ANNUAL REPORT 2015

Pervez Ahmed
Securities Limited

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COMPANY INFORMATION

Board of Directors	Mr. Pervez Ahmed	Chief Executive
	Mrs. Rehana Pervez Ahmed	
	Mr. Ali Pervez Ahmed	
	Mr. Hassan Ibrahim Ahmed	
	Mrs. Ayesha Ahmed Mansoor	
	Mr. Muhammad Khalid Khan	
	Mr. Mazhar Pervaiz Malik	
Audit Committee	Mr. Muhammad Khalid Khan	Chairman
	Mrs. Ayesha Ahmed Mansoor	
	Mr. Mazhar Pervaiz Malik	
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 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 Tenth Annual General Meeting of Pervez Ahmed Securities Limited will be held at the Registered Office of the Company 20-K, Gulberg II, Lahore on Saturday, October 31, 2015 at 4:45 p.m. to transact the following business:

1. To confirm the minutes of the last Annual General Meeting held on October 31, 2014.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2015 together with Directors' and Auditors' reports thereon.
3. To appoint Auditors of the Company for the year 2015-16 and to fix their remuneration. The present Auditors M/s Rahman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants, retire and being eligible offered themselves for the re-appointment.
4. To elect seven directors of the Company, as fixed by the Board of Directors, pursuant to Section 178 of the Companies Ordinance 1984, for the period of three years with effect from October 31, 2015 in place of the following retiring Directors

Mr. Pervez Ahmed	Mrs Rehana Pervez Ahmed
Mr. Ali Pervez Ahmed	Mrs. Ayesha Ahmed Mansoor
Mr. Hassan Ibrahim Ahmed	Mr. Mazhar Pervaiz Malik
Mr. Mohammad Khalid Khan	

Any person who seeks to contest election to the office of director, whether he / she is retiring or otherwise, shall file with the Company not later than 14 (fourteen) days before the date of meeting, a notice of his / her intention to offer himself / herself for election as a director together with his / her consent to act as director as required under Section 178 (3) of the Companies Ordinance 1984.

By the order of the Board

Rizwan Atta
Company Secretary

Lahore: October 09, 2015

NOTES

I THE Share Transfer Books of the Company will remain closed from October 28, 2015 to November 2, 2015 (both days inclusive).

II A member of the Company entitled to attend and vote may appoint another member as his/ her proxy to attend and vote instead of him /her.

III Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.

IV Beneficial owners of the physical shares and the shares registered in the name of Central Depository Company of Pakistan Ltd. or their proxies are required to produce their original Computerized National Identity Card (CNIC) or passport for identification purpose. In case of corporate entity, the Board of Directors' Resolution / power of Attorney with specimen signature shall be submitted along with proxy form.

DIRECTORS' REPORT

Directors of Perez Ahmed Securities Limited, are pleased to present the ninth annual report of the Company for the year ended June 30, 2015 along with the financial statements and auditor's report thereon.

Capital Market Review

The stock market of Pakistan impressive performance during the FY-2015 whereas the KSE-100 index rose 16%. The commodity prices showed decreasing trend easing the inflation numbers. Foreign investors remained net buyers during the period under review, buying shares worth US$ 38.5 million. In the future activities, low inflation rate, energy sector investments, capital market reforms and foreigner investments will be the key to drive the market towards new highs.

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 favorably in the country's investment climate.

