949,547
Profit before taxation	497,816,757	50,153,333
Taxation	(1,845)	(7,278)
Profit after taxation	497,814,912	50,146,055
Earnings per share - Basic	2.67	0.56

Financial Results of the Company

During the year the Company earned after tax profit of Rs. 497.815 million as compared to profit of Rs. 50.146 million earned last year. Profit for the year mainly due to surplus on re-measurement of investments which is amounting to Rs. 507.819 million. Going forward the management has made decisions to make strategic investments in retail sector brands. The retail brand industry has huge potential and has shown robust double digit growth in previous years.

The auditors have expressed an adverse opinion in their report with respect to going concern assumption and non providing of mark-up amounting to Rs. 12.13 million. However the management considers that the going concern assumption used in preparation of these financial statements is appropriate keeping in view of settlement of major portion of bank borrowings, continuous support from directors and diversification plan to run the affairs of the Company and to make it a profitable venture. Whereas negotiations with the bank regarding settlement of loan is in process and hopefully no additional mark-up will be paid on the new terms. The management intends to further reduce its bank borrowings which is evident by the fact that the Company has reduced its bank borrowings by approximately 70% in last five years.

Future Outlook

Besides the present political and law and order challenges positive economic activity is expected on the back of lowering inflation and interest rates. We might see a stable positive development in the Karachi Stock market on the back of improving economic indicators

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 operating 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 25, 2014 to October 31, 2014 (both days inclusive). Transfer received by our Shares Registrar, M/s THK Associates (Pvt.) Limited - Ground Floor, State Life Building No 3, Dr. Ziauddin Ahmed Road, Karachi at the close of business on October 24, 2014 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, 2014 as required under section 236 of the Companies Ordinance 1984 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, 2014 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	3 attendance
Mr. Hassan Ibrahim Ahmed	Director	4 attendance
Mr. Suleman Ahmed	Director	2 attendance
Mrs. Ayesha Ahmed Mansoor	Director	4 attendance
Mr. Muhammad Khalid Khan	Director	4 attendance
Mr. Mazhar Pervaiz Malik	Director	1 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, 2015.

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, 2014 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 Karachi and Lahore Stock Exchanges 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 earned net profit of Rs. 497.815 million during the year and has accumulated losses of Rs. 1,066.98 million as at the balance sheet date. The current liabilities of the Company exceeds its current assets by Rs. 655.96 million. These factors may cast doubt about the entity's ability to continue as going concern. However, the management has adequate plans to mitigate these factors. These plans includes diversification of operations of the Company, settlement of bank borrowing and injection of further capital by way of right issue.
- 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, its clients, the Securities & Exchange Commission of Pakistan and to the management of Karachi & Lahore Stock Exchanges 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 9, 2014

For & on behalf of the Board

Pervez Ahmed
Chief Executive

FINANCIAL HIGHLIGHTS

Profit and Loss Account	2014 Rupees	2013 Rupees	2012 Rupees	2011 Rupees	2010 Rupees	2009 Rupees
Operating revenue / (loss)	184,547	276,356	33,000	934,365	4,275,745	(909,463,263)
Administrative expenses	(2,653,321)	(9,109,611)	(3,297,747)	(3,306,209)	(5,571,498)	(11,488,448)
Operating (Loss)	(2,468,774)	(8,833,255)	(3,264,747)	(2,371,844)	(1,295,753)	(920,951,711)
- Finance cost	(2,148)	(8,654)	(35,737)	(20,464,413)	(29,834,005)	(134,899,272)
- Other operating charges	(3,026,969)	(125,000)	(21,885,693)	(10,150,000)	(225,000)	(200,000)
- Other operating income	-	14,627,861	2,283	26,952,960	162,431	11,973
	(3,029,117)	14,494,207	(21,919,147)	(3,661,453)	(29,896,574)	(135,087,299)
Surplus /(Deficit) on remeasurement of investments	507,818,854	13,949,547	1,312,895	(3,709,839)	(8,559,527)	(356,703,167)
Profit / (Loss) before Taxation & Share from Associated Undertaking	502,320,963	19,610,499	(23,870,999)	(9,743,136)	(39,751,854)	(1,412,742,177)
Share of (loss) / profit from Associated Undertaking	(4,504,206)	30,542,834	(95,427)	(1,165,402)	(2,597,849)	-
Profit / (Loss) before Taxation	497,816,757	50,153,333	(23,966,426)	(10,908,538)	(42,349,703)	(1,412,742,177)
Taxation	(1,845)	(7,278)	(3,300)	(74,766)	-	-
Profit / (Loss) before Taxation	497,814,912	50,146,055	(23,969,726)	(10,983,304)	(42,349,703)	(1,412,742,177)
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	774,575,790	774,575,790	774,575,790	774,575,790
Share deposit money	20,622,850	20,622,850	293,400,120	291,500,120	299,000,120	306,000,000
Property, plant and equipment	538,698	722,996	978,177	1,334,364	1,835,412	3,959,890
Intangible assets	7,000,000	9,360,000	25,000,000	30,000,000	40,000,000	40,000,000
Long term investments	651,447,462	131,664,268	85,481,434	102,337,554	103,502,956	106,100,805
Short term investments	19,062,512	26,759,208	12,809,661	11,496,766	23,286,605	47,962,734
Total assets	687,065,451	178,126,292	134,360,298	176,924,723	315,109,782	437,079,913
Shareholders' equity (2009:Restated)	(19,629,022)	(496,821,084)	(546,967,139)	(524,897,413)	(506,414,109)	(472,764,406)
Earning per share	2.67	0.56	(0.31)	(0.14)	(0.55)	(18.24)
Current ratio	0.04 : 1	0.05 : 1	0.03 : 1	0.06 : 1	0.20 : 1	0.30 : 1

Statement of Compliance With Best Practices of Code of Corporate Governance For The Year Ended June 30, 2014

This statement is being presented to comply with the Code of Corporate Governance (CoCG) contained in Listing Regulations of Karachi and Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Company has applied the principles contained in the Code of Corporate Governance in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interest on its board of directors. At present the board includes:

Name of Director and Category

Mr. Pervez Ahmed - Executive
 Mrs. Rehana Pervez Ahmed - Non Executive
 Mr. Ali Pervez Ahmed - Executive
 Mr. Hassan Ibrahim Ahmed - Executive
 Mrs. Ayesha Ahmed Mansoor - Non executive
 Mr. Muhammad Khalid Khan - Non executive
 Mr. Mazhar Pervaiz Malik - Independent

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or a NBFI or being a member of a stock exchange has been declared as a defaulter by that stock exchange.
4. Mr. Mazhar Pervaiz Malik co-opted as director in place of Mr. Suleman Ahmed who tendered his resignation during the year.
5. 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.
6. 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.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non executive directors, have been taken by the board.
8. The meetings of the board were presided over by the Chairman and in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the Board meetings, along with agenda were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

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. There were no new appointments of CFO, Company Secretary or head of internal audit during the year.
11. The directors' report for this year has been prepared in compliance with the requirements of the CoCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval by the Board.
13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CoCG
15. The board has formed an Audit Committee which comprises of three members who are Non-Executive Directors.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CoCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed Human Resource and Remuneration Committee and is comprises on three Non-Executive Directors including the chairman of the committee.
18. The Board has set-up an effective internal audit function.
19. 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 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
20. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The "closed period" prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges
23. We confirm that all material principles contained in the CoCG been complied with.