Financial Review

The Financial results of the Company for the year ended June 30, 2015 are as under

	Year Ended	
	June 30,2015 Rupees	June 30,2014 Rupees
Operating revenue	9,792,657	184,547
Operating profit / (loss)	8,334,921	(5,497,891)
Finance cost	(105)	(2,148)
(Deficit) / surplus on remeasurement of investments	(997,136)	507,818,854
Share of loss of associate	(22,038,153)	(4,504,206)
(Loss) / profit before taxation	(14,700,368)	497,816,757
Taxation	(965,267)	(1,845)
(Loss) / profit after taxation	(15,665,635)	497,814,912
(Loss) / earnings per share - Basic	(0.08)	2.67

Financial Results of the Company

During the year the Company suffered loss after tax amounting to Rs. 15.67 million as compared to profit after tax of Rs. 497.815 million earned last year. Loss for the year mainly due to change in fair value of investments and share of loss of associate. 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 mark-up amounting to Rs. 11.35 million during the year. However the management is making efforts for reviving its business by way of raising capital through right issue which will enable the Company to diversify its business and expand business operations and to make strategic investments to enhance revenue generation and profitability of the Company. Whereas non providing mark-up amounting to Rs. 11.35 million is concerned, the management feels that this will not be paid on the new settlement terms.

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

Book Closure

The Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from October 28, 2015 to November 2, 2015 (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 27, 2015 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, 2015 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, 2015 and the attendance of the directors is as follows.

Mr. Pervez Ahmed	Chief Executive	5 attendance
Mrs. Rehana Pervez Ahmed	Director	5 attendance
Mr. Ali Pervez Ahmed	Director	4 attendance
Mr. Hassan Ibrahim Ahmed	Director	5 attendance
Mrs. Ayesha Ahmed Mansoor	Director	4 attendance
Mr. Muhammad Khalid Khan	Director	5 attendance
Mr. Mazhar Pervaiz Malik	Director	5 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, 2016.

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, 2015 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 suffered net loss of Rs. 15.67 million during the year and has accumulated losses of Rs. 1,082.65 million as at the balance sheet date. The current liabilities of the Company exceeds its current assets by Rs. 605.59 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.

For & on behalf of the Board

Lahore
October 9, 2015

Pervez Ahmed
Chief Executive

FINANCIAL HIGHLIGHTS

Profit and Loss Account	2015 Rupees	2014 Rupees	2013 Rupees	2012 Rupees	2011 Rupees	2010 Rupees
Operating revenue / (loss)	9,792,657	184,547	276,356	33,000	934,365	4,275,745
Administrative expenses	(1,457,631)	(2,653,321)	(9,109,611)	(3,297,747)	(3,306,209)	(5,571,498)
Operating (Loss)	8,335,026	(2,468,774)	(8,833,255)	(3,264,747)	(2,371,844)	(1,295,753)
- Finance cost	(105)	(2,148)	(8,654)	(35,737)	(20,464,413)	(29,834,005)
- Other operating charges	-	(3,026,969)	(125,000)	(21,885,693)	(10,150,000)	(225,000)
- Other operating income	-	-	14,627,861	2,283	26,952,960	162,431
	(105)	(3,029,117)	14,494,207	(21,919,147)	(3,661,453)	(29,896,574)
(Deficit)/ Surplus on remeasurement of investments	(997,136)	507,818,854	13,949,547	1,312,895	(3,709,839)	(8,559,527)
Profit / (Loss) before Taxation & Share from Associated Undertaking	7,337,785	502,320,963	19,610,499	(23,870,999)	(9,743,136)	(39,751,854)
Share of (loss) / profit from Associated Undertaking	(22,038,153)	(4,504,206)	30,542,834	(95,427)	(1,165,402)	(2,597,849)
(Loss)/profit before Taxation	(14,700,368)	497,816,757	50,153,333	(23,966,426)	(10,908,538)	(42,349,703)
Taxation	(965,267)	(1,845)	(7,278)	(3,300)	(74,766)	-
(Loss)/profit before Taxation	(15,665,635)	497,814,912	50,146,055	(23,969,726)	(10,983,304)	(42,349,703)
Payouts						
- Cash dividend	Nil	Nil	Nil	Nil	Nil	Nil
- Stock dividend	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet						
Share capital	1,865,684,870	1,865,684,870	1,865,684,870	774,575,790	774,575,790	774,575,790
Share deposit money	20,622,850	20,622,850	20,622,850	293,400,120	291,500,120	299,000,120
Property, plant and equipment	405,146	538,698	722,996	978,177	1,334,364	1,835,412
Intangible assets	2,000,000	7,000,000	9,360,000	25,000,000	30,000,000	40,000,000
Long term investments	624,708,434	651,447,462	131,664,268	85,481,434	102,337,554	103,502,956
Short term investments	17,759,485	19,062,512	26,759,208	12,809,661	11,496,766	23,286,605
Total assets	662,331,591	687,065,451	178,126,292	134,360,298	176,924,723	315,109,782
Shareholders' equity	(35,294,657)	(19,629,022)	(496,821,084)	(546,967,139)	(524,897,413)	(506,414,109)
(Loss) / earning per share	(0.08)	2.67	0.56	(0.31)	(0.14)	(0.55)
Current ratio	0.05 : 1	0.04 : 1	0.05 : 1	0.03 : 1	0.06 : 1	0.20 : 1