For and on behalf of
Board of Directors

Lahore.
October 9, 2014

Pervez Ahmed
Chief Executive

Review Report on Statement of Compliance with Best practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ('the Code') prepared by the Board of Directors of Pervez Ahmed Securities Limited for the year ended June 30, 2014 to comply with the requirements of Listing Regulation No 35 of the Karachi Stock Exchange Limited and Lahore Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 any procedures to determine 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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2014.

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	None of the Directors of the Company have obtained any certification in any Directors Training Program.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ

Chartered Accountants

Engagement Partner: ZUBAIR IRFAN MALIK

Date: OCTOBER 09, 2014

Place: LAHORE

Auditors' Report to the Members

We have audited the annexed balance sheet of **PERVEZ AHMED SECURITIES LIMITED** ("the Company") as at June 30, 2014 and the related profit and loss account, statement of profit or loss and other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

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

The financial statements of the Company for the year ended June 30, 2013 were audited by another auditor whose report dated October 10, 2013 expressed an adverse opinion on those financial statements.

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

- I. As referred to in note 2.2 to the financial statements, the Company has accumulated losses of Rs. 1,066.982 million. Its current liabilities exceed current assets by Rs. 655.964 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 another party subsequent to the reporting period. The factors raise doubts about the Company's ability to continue as a going concern. Further, the Company has overdue debt finances and interest/mark-up thereon, as referred to note 16 and note 17 to the financial statements. One of the creditors has also filed a suit against the Company for recovery of its debts. In view of this, 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/mark-up on short term borrowings amounting to Rs. 41.05 million upto June 30, 2014. Had this interest/mark-up been recognized, accumulated losses as at June 30, 2014 and profit for the year then ended would have been higher by Rs. 41.05 million and lower by Rs. 12.13 million respectively. The financial statements do not disclose this fact.
- III. Except for the impact of matter described in paragraph (I) and (II) above:
 - a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
 - b) in our opinion:
 - i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied, except for the change referred to in note 4 with which we concur;

- ii. the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- IV. In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of profit or loss and other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof do not conform with approved accounting standards as applicable in Pakistan, and, do not give the information required by the Companies Ordinance, 1984, in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2014 and of the profit, other comprehensive income, its cash flows and changes in equity for the year then ended; and
- V. In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980.).

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
Engagement Partner: ZUBAIR IRFAN MALIK
Date: OCTOBER 09, 2014
Place: LAHORE

Balance sheet as at June 30, 2014

	Note	2014 Rupees	2013 Rupees
NON CURRENT ASSETS			
Property and equipment	7	538,698	722,996
Intangible assets	8	7,000,000	9,360,000
Long term investments	9	651,447,462	136,664,268
Long term deposits	10	1,055,000	1,055,000
		660,041,160	147,802,264
CURRENT ASSETS			
Short term investments	11	19,062,512	21,759,208
Advances and other receivables	12	-	666,969
Current taxation	13	6,326,358	6,307,103
Cash at banks	14	1,635,421	1,590,748
		27,024,291	30,324,028
CURRENT LIABILITIES			
Trade and other payables	15	(490,681,914)	(486,025,067)
Accrued interest/mark-up	16	(21,757,327)	(21,757,327)
Short term borrowings	17	(107,940,931)	(107,940,931)
Due to related parties	18	(62,608,207)	(56,148,807)
		(682,988,379)	(671,872,132)
		(655,964,088)	(641,548,104)
NET CURRENT ASSETS			
NON-CURRENT LIABILITIES			
Employees retirement benefits	19	(3,083,244)	(3,075,244)
		993,828	(496,821,084)
NET ASSETS			
PRESENTED BY:			
<i>Authorized capital</i>			
230,000,000 (2013: 230,000,000) ordinary shares of Rs. 10 each		2,300,000,000	2,300,000,000
Issued, subscribed and paid up capital	20	1,865,684,870	1,865,684,870
Discount on issue of shares	21	(818,331,810)	(818,331,810)
Accumulated losses		(1,066,982,082)	(1,564,796,994)
		(19,629,022)	(517,443,934)
Advance against issue of ordinary shares	22	20,622,850	20,622,850
		993,828	(496,821,084)
TOTAL EQUITY			
CONTINGENCIES AND COMMITMENTS			
	23	-	-
		993,828	(496,821,084)

The annexed notes 1 to 40 form an integral part of these financial statements.

Lahore
Date: October 09, 2014

CHIEF EXECUTIVE

DIRECTOR

Profit and loss account

for the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
Revenue	24	184,547	276,356
Other income		-	14,627,861
Administrative expenses	25	(2,653,321)	(9,234,611)
Bank and other charges		(2,148)	(8,654)
Impairment loss on intangible assets	8	(2,360,000)	-
Impairment loss on advances and other receivables	12	(666,969)	-
		<u>(5,497,891)</u>	<u>5,660,952</u>
Changes in fair value of investments at fair value through profit or loss	9.1.2 & 11	507,818,854	13,949,547
		<u>502,320,963</u>	<u>19,610,499</u>
Share of (loss)/profit of associate	9	(4,504,206)	30,542,834
Profit before taxation		<u>497,816,757</u>	<u>50,153,333</u>
Taxation	27	(1,845)	(7,278)
Profit after taxation		<u>497,814,912</u>	<u>50,146,055</u>
Earnings per share - basic and diluted	28	<u>2.67</u>	<u>0.56</u>

The annexed notes 1 to 40 form an integral part of these financial statements.

Lahore

Date: October 09, 2014

CHIEF EXECUTIVE

DIRECTOR

Statement of other comprehensive income for the year ended June 30, 2014

	2014 Rupees	2013 Rupees
Profit after taxation	497,814,912	50,146,055
Other comprehensive income	-	-
Total comprehensive income	497,814,912	50,146,055

The annexed notes 1 to 40 form an integral part of these financial statements.

Lahore

Date: October 09, 2014

CHIEF EXECUTIVE

DIRECTOR

Cash flow statement

for the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		497,816,757	50,153,333
Adjustments for non-cash and other items			
Changes in fair value of investments at fair value through profit or loss		(507,818,854)	(13,949,547)
Impairment loss on intangible assets		2,360,000	-
Impairment loss on advances and other receivables		666,969	-
Dividend income		(211,135)	(215,030)
Provision for employees retirement benefits		8,000	13,621
Gain on settlement of debt finances		-	(14,627,861)
Loss/(gain) on sale of investments		26,588	-
Share of loss/(profit) of associate		4,504,206	(30,542,834)
Depreciation		184,298	255,181
		(500,279,928)	(59,066,470)
Changes in working capital			
Trade and other payables		570,247	11,312,245
Cash (used in)/generated from operations		(1,892,924)	2,399,108
Payments for:			
Income tax		(21,100)	(28,782)
Net cash (used in)/generated from operating activities		(1,914,024)	2,370,326
CASH FLOW FROM INVESTING ACTIVITIES			
Dividend income		211,135	215,030
Purchase of investments		(4,913,400)	-
Proceeds from sale of investments		201,562	-
Net cash generated from investing activities		(4,500,703)	215,030
CASH FLOW FROM FINANCING ACTIVITIES			
Funds received from related parties		6,459,400	-
Repayment of long term finances		-	(3,000,000)
Net cash generated from/(used in) financing activities		6,459,400	(3,000,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS		44,673	(414,644)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR		1,590,748	2,005,392
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	29	1,635,421	1,590,748

The annexed notes 1 to 40 form an integral part of these financial statements.

Lahore

Date: October 09, 2014

CHIEF EXECUTIVE

DIRECTOR

Statement of Changes in Equity

for the year ended June 30, 2014

	Issued subscribed and paid-up capital <i>Rupees</i>	Advance against issue of ordinary shares <i>Rupees</i>	Discount on issue of shares <i>Rupees</i>	Accumulated profit <i>Rupees</i>	Total equity <i>Rupees</i>
Balance as at July 01, 2012	774,575,790	293,400,120	-	(1,614,943,049)	(546,967,139)
Comprehensive income					
Profit after taxation	-	-	-	50,146,055	50,146,055
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	50,146,055	50,146,055
Transaction with owners					
Issue of ordinary shares	1,091,109,080	(272,777,270)	(818,331,810)	-	-
Balance as at June 30, 2013	<u>1,865,684,870</u>	<u>20,622,850</u>	<u>(818,331,810)</u>	<u>(1,564,796,994)</u>	<u>(496,821,084)</u>
Comprehensive income					
Profit after taxation	-	-	-	497,814,912	497,814,912
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	497,814,912	497,814,912
Transaction with owners	-	-	-	-	-
Balance as at June 30, 2014	<u>1,865,684,870</u>	<u>20,622,850</u>	<u>(818,331,810)</u>	<u>(1,066,982,082)</u>	<u>993,828</u>

The annexed notes 1 to 40 form an integral part of these financial statements.

Lahore
Date: October 09, 2014

CHIEF EXECUTIVE

DIRECTOR

Notes to and forming part of financial statements for the year ended June 30, 2014

1 REPORTING ENTITY

Pervez Ahmed Securities Limited ("the Company") was incorporated in Pakistan on June 08, 2005 as a Single Member Company under the Companies Ordinance, 1984 and was later converted to Public Limited Company and listed on Lahore and Karachi Stock Exchanges. 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 at 20-K Gulberg II, Lahore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Going concern assumption

The Company has accumulated losses of Rs. 1,066.982 million. Its current liabilities exceed current assets by Rs. 655.964 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. The factors raise doubts about the Company's ability to continue as a going concern. 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 is in continuous efforts to diversify and expand business operations and to make strategic investments to enhance profitability and intrinsic value of the Company. During the year, the Company has made an investment in a large retail brand which is expected to show robust growth going forward. See note 9.1.2.

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 and employees retirement benefits at present value. In these financial statements, except for the cash flow statement, all transactions have been accounted for on accrual basis.

2.4 Judgments, estimates and assumptions

The preparation of financial statements requires management to make judgements, 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 judgements 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 judgements 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. Judgements made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

2.4.1 Depreciation method, rates and useful lives of property and equipment

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

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

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 actuaries.

2.4.4 Taxation

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

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 party.

2.4.6 Fair value of investments in unquoted equity securities

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.

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.**3.1 The following new and revised standards, interpretations and amendments are effective during the year and are relevant to the Company.*****Amendments to IAS 1 - Presentation of Financial Statements (as part of the Annual Improvements 2009-2011 Cycle)***

The annual improvements to IFRS 2009-2011 have made a number of amendments to IFRSs. The amendments that are relevant to the Company are the amendments to IAS 1 - Presentation of Financial Statements regarding when a balance sheet as at the beginning of the preceding period (third balance sheet) is required to be presented. The amendments specify that a third balance sheet is required when an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items in its financial statements and that retrospective application, restatement or reclassification has a material effect on the information in the third balance sheet. The amendments specify that the related notes are not required to accompany the third balance sheet.

During the year, the Company has applied IAS 19 - Employee Benefits (Revised 2011), however, **a third balance sheet as at June 30, 2012 has not been presented as the retrospective application has no effect on the balance sheet.**

IAS 19 - Employee Benefits (Revised 2011)

The revised standard:

- Requires the recognition of changes in the net defined benefit liability/asset including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of re-measurements in other comprehensive income, plan amendments, curtailments and settlements, and eliminates the option that allowed entities to defer the recognition of changes in net defined benefit liability under the '10% Corridor Approach'.
- Introduces enhanced disclosures about defined benefit plans.
- Modifies accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination.
- Clarifies various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features.

The Company has adopted and applied the revised standard which has resulted in change in accounting policy as referred to in note 5.

3.2 The following new and revised standards, interpretations and amendments are effective during the year and are either not relevant to the Company or do not have any material impact on these financial statements.***IAS 27 - Separate Financial Statements (Revised 2011)***

The revised standard supersedes IAS 27 - Consolidated and Separate Financial Statements (Revised 2008). The revised standard carries forward existing accounting and disclosure requirements for separate financial statements with some minor clarifications. The revised standard is not relevant to the Company.

IAS 28 - Investments in Associates and Joint Ventures (Revised 2011)

The revised standard supersedes IAS 28 - Investments in Associates (Revised 2008) and makes amendments to apply IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations to investment, or a portion thereof, in an associate or joint venture, that meets the criteria to be classified as held for sale. The revised standard does not have any material impact on the Company's financial statements.

Annual Improvements 2009-2011

The 2009-2011 cycle of improvements contains amendments to the following standards, with consequential amendments to other standards and interpretations.

- IFRS 1 - First-time Adoption of International Financial Reporting Standards

The amendments clarify that an entity may apply IFRS 1 if its most recent previous annual financial statements did not contain an explicit and unreserved statement of compliance with International Financial Reporting Standards even if the entity applied IFRS 1 in the past. The amendments are not relevant to the Company.

- IAS 16 - Property, Plant and Equipment

The amendments clarify the accounting of spare parts, stand-by equipment and servicing equipment. The definition of 'property, plant and equipment' in IAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, then they are accounted for using IAS 2 Inventories. The amendments do not have any material impact on the Company's financial statements.

- IAS 32 - Financial Instruments: Presentation

The amendments clarify that IAS 12 - Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction. The amendments remove a perceived inconsistency between IAS 32 and IAS 12. The amendments do not have any material impact on the Company's financial statements.

- IAS 34 - Interim Financial Reporting

The amendments align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 - Operating Segments. IAS 34 now requires the disclosure of a measure of total assets and liabilities for a particular reportable segment. In addition, such disclosure is only required when the amount is regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. The amendments do not have any material impact on the Company's financial statements.

Government Loans (Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards)

The amendments address how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to International Financial Reporting Standards. The amendments are not relevant to the Company.

Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7 - Financial Instruments: Disclosures)

The amendments contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement. The amendments do not have any material impact on the Company's financial statements.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32 - Financial Instruments: Presentation)

The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement. The amendments do not have any material impact on the Company's financial statements.

Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of Interests in Other Entities)

The amendments provide transitional relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 11 and IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period. The amendments are not relevant to the Company.

IFRIC 20 - Stripping Cost in the Production Phase of a Surface Mining (2011)

The interpretation requires production stripping cost in a surface mine to be capitalized if certain criteria are met. The interpretation is not relevant to the Company.

- 3.3 The following new standards are effective during the year but have been notified for adoption by the Securities and Exchange Commission of Pakistan under section 234 of the Companies Ordinance, 1984 for annual periods beginning on or after January 01, 2015.