Statement of Compliance With Best Practices of Code of Corporate Governance For The Year Ended June 30, 2015

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. No casual vacancy occurred on the Board of Directors of the Company during the year 2014-15

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. The Board is in process for developing a comprehensive mechanism for annual evaluation of its performance.

11. There were no new appointments of CFO, Company Secretary or head of internal audit during the year.

12. 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.

13. The financial statements of the Company were duly endorsed by CEO and CFO before approval by the Board.

14. 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.

15. The Company has complied with all the corporate and financial reporting requirements of the CoCG

16. The board has formed an Audit Committee which comprises of three members who are Non-Executive Directors.

17. 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.

18. The board has formed Human Resource and Remuneration Committee and is comprises on three Non-Executive Directors including the chairman of the committee.

19. The Board has set-up an effective internal audit function.

20. 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

21. 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.

22. 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

23. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges

24. We confirm that all material principles contained in the CoCG been complied with.

For and on behalf of
Board of Directors

Lahore.
October 9, 2015

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, 2015 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, 2015.

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.
Paragraph 10	The Board is in process of developing a comprehensive mechanism for annual evaluation of its performance.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
Engagement Partner: *ZUBAIR IRFAN MALIK*
Date: *OCTOBER 09, 2015*
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, 2015 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.

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. 1,082.647 million. Its current liabilities exceed current assets by Rs. 639.749 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 during the year. 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 15 and note 16 to the financial statements. One of the creditors has also filed a suit against the Company for recovery of its debts. 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. 52.403 million upto June 30, 2015. Had this interest/mark-up been recognized, accumulated losses as at June 30, 2015 and loss for the year then ended would have been higher by Rs. 52.403 million and Rs. 11.354 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 appliedthe expenditure incurred during the year was for the purpose of the Company's business; and

ii. 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, 2015 and of the loss, 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, 2015*
Place: *LAHORE*

Balance sheet

as at June 30, 2015

	Note	2015	2014
		Rupees	*Rupees*
NON CURRENT ASSETS			
Property and equipment	6	**405,146**	538,698
Intangible assets	7	**2,000,000**	7,000,000
Long term investments	8	**624,708,434**	651,447,462
Long term deposits	9	**1,055,000**	1,055,000
		628,168,580	660,041,160
CURRENT ASSETS			
Short term investments	10	**17,759,485**	19,062,512
Advances and other receivables	11	**9,000,000**	-
Current taxation	12	**5,441,579**	6,326,358
Cash at banks	13	**1,961,947**	1,635,421
		34,163,011	27,024,291
CURRENT LIABILITIES			
Trade and other payables	14	**(489,498,824)**	(490,681,914)
Accrued interest/mark-up	15	**(21,757,327)**	(21,757,327)
Short term borrowings	16	**(107,940,931)**	(107,940,931)
Due to related parties	17	**(54,715,072)**	(62,608,207)
		(673,912,154)	(682,988,379)
NET CURRENT ASSETS		**(639,749,143)**	(655,964,088)
NON-CURRENT LIABILITIES			
Employees retirement benefits	18	**(3,091,244)**	(3,083,244)
NET ASSETS		**(14,671,807)**	993,828
PRESENTED BY:			
Authorized capital			
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	19	**1,865,684,870**	1,865,684,870
Discount on issue of shares	20	**(818,331,810)**	(818,331,810)
Accumulated losses		**(1,082,647,717)**	(1,066,982,082)
		(35,294,657)	(19,629,022)
Advance against issue of ordinary shares	21	**20,622,850**	20,622,850
TOTAL EQUITY		**(14,671,807)**	993,828
CONTINGENCIES AND COMMITMENTS	22	-	-
		(14,671,807)	993,828