IFRS 10 – Consolidated Financial Statements (2011)

The standard replaces those parts of IAS 27 – Consolidated and Separate Financial Statements, that address when and how an investor should prepare consolidated financial statements and supersedes SIC 12 – Consolidation: Special Purpose Entities.

IFRS 11 – Joint Arrangements (2011)

The standard supersedes IAS 31 – Interest in Joint Ventures and SIC 13 – Jointly Controlled Entities: Non-monetary Contributions by Venturers.

IFRS 12 – Disclosure of Interests in Other Entities (2011)

The standard introduces disclosure requirements relating to interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

IFRS 13 – Fair Value Measurement (2011)

The standard replaces the guidance on fair value measurement in various existing standards with a single standard.

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT EFFECTIVE.

The following new and revised standards, interpretations and amendments are in issue, which are not effective as at the reporting date. These are not expected to have any significant impact on the financial statements of the Company, except for enhanced disclosures in certain cases.

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

The revised standard incorporates new requirements for the classification and measurement of financial instruments and carries over existing derecognition requirements from IAS 39 – Financial Instruments: Recognition and Measurement. The standard is effective for annual periods beginning on or after January 01, 2018.

IFRS 14 – Regulatory Deferral Accounts (2014)

The standard allows first-time adopters of IFRS to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. The standard is effective for annual periods beginning on or after January 01, 2017.

IFRS 15 – Revenue from Contracts with Customers (2014)

The standard provides a single, principles based five-step model to all contracts with customers. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The standard is effective for annual periods beginning on or after January 01, 2017.

Investment Entities (Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements)

The amendments provide exemption from consolidation of particular subsidiaries by certain entities defined as "Investment Entities" and require additional disclosures where such subsidiaries are excluded from consolidation pursuant to exemption. The amendments are effective for annual periods beginning on or after January 01, 2014.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36 – Impairment of Assets)

The amendments reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required and introduce an explicit requirement to disclose the discount rate used in determining impairment or reversals where recoverable amount is determined using a present value technique. The amendments are effective for annual periods beginning on or after January 01, 2014.

Novation of Derivative and Continuation of Hedge Accounting (Amendments to IAS 39 – Financial Instruments: Recognition and Measurement)

The amendments clarify that there is no need to discontinue hedge accounting if a hedge derivative is novated provided certain criteria are met. The amendments are effective for annual periods beginning on or after January 01, 2014.

Contributions from employees or third parties (Amendments to IAS 19 – Employee Benefits)

The amendments narrow scope amendments applicable to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments are effective for annual periods beginning on or after July 01, 2014.

Offsetting financial assets and financial liabilities (Amendments to IAS 32 – Financial Instruments: Presentation)

The amendments update the application guidance in IAS 32 to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The amendments are effective for annual periods beginning on or after January 01, 2014.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11 – Joint Arrangements)

The amendments update the application guidance in IAS 32 to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The amendments are effective for annual periods beginning on or after January 01, 2016.

Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets)

The amendments clarify the use of certain acceptable methods of depreciation and amortization. The amendments are effective for annual periods beginning on or after January 01, 2016.

Bearer Plants (Amendments to IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture)

The amendments allows bearer plants; living plants that are used in the production or supply of agricultural produce, which are expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, to be accounted for under IAS 16 – Property, Plant and Equipment, and clarify that the produce growing on bearer plants remains within the scope of IAS 41 – Agriculture. The amendments are effective for annual periods beginning on or after January 01, 2016.

Annual Improvements 2010-2012 (applicable to annual periods beginning on or after July 01, 2014)

The 2010-2012 cycle of improvements contains amendments to the following standards, with consequential amendments to other standards and interpretations.

- IFRS 2 – Share-based Payment

The amendments amend the definition of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'.

- IFRS 3 – Business Combinations

The amendments require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

- IFRS 8 – Operating Segments

The amendments require disclosure of the judgements made by the management in applying the aggregation criteria to operating segments and clarify that reconciliations of segment assets are required only if segment assets are reported regularly.

- IFRS 13 – Fair Value Measurement

The amendments clarify that issuing IFRS 13 – Fair Value Measurement and amending IFRS 9 – Financial Instruments: Disclosures and IAS 39 – Financial Instruments: Recognition and Measurement did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis.

- IAS 16 – Property, Plant and Equipment

The amendments clarify that the amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

- IAS 24 – Related Parties

The amendments clarify how payments to entities providing management services are to be disclosed.

Annual Improvements 2011-2013 (applicable to annual periods beginning on or after July 01, 2014)

The 2011-2013 cycle of improvements contains amendments to the following standards, with consequential amendments to other standards and interpretations.

- IFRS 1 – First-time Adoption of International Financial Reporting Standards

The amendments clarify which versions of IFRSs can be used on initial adoption.

- IFRS 3 – Business Combinations

The amendments clarify that the standard excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

- IFRS 13 – Fair Value Measurement

The amendments clarify the scope of portfolio exception.

- IAS 40 – Investment Property

The amendments clarifying the interrelationship of IFRS 13 – Fair Value Measurement and IAS 40 – Investment Property when classifying property as investment property or owner-occupied property.

5 CHANGE IN ACCOUNTING POLICY

During the year, the Company has adopted and applied IAS 19 – Employee Benefits (Revised 2011) which has resulted in change accounting policy of the Company for Defined Benefit Plans. Earlier actuarial gains/losses were recognized in profit or loss using the '10% corridor approach'. Following the application of the revised standard all remeasurements of defined benefit obligation are recognized in other comprehensive income in the period in which they occur. The change has been applied retrospectively, however, the retrospective application has no impact on the financial statements.

6 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, with the exception of change referred to in note 5.

6.1 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 an item of property and equipment are recognized in the carrying amount of the item 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 costs of the day-to-day servicing of property and equipment 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.

6.2 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.

6.3 Employees retirement benefits

6.3.1 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 standards. 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 refund.

6.3.2 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 balance sheet represents the present value of defined benefit obligation. The details of the scheme are referred to in note 19 to the financial statements.

6.4 Financial instruments

6.4.1 Recognition

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

6.4.2 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 liabilities at initial recognition.

6.4.2(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.

6.4.2(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.

6.4.2(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.

6.4.2(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 as non-current assets.

6.4.3 Measurement

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

6.4.4 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 profit or loss.

6.4.5 Off-setting

A financial asset and a financial liability is offset and the net amount reported in the balance sheet 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.

6.5 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.

6.6 Trade and other payables

6.6.1 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.

6.6.2 Non-financial liabilities

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

6.7 Trade and other receivables**6.7.1 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.

6.7.2 Non-financial assets

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

6.8 'Regular Way' sales and purchases of investments

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

6.9 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.

6.10 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 other comprehensive income and those of investments at fair value through profit or loss are recognized in profit or loss.

6.11 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.

6.12 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.

6.13 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. Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards, and is presented in 'statement of profit or loss and other comprehensive income'.

6.14 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.

6.15 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.

6.15.1 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.

6.15.2 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 and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

6.16 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 shares into ordinary shares.

6.17 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.

6.18 Impairment**6.18.1 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 cash flows of the asset.

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 determined, net of amortization, if no impairment loss had been recognized.

6.18.2 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 impairment loss had been recognized.

6.19 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.

for the year ended June 30, 2014

7 PROPERTY AND EQUIPMENT

	2014				Rate %	2013				Rate %	2012						
	COST			As at June 30, 2014 Rupees		DEPRECIATION			As at June 30, 2013 Rupees		DEPRECIATION			As at June 30, 2012 Rupees			
	As at July 01, 2013 Rupees	Additions Rupees	Disposals Rupees			For the year Rupees	Adjustment Rupees	For the year Rupees			Adjustment Rupees						
<i>Assets owned by the Company</i>																	
Furniture and fittings	416,000	-	-	416,000	20	305,161	22,168	-	327,329	88,671	416,000	20	277,451	27,710	-	305,161	110,839
Vehicles	1,090,270	-	-	1,090,270	20	775,933	62,867	-	838,800	251,470	1,090,270	20	697,349	78,584	-	775,933	314,337
Office equipment	2,613,334	-	-	2,613,334	33.33	2,315,514	99,263	-	2,414,777	198,557	2,613,334	33.33	2,166,627	148,887	-	2,315,514	297,820
	4,119,604	-	-	4,119,604		3,396,608	184,298	-	3,580,906	538,698	4,119,604		3,141,427	255,181	-	3,396,608	722,996

	Note	2014 Rupees	2013 Rupees
8 INTANGIBLE ASSETS			
Trading rights entitlement certificate			
Carrying amount	8.1	7,360,000	7,360,000
Impairment	8.2	(2,360,000)	-
		5,000,000	7,360,000
Room at Lahore Stock Exchange		2,000,000	2,000,000
		<u>7,000,000</u>	<u>9,360,000</u>

8.1 This represents Trading Rights Entitlement Certificate ('TREC') received from Lahore Stock Exchange Limited ('LSE') in accordance with the requirements of the Stock Exchange (Corporation, Demutualization and Integration) Act, 2012. The Company has also received shares of LSE after completion of the demutualization process. The carrying value of membership card of Rs. 23 million has been apportioned between TREC and shares received from LSE as explained in note 9.2.2.

8.2 Due to inadequate net capital balance, the Company's TREC is inactive. However, subsequent to the reporting period, the Company has transferred the TREC to a third party for an amount of Rs. 5 million. Impairment has been recognised for excess of carrying amount of TREC over the transfer price.

	Note	2014 Rupees	2013 Rupees
9 LONG TERM INVESTMENTS			
Investment in related parties	9.1	630,807,462	116,024,268
Other investments	9.2	20,640,000	20,640,000
		<u>651,447,462</u>	<u>136,664,268</u>
9.1 Investment in related parties			
Pervez Ahmed Capital (Private) Limited	9.1.1	111,520,062	116,024,268
Origins Fabrics (Private) Limited	9.1.2	519,287,400	-
		<u>630,807,462</u>	<u>116,024,268</u>

9.1.1 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:

	2014 Rupees	2013 Rupees
Cost of investment	84,983,000	84,983,000
8,498,300 (June 30, 2013: 8,498,300) fully paid ordinary shares of Rs. 10 each	26,537,062	31,041,268
Share of post acquisition profits	<u>111,520,062</u>	<u>116,024,268</u>
	<u>49.36%</u>	<u>49.36%</u>

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 profit/(loss) based on the associate's audited financial statements for the reporting period are as follows:

	2014 Rupees	2013 Rupees
Assets	226,096,304	235,117,095
Liabilities	199,497	94,903

	2014	2013
	Rupees	Rupees
Revenue	783,600	31,444
(Loss)/profit for the year	(9,125,385)	61,877,703
Share of (loss)/profit	(4,504,206)	30,542,834

9.1.2 Origins Fabrics (Private) Limited

Cost of investment	9,000,000	-
Changes in fair value	510,287,400	-
	<u>519,287,400</u>	<u>-</u>

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 ORIGINS LAWN, an extension of an already established and renowned retail brand ORIGINS READY 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 has been 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. The investment will be managed and its performance evaluated on fair value basis in accordance with the Company's risk management and investment strategy. Accordingly, the investment has been designated as 'Financial assets at fair value through profit or loss' on initial recognition and has been measured at fair value. The fair value is based on Buy Side Enterprise Valuation of OFPL carried by an independent firm GRANT THORNTON CONSULTING on the request of the management of the Company. In the opinion of the management of the Company, the fair value of investment as at the reporting date is not materially different from the valuation carried out by the independent firm. For basis of valuation refer to note 33.2.1.

9.2 Other investments

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

		2014	2013
		Rupees	Rupees
Available for sale investments			
Dawood Family Takaful Limited	9.2.1	5,000,000	5,000,000
Lahore Stock Exchange Limited	9.2.2	15,640,000	15,640,000
		<u>20,640,000</u>	<u>20,640,000</u>

9.2.1 These represent 500,000 (June 30, 2013: 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.

9.2.2 Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012, the ownership rights in a stock exchange were segregated from the right to trade on that stock exchange. This arrangement resulted in allocation of 843,975 ordinary shares at Rs. 10 each and Trading Rights entitlement Certificate ('TREC') to the company by the LSE against cancellation/surrender of membership of Lahore Stock Exchange. Out of total shares of 843,975 allocated to the Company, 506,385 shares are transferred to CDC sub-account in the Company's name under the LSE's participant IDs with the CDC which will remain blocked until these are divested / sold to strategic investor(s), general public and financial institutions and proceeds are paid to the Company. As the active market for such shares as well as TREC was not available, the carrying value of membership cancelled/surrendered was allocated as follows:

The LSE introduced a minimum capital requirement of Rs. 4 million for holders of TREC. In the absence of an active market, this value was assigned to TREC for the purpose of allocation of carrying value of membership. Ordinary shares in LSE allocated to the Company was assigned a value of Rs. 8.44 million based on face value of those shares. The carrying value of membership card (Rs. 23 million) was thus allocated as follows:

	Note	Assigned values for allocation Rupees	Ratio Rupees	Allocation of carrying value of membership Rupees
Trading rights entitlement certificate	8	4,000,000	0.32	7,360,000
843,975 ordinary shares at Rs. 10 each in LSE	9.2	8,439,750	0.68	15,640,000
		<u>12,439,750</u>		<u>23,000,000</u>

The right to proceeds from disposal of these shares and any dividend/bonus in respect of these shares is vested with the Company, however voting rights attached to these shares are suspended. The investment has been designated as "Available for sale financial asset" on initial recognition.

	2014 Rupees	2013 Rupees
10 LONG TERM DEPOSITS - UNSECURED, CONSIDERED GOOD		
Central Depository Company of Pakistan Limited	150,000	150,000
Lahore Stock Exchange Limited	705,000	705,000
National Clearing Company of Pakistan Limited	200,000	200,000
	<u>1,055,000</u>	<u>1,055,000</u>

11 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:

	Note	2014 Carrying value Rupees	2014 Fair value Rupees	2013 Carrying value Rupees	2013 Fair value Rupees
Related parties					
D.S. Industries Limited					
3,614,000 (2013: 3,659,000 ordinary shares of Rs. 10 each.)	11.1	18,322,980	14,817,400	5,525,090	18,551,130
Other investments					
Reliance Cotton Mills Limited					
1,500 ordinary shares of Rs. 10 each.		78,465	130,350	34,350	78,465
Engro Corporation Limited					
2,600 ordinary shares of Rs. 10 each.		316,862	464,126	264,784	316,862
Jahangir Siddiqui and Company Limited					
48 ordinary shares of Rs. 10 each.		555	562	596	555
KASB Bank Limited					
399 ordinary shares of Rs. 10 each.		858	658	838	858
Lotte Chemical Pakistan Limited					
50,000 ordinary shares of Rs. 10 each.		381,000	359,500	351,500	381,000
UBL Shariah Stock Fund					
27,195 (June 30, 2013: 22,264) units.		2,430,338	3,289,916	1,632,503	2,430,338
		<u>21,531,058</u>	<u>19,062,512</u>	<u>7,809,661</u>	<u>21,759,208</u>

- 11.1 D.S. Industries Limited is an Associated Undertaking as defined in Section 2(2)(i) of the Companies Ordinance, 1984. The Company holds only 5.88% (2013: 5.95%) 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".