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

Lahore
Date: October 09, 2015

CHIEF EXECUTIVE **DIRECTOR**

Profit and loss account

for the year ended June 30, 2015

	Note	2015	2014
		Rupees	*Rupees*
Revenue	23	**9,792,657**	184,547
Administrative expenses	24	**(1,457,631)**	(2,653,321)
Bank and other charges		**(105)**	(2,148)
Impairment loss on intangible assets	7	-	(2,360,000)
Impairment loss on advances and other receivables	11	-	(666,969)
		8,334,921	(5,497,891)
Changes in fair value of investments at fair value through profit or loss	8.1.2 & 10	**(997,136)**	507,818,854
		7,337,785	502,320,963
Share of loss of associate	8	**(22,038,153)**	(4,504,206)
(Loss)/profit before taxation		**(14,700,368)**	497,816,757
Taxation	25	**(965,267)**	(1,845)
(Loss)/profit after taxation		**(15,665,635)**	497,814,912
(Loss)/earnings per share - ***basic and diluted***	26	**(0.08)**	2.67

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

Lahore
Date: October 09, 2015

CHIEF EXECUTIVE

DIRECTOR

Statement of other comprehensive income

for the year ended June 30, 2015

	2015	2014
	Rupees	*Rupees*
(Loss)/profit after taxation	**(15,665,635)**	497,814,912
Other comprehensive income	-	-
Total comprehensive (loss)/income	**(15,665,635)**	497,814,912

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

Lahore
Date: October 09, 2015

CHIEF EXECUTIVE

DIRECTOR

Cash flow statement

for the year ended June 30, 2015

	Note	2015	2014
		Rupees	*Rupees*
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		**(14,700,368)**	497,816,757
Adjustments for non-cash and other items			
Changes in fair value of investments at fair value through profit or loss		**997,136**	(507,818,854)
Impairment loss on intangible assets		-	2,360,000
Impairment loss on advances and other receivables		-	666,969
Dividend income		**(9,711,387)**	(211,135)
Provision for employees retirement benefits		**8,000**	8,000
(Gain)/loss on sale of investments		**(81,270)**	26,588
Share of loss of associate		**22,038,153**	4,504,206
Depreciation		**133,552**	184,298
		13,384,184	(500,279,928)
Changes in working capital			
Trade and other payables		**(1,183,090)**	579,247
Cash used in operations		**(2,499,274)**	(1,883,924)
Payments for:			
Income tax		**(80,488)**	(21,100)
Net cash used in from operating activities		**(2,579,762)**	(1,905,024)
CASH FLOW FROM INVESTING ACTIVITIES			
Dividend income		**711,387**	211,135
Purchase of investments		-	(4,913,400)
Proceeds from sale of intangible assets		**5,000,000**	-
Proceeds from sale of investments		**5,088,036**	201,562
Net cash generated from/(used in) investing activities		**10,799,423**	(4,500,703)
CASH FLOW FROM FINANCING ACTIVITIES			
Funds (repaid to)/received from related parties		**(7,893,135)**	6,459,400
Net cash (used in)/generated from financing activities		**(7,893,135)**	6,459,400
NET INCREASE IN CASH AND CASH EQUIVALENTS		**326,526**	44,673
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR		**1,635,421**	1,590,748
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	27	**1,961,947**	1,635,421