	Note	2014 Rupees	2013 Rupees
12 ADVANCES AND OTHER RECEIVABLES			
Advances to stock brokers		230,398	230,398
Impairment allowance for doubtful advances		(230,398)	-
		-	230,398
Advances to employees		305,000	305,000
Impairment allowance for doubtful advances		(305,000)	-
		-	305,000
Other receivables		131,571	131,571
Impairment allowance for doubtful receivables		(131,571)	-
		-	131,571
		-	666,969
13 CURRENT TAXATION			
Advance income tax/income tax refundable		6,328,203	6,314,381
Provision for taxation		(1,845)	(7,278)
		6,326,358	6,307,103
14 CASH AT BANKS			
Cash at banks			
current accounts		1,635,341	1,549,035
saving accounts		80	41,713
		1,635,421	1,590,748
15 TRADE AND OTHER PAYABLES			
Trade creditors		473,016,104	473,217,365
Accrued expenses		2,960,331	2,675,331
Withholding tax payable		8,991,866	8,986,952
Unclaimed dividend		885,404	885,404
Payable against purchase of investment	15.1	4,086,600	-
Other payables		741,609	260,015
		490,681,914	486,025,067

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

16 ACCRUED INTEREST/MARK-UP

This represents over-due interest mark-up on borrowings.

	Note	2014 Rupees	2013 Rupees
17 SHORT TERM BORROWINGS - SECURED			
These represent short term finances utilized under interest/mark-up arrangements from banking companies			
Murabaha finance	17.1	105,239,151	105,239,151
Running finance	17.2	2,701,780	2,701,780
		107,940,931	107,940,931

17.1 This facility was obtained from 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 KIBOR plus 1.30% (2013: matching KIBOR plus 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.

17.2 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	2014 Rupees	2013 Rupees
18 DUE TO RELATED PARTIES			
Associated undertakings	18.1	18,933,135	18,933,135
Directors	18.2	43,675,072	37,215,672
		<u>62,608,207</u>	<u>56,148,807</u>

18.1 These represent interest free advances obtained from D.S. Textiles Limited, a related party. These are unsecured and payable on demand.

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

	Note	2014 Rupees	2013 Rupees
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19 EMPLOYEES RETIREMENT BENEFITS

The amount recognized on balance sheet represents present value of defined benefit obligation.

19.1 Movement in present value of defined benefit obligation

As at beginning of the year		3,075,244	3,061,623
Charged to profit or loss for the year	19.2	8,000	13,621
Benefits paid during the year		-	-
As at end of the year		<u>3,083,244</u>	<u>3,075,244</u>

19.2 Charge to profit or loss

Current service cost		8,000	8,555
Interest cost		-	5,066
		<u>8,000</u>	<u>13,621</u>

19.3 Principal actuarial assumptions

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at reporting date is based on internal estimates determined by the management of the Company. Most recent actuarial valuation by independent acturaries was carried out as at June 30, 2012. The principal actuarial assumptions used in determining present value of defined benefit obligation are:

	2014	2013
Discount rate	13%	13%
Expected rates of increase in salary	12%	12%
Expected average remaining working lives of employees	4 years	5 years

19.4 Sensitivity analysis

The Company has only five employees 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 30). The provision for the year pertains to one employee only. A change in assumptions used to determine present value of defined obligation is not expected to have any material impact. Accordingly, no sensitivity analysis has been carried out.

19.5 Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

Interest risk: The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on Pakistan Investment Bonds since there is no deep market in long term corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease in the defined benefit liability. However, the decrease is not expected to be material.

Longevity risk: The present value of defined benefit obligation is calculation by reference to the best estimate of the expected remaining working lives of the employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.

Salary risk: The present value of defined benefit obligation is calculation by reference to future salaries of employees. An increase in salary of employees will increase the defined benefit obligation. However, the increase is not expected to be material.

20 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2014	2013	Note	2014	2013
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	797,200,480	797,200,480
<u>186,568,487</u>	<u>186,568,487</u>	20.1	<u>1,865,684,870</u>	<u>1,865,684,870</u>

20.1 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.

21 DISCOUNT ON ISSUE OF ORDINARY SHARES

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

22 ADVANCES 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.

23 CONTINGENCIES AND COMMITMENTS**23.1 Contingencies**

One of the creditor 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 the suit.

23.2 Commitments

There are no material commitments as at the reporting date.

	2014	2013
	Rupees	Rupees
24 REVENUE		
(Loss)/gain on sale of investments	(26,588)	61,326
Dividend income	211,135	215,030
	<u>184,547</u>	<u>276,356</u>

	Note	2014 Rupees	2013 Rupees
25 ADMINISTRATIVE EXPENSES			
Salaries and benefits	25.1	104,000	109,621
Postage and communication		11,662	46,904
Repair and maintenance		-	9,050
Traveling, conveyance and entertainment		7,800	23,490
Legal and professional charges		783,205	1,108,751
Printing and stationery		60,565	109,657
Fees and subscription		548,921	423,753
Fee/expenses for issuance of share capital		-	6,982,142
Auditors' remuneration	25.2	921,000	125,000
Advertisement		31,320	41,062
Depreciation	7	184,298	255,181
Others		550	-
		2,653,321	9,234,611

25.1 These include charge in respect of employees retirement benefits amounting to Rs. 8,000 (2013: Rs. 13,621).

	Note	2014 Rupees	2013 Rupees
25.2 Auditor's remuneration			
Annual statutory audit		500,000	100,000
Interim audit		300,000	-
Limited scope reviews and certifications		100,000	25,000
Out of pocket expenses		21,000	-
		921,000	125,000

26 OTHER INCOME

Gain on settlement of debt finances	17.2	-	14,627,861
		-	14,627,861

27 TAXATION

- 27.1 Provision for taxation has been made in accordance with section 113 of the Income Tax Ordinance, 2001. There is no relationship between tax expense and accounting profit. Accordingly no numerical reconciliation has been presented.
- 27.2 Assessments for and upto the tax years 2013 are deemed assessments in terms of Section 120 (1) of the Ordinance, as per returns filled by the Company.
- 27.3 The Company has deferred tax asset of Rs. 376.28 million (2013: Rs. 378.26 million) which has not been recognized as future taxable profits are not expected to be available against which the asset could be utilized.

	Unit	2014	2013
28 EARNINGS PER SHARE - BASIC AND DILUTED			
Profit attributable to ordinary shareholders	Rupees	497,814,912	50,146,055
Weighted average number of ordinary shares outstanding during the year	No. of shares	186,568,487	88,817,071
Earnings per share - Basic	Rupees	2.67	0.56

There is no diluting effect on the basic earnings per share of the Company.

	2014	2013
	Rupees	Rupees
29 CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,635,421	1,590,748
	<u>1,635,421</u>	<u>1,590,748</u>

30 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, investments in equity securities and issue of ordinary shares of the Company.

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

		2014	2013
		Rupees	Rupees
30.1 Transactions with related parties			
Nature of relationship	Nature of transactions		
Associates and associated undertakings	Issue of ordinary shares	-	293,908,600
	Investment in equity securities	9,000,000	-
Sponsors and directors	Temporary loan received - net	6,459,400	16,871,697
	Issue of ordinary shares	-	797,200,480
30.2 Balances with related parties			
Nature of relationship	Nature of balance		
Associates and associated undertakings	Borrowings	18,933,135	18,933,135
	Investment in equity securities	645,624,862	134,575,398
	Advance against issue of ordinary shares	20,622,850	20,622,850
Sponsors and directors	Borrowings	43,675,072	37,215,672
Key management personnel	Post employment benefits	2,340,000	2,340,000

31 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 (2013: 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 2(iii) of the Fourth Schedule to the Companies Ordinance, 1984.

32 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.

	2014	2013
	Rupees	Rupees
33 FINANCIAL INSTRUMENTS		
33.1 Financial instruments by class and category		
Financial assets		
<i>Loans and receivables</i>		
Cash at banks	1,635,421	1,590,748
<i>Available for sale financial assets</i>		
Long term investments	20,640,000	20,640,000
<i>Financial assets at fair value through profit or loss</i>		
Long term investments	519,287,400	-
Short term investments	19,062,512	21,759,208
Financial liabilities		
<i>Financial liabilities at amortized cost</i>		
Short term borrowings	107,940,931	107,940,931
Accrued interest/mark-up	21,757,327	21,757,327
Trade creditors	473,016,104	473,217,365
Accrued liabilities	2,960,331	2,675,331
Payable against purchase of investment	4,086,600	-

33.2 Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged or liability be settled between knowledgeable willing parties in an arm's length transaction. As at the reporting date, fair values of all financial instruments are considered to approximate their carrying amounts.

33.2.1 Methods of determining fair values

Fair values of financial instruments for which prices are available from the active market are measured by reference to those market prices. Fair values of financial assets and liabilities with no active market are determined in accordance with generally accepted pricing models based on discounted cash flow analysis based on inputs from other than observable market. The particular measurement methodologies pertaining to various financial instruments are as follows:

Financial liabilities at amortized cost

These comprise trade and other payables which are short term in nature, therefore no formal estimates of fair value have been made as their fair value are considered to significantly approximate their carrying values.

Available for sale financial assets

These comprise long term investments in unquoted equity securities and have been carried at cost as there is no active market for these assets and their fair value cannot be measured reliably.

Financial assets at fair value through profit or loss

These comprise:

- i) Short term investments in listed equity securities for which prices are available from active market and their fair value have been measured by reference to those market prices.

- ii) Long term investment in unquoted equity securities of Origins Fabric (Private) Limited ('OFPL'). Fair value of investment is based on Buy Side Enterprise Valuation of OFPL carried out by an independent firm GRANT THORNTON CONSULTING on the request of the management of the Company. The methodology used for valuation is based on Discounted Cash Flow ('DCF') which is a generally accepted method for valuation of businesses and investments. In determining the fair value, discount rate, adjusted for country and other risks of 21.6% per annum has been used and a terminal growth rate of 4% per annum has been used. If discount rate was 3% higher or lower, the carrying amount of investment would decrease or increase by Rs. 114.86 million or Rs. 168.389 million respectively. If terminal growth rate was 1% higher or lower, the carrying amount of investment would increase or decrease by Rs. 20.44 million or Rs. 18.242 million respectively. The valuation also uses various other assumptions based on historical trends and future plans of the management. There are normal risks associated with these assumptions and may include effects of regulatory and legislative changes, increased competition, technological changes, pricing pressures, changes in labour and material costs and the prevalent general business and economic conditions. However, there are no other sources of estimation uncertainty that may have a significant risk of causing any material adjustment to the carrying amounts of investments.

33.2.2 Significance of fair value accounting estimates to the Company's financial position and performance

The Company uses fair value accounting for its financial instruments in determining its overall financial position and in making decisions about individual financial instruments. This approach reflects the judgment of the Company about the present value of expected future cash flows relating to an instrument. The management believes that fair value information is relevant to many decisions made by users of financial statements as it permits comparison of financial instruments having substantially the same economic characteristics and provides neutral basis for assessing the management's stewardship by indicating effects of its decisions to acquire, sell or hold financial assets and to incur, maintain or discharge financial liabilities.

33.2.3 Fair value hierarchy

The table below analyses financial instruments measured at fair value, by valuation method. The different levels have been defined as follows:

Level I: Quoted prices (unadjusted in active markets for identical assets or liabilities)

Level II: Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level III: Inputs for the asset or liability that are not observable from market data.

Financial assets at fair value through profit or loss

Long term investments
Short term investments

2014		
Level I Rupees	Level II Rupees	Level III Rupees
-	-	519,287,400
19,062,512	-	-
19,062,512	-	519,287,400

Financial assets at fair value through profit or loss

Long term investments
Short term investments

2013		
Level I Rupees	Level II Rupees	Level III Rupees
-	-	-
21,759,208	-	-
21,759,208	-	-

34 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 accordance with the risk management framework.

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:

34.1 Credit risk

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

	2014	2013
	Rupees	Rupees
34.1.1 Maximum exposure to credit risk		
The maximum exposure to credit risk as at the reporting date is as follows:		
Loans and receivables		
Cash at banks	1,635,421	1,590,748
	<u>1,635,421</u>	<u>1,590,748</u>

34.1.2 Concentration of credit risk

There is no concentration of credit risk.

34.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available. The Company's bankers 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.

34.1.4 Collateral held

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

34.1.5 Credit risk management

The Companies financial assets do not carry any significant risk.

34.2 Liquidity risk

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

34.2.1 Exposure to liquidity risk

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

	2014				
	Carrying amount	Contractual cash flows	One year or less	One to five years	More than five years
	Rupees	Rupees	Rupees	Rupees	Rupees
Short term borrowings	107,940,931	107,940,931	107,940,931	-	-
Accrued interest/mark-up	21,757,327	21,757,327	21,757,327	-	-
Trade creditors	473,016,104	473,016,104	473,016,104	-	-
Accrued liabilities	2,960,331	2,960,331	2,960,331	-	-
Payable against purchase of investment	4,086,600	4,086,600	4,086,600	-	-
	<u>609,761,293</u>	<u>609,761,293</u>	<u>609,761,293</u>	<u>-</u>	<u>-</u>

	2013				
	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	107,940,931	107,940,931	107,940,931	-	-
Accrued interest/mark-up	21,757,327	21,757,327	21,757,327	-	-
Trade creditors	473,217,365	473,217,365	473,217,365	-	-
Accrued liabilities	2,675,331	2,675,331	2,675,331	-	-
Payable against purchase of investment	-	-	-	-	-
	<u>605,590,954</u>	<u>605,590,954</u>	<u>605,590,954</u>	<u>-</u>	<u>-</u>

34.2.2 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 which its current liabilities exceed current assets by Rs. 655.96 million as at the reporting date. The Company has overdue debt finances and interest/mark-up thereon which have not been settled. Further, the Trading Rights Entitlement Certificate issued to the Company is inactive due to inadequate net capital balance. 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.

34.3 Market risk**34.3.1 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.

34.3.2 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/mark-up thereon.

34.3.3 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. 1.91 million (2013: Rs. 2.176 million). A ten percent decrease in market prices would have had an equal but opposite effect on profit for the year.

35 OPERATING SEGMENTS

The Company operates as single reportable segment only.

36 ASSETS PLEDGED AS SECURITY

Listed securities valued at Rs. 14.871 million (2013: Rs. 18.32 million) are pledged with banks as security against debt finances.

37 NUMBER OF EMPLOYEES

Total number of employees of the Company as at the reporting date are 4 (2013: 5). Average number of persons employed by the Company during the period are 5 (2013: 5).

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 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 09, 2014 by the Board of Directors of the Company.

40 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, 2014**

Categories	Number	Shares Held	%age
Associated Companies & Related Parties			
D.S.Industries Limited	1	7,855,050	4.210
D.S.Textiles Limited	1	6,053,720	3.245
D.S.Apparel (Pvt.) Limited	1	78,375	0.042
Infinite Securities Limited	1	80,000	0.043
Pervez Ahmed Capital (Private) Limited	1	29,390,860	15.753
Chief Executive & Directors			
Mr. Pervez Ahmed - Chief Executive	1	33,268,798	17.832
Mrs. Rehana Pervez Ahmed	1	32,926,640	17.649
Mr. Ali Pervez Ahmed	1	762	0.000
Mr. Hassan Ibrahim Ahmed	1	2,000	0.001
Mrs. Ayesha Ahmed Mansoor	1	735,866	0.394
Mr. Muhammad Khalid Khan	1	646	0.000
Mr. Mazhar Pervaiz Malik	1	646	0.000
NIT and ICP			0.000
Banks, DFI and NBF	2	302,111	0.162
Modarbas and Mutual Funds			0.000
Joint Stock Companies	49	4,772,824	2.558
Foreign Companies			0.000
General Public (Local)	5,965	68,851,880	36.904
General Public (Foreign)	40	2,238,209	1.200
Others	2	10,100	0.005
Total	6070	186,568,487	100.000

Detail of Shareholding of 5% and above.

	Shares Held	Percentage
Pervez Ahmed Capital (Private) Limited	29,390,860	15.753
Mr. Pervez Ahmed - Chief Executive	33,268,798	17.832
Mrs. Rehana Pervez Ahmed	32,926,640	17.649
Mr. Suleman Ahmed	11,080,750	5.939

**Pattern of Shareholding
As At June 30, 2014**

Number of Shareholders	Shareholding		Total Number of Shares Held	%age
	From	To		
628	1	100	32,663	0.018
824	101	500	311,623	0.167
1,679	501	1,000	1,307,113	0.701
1,695	1,001	5,000	4,623,736	2.478
490	5,001	10,000	3,943,884	2.114
173	10,001	15,000	2,233,635	1.197
145	15,001	20,000	2,704,886	1.450
78	20,001	25,000	1,864,931	1.000
64	25,001	30,000	1,814,041	0.972
24	30,001	35,000	809,105	0.434
32	35,001	40,000	1,233,762	0.661
18	40,001	45,000	780,157	0.418
27	45,001	50,000	1,341,612	0.719
11	50,001	55,000	577,355	0.309
12	55,001	60,000	693,674	0.372
3	60,001	65,000	189,575	0.102
10	65,001	70,000	689,913	0.370
10	70,001	75,000	732,117	0.392
5	75,001	80,000	394,294	0.211
5	80,001	85,000	414,577	0.222
5	85,001	90,000	443,890	0.238
1	90,001	95,000	91,199	0.049
27	95,001	100,000	2,696,300	1.445
6	100,001	105,000	615,601	0.330
1	105,001	110,000	105,244	0.056
2	110,001	115,000	225,500	0.121
3	115,001	120,000	358,500	0.192
2	120,001	125,000	245,001	0.131
2	125,001	130,000	255,466	0.137
2	130,001	135,000	268,000	0.144
2	135,001	140,000	277,000	0.148
2	140,001	145,000	288,120	0.154
4	145,001	150,000	595,200	0.319
3	150,001	155,000	457,500	0.245
1	155,001	160,000	155,750	0.083
1	160,001	165,000	161,000	0.086
2	175,001	180,000	357,500	0.192
1	190,001	195,000	193,333	0.104
8	195,001	200,000	1,600,000	0.858
4	200,001	205,000	813,355	0.436
1	205,001	210,000	210,000	0.113
1	215,001	220,000	215,252	0.115
1	220,001	225,000	225,000	0.121
1	225,001	230,000	230,000	0.123
2	235,001	240,000	475,000	0.255
2	270,001	275,000	548,000	0.294
1	275,001	280,000	280,000	0.150
2	290,001	295,000	291,000	0.156
2	295,001	300,000	600,000	0.322
1	300,001	305,000	301,925	0.162
1	305,001	310,000	310,000	0.166
2	325,001	330,000	654,747	0.351
1	330,001	335,000	333,731	0.179
1	340,001	345,000	342,425	0.184
1	345,001	350,000	347,500	0.186
1	375,001	380,000	376,500	0.202
1	435,001	440,000	440,000	0.236
2	445,001	450,000	900,000	0.482
1	455,001	460,000	459,000	0.246
1	460,001	465,000	460,742	0.247
1	465,001	470,000	468,500	0.251
1	480,001	485,000	485,000	0.260
1	520,001	525,000	523,075	0.280
1	525,001	530,000	527,000	0.282
1	560,001	565,000	564,867	0.303
1	595,001	600,000	600,000	0.322
1	600,001	605,000	604,000	0.324
1	610,001	615,000	615,000	0.330
1	620,001	625,000	625,000	0.335
1	645,001	650,000	646,250	0.346
1	675,001	680,000	677,500	0.363
1	690,001	695,000	695,000	0.373
2	730,001	735,000	1,461,050	0.783
1	990,001	995,000	991,800	0.532
2	995,001	1,000,000	2,000,000	1.072
1	1,145,001	1,150,000	1,150,000	0.616
1	1,290,001	1,295,000	1,292,500	0.693
1	1,315,001	1,320,000	1,320,000	0.708
1	1,345,001	1,350,000	1,346,500	0.722
1	1,385,001	1,390,000	1,390,000	0.745
1	1,410,001	1,415,000	1,413,013	0.757
1	1,495,001	1,500,000	1,495,500	0.802
1	1,760,001	1,765,000	1,763,500	0.945
1	1,930,001	1,935,000	1,931,500	1.035
1	2,715,001	2,720,000	2,720,000	1.458
1	3,075,001	3,080,000	3,075,840	1.649
1	6,860,001	6,865,000	6,863,250	3.679
1	10,920,001	10,925,000	10,925,000	5.856
1	29,390,001	29,395,000	29,390,860	15.753
1	30,895,001	30,900,000	30,900,000	16.562
1	33,210,001	33,215,000	33,210,048	17.800
6070			186,568,487	100.000

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 31st October 2014

Signed this _____ day of _____ 2014

Witnesses:

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

Affix
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.