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

Lahore
Date: October 09, 2015

CHIEF EXECUTIVE

DIRECTOR

Statement of Changes in Equity

for the year ended June 30, 2015

	Issued subscribed and paid-up capital	Advance against issue of ordinary shares	Discount on issue of shares	Accumulated profit	Total equity
	Rupees	*Rupees*	*Rupees*	*Rupees*	*Rupees*
As at July 01, 2013	1,865,684,870	20,622,850	(818,331,810)	(1,564,796,994)	(496,821,084)
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	-	-	-	-	-
As at June 30, 2014	1,865,684,870	20,622,850	(818,331,810)	(1,066,982,082)	993,828
Comprehensive loss					
Loss after taxation	-	-	-	(15,665,635)	(15,665,635)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	-	(15,665,635)	(15,665,635)
Transaction with owners	-	-	-	-	-
As at June 30, 2015	1,865,684,870	20,622,850	(818,331,810)	(1,082,647,717)	(14,671,807)

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

Lahore
Date: October 09, 2015

CHIEF EXECUTIVE

DIRECTOR

Notes to and forming part of financial statements

for the year ended June 30, 2015

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. 1,082.647 million. Its current liabilities exceed current assets by Rs. 639.749 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. The Company has made an investment in a large retail brand which is expected to show robust growth going forward. See note 8.1.2.

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/revised standards/interpretations and amendments are effective in the current year but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company.

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, based on fair value less costs to sell, is determined using a present value technique.

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 amendment focuses on four main areas:

- the meaning of 'currently has a legally enforceable right of set-off'
- the application of simultaneous realisation and settlement
- the offsetting of collateral amounts
- the unit of account for applying the offsetting requirements

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

The amendments clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

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.

Annual Improvements 2010-2012

Annual Improvements 2010-2012 cycle makes changes to the following standards:

IFRS 2 - Share Based Payment: Amends the definition of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition'.

IFRS 3 - Business Combinations: Requires 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: Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarifies that reconciliations of segment assets only required if segment assets reported regularly.

IFRS 13 - Fair Value Measurement: Clarifies that the ability to measure certain short-term receivables and payables on an undiscounted basis is still available.

IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets: Clarifies that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount.

IAS 24 - Related Party Disclosures: Clarifies how payment to entities providing management services are to be disclosed.

Annual Improvements 2011-2013

Annual Improvements 2011-2013 cycle makes changes to the following standards:

IFRS 1 - First-time Adoption of International Financial Reporting Standards: Clarifies which versions of IFRSs can be used on initial adoption.

IFRS 3 - Business Combinations: Clarifies that IFRS 3 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: Clarifies the scope of portfolio exception.

IAS 40 - Investment Property: Clarifies the interrelationship with IFRS 3 - Business Combinations when classifying property as investment property or owner-occupied property.

IFRIC 21 - Levies (2013)

The interpretation provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of levy is certain.

The interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognized progressively if the obligating event occurs over a period of time.
- If an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached.

3.2 The following new/revised standards/interpretations and amendments are effective in the current year but have been notified for adoption 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 establishes a single framework for measuring fair value where that is required by other standards.

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.

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

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.

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

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

	Effective date (annual periods beginning on or after)
Equity method in Separate Financial Statements (Amendments to IAS 27 - Separate Financial Statements)	January 01, 2016
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11 – Joint	January 01, 2016
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	January 01, 2016
Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets)	January 01, 2016
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 - Consolidated Financial Statements, IFRS 12 - Disclosure of Interests in Other Entities, IAS 28 - Accounting for Investments in Associates and Joint Ventures)	January 01, 2016
Bearer Plants (Amendments to IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture)	January 01, 2016
Disclosure initiative (Amendments to IAS 1 - Presentation of Financial Statements)	January 01, 2016
Annual Improvements 2012-2014	July 01, 2016
IFRS 14 – Regulatory Deferral Accounts (2014)	January 01, 2017
IFRS 15 – Revenue from Contracts with Customers (2014)	January 01, 2017
IFRS 9 – Financial Instruments: Classification and Measurement (2014)	January 01, 2018

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the Company's financial statements other than in presentation/disclosures.

SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property and equipment

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

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

Major renewals and improvements to 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 6 to the financial statements.

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

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

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

5.2 Ordinary share capital

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

5.3 Employees retirement benefits

5.3.1 *Short-term employee benefits*

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting 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.

5.3.2 *Post-employment benefits*

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

5.4 Financial instruments

5.4.1 Recognition

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

5.4.2 Classification and measurement

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

5.4.2(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.

5.4.2(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.

5.4.2(c) Avaiable for sale financial assets

Avaiable 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.

5.4.2(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.

5.4.3 Measurement

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

5.4.4 De-recognition

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

5.4.5 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.

5.5 Loans and borrowings

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

5.6 Trade and other payables

5.6.1 Financial liabilities

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

5.6.2 Non-financial liabilities

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

5.7 Trade and other receivables

5.7.1 Financial assets

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

5.7.2 Non-financial assets

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

5.8 'Regular Way' sales and purchases of 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.

5.9 Investments in listed equity securities

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

5.10 Investments in unquoted equity securities

Investment in unquoted equity securities, on initial recognition, are measured at cost. Subsequent to initial recognition these are measured at fair value, except where fair value cannot be measured reliably in which case these are carried at cost. These are classifed as "available for sale financial assets" except for investments managed and evaluated on the basis of fair value which are classifed 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.

5.11 Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to particpate 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 acquistion changes in the Company's share of net assets of the associates, less any impairment in the investment. Losses of an assocaites in excess of the Company's interest in that associate are recognized only to the extent that the Company has incurred legal or costructive obligation or made payment on behalf of the associate.

5.12 Revenue

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

Revenue from different sources is recognized as follows:

Brokerage income is recognized as and when services are provided

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

Underwriting commission is recognized when agreement is executed.

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

Return on bank deposits is recognized using effective interest method.

5.13 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. 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'.

5.14 Borrowing costs

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

5.15 Taxation

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

5.15.1 Current taxation

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

5.15.2 Deferred taxation

Deferred tax is accounted for using the balance sheet approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5.16 Earnings per share (EPS)

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

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

5.17 Cash and cash equivalents

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

5.18 Impairment

5.18.1 Financial assets

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

5.18.2 Non-financial assets

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

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in 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.

5.19 Provisions and contingencies

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

6 PROPERTY AND EQUIPMENT

	2015									
	COST				DEPRECIATION					Net book value as at
	As at July 01, 2014 *Rupees*	Additions *Rupees*	Disposals *Rupees*	As at June 30, 2015 *Rupees*	Rate %	As at July 01, 2014 *Rupees*	For the year *Rupees*	Adjustment *Rupees*	As at June 30, 2015 *Rupees*	June 30, 2015 *Rupees*
Assets owned by the Company										
Furniture and fittings	416,000	-	-	416,000	20	327,329	17,734	-	345,063	70,937
Vehicles	1,090,270	-	-	1,090,270	20	838,800	50,294	-	889,094	201,176
Office equipment	2,613,334	-	-	2,613,334	33.33	2,414,777	65,524	-	2,480,301	133,033
	4,119,604	-	-	4,119,604		3,580,906	133,552	-	3,714,458	405,146

	2014									
	COST				DEPRECIATION					Net book value as at
	As at July 01, 2013 *Rupees*	Additions *Rupees*	Disposals *Rupees*	As at June 30, 2014 *Rupees*	Rate %	As at July 01, 2013 *Rupees*	For the year *Rupees*	Adjustment *Rupees*	As at June 30, 2014 *Rupees*	June 30, 2014 *Rupees*
Assets owned by the Company										
Furniture and fittings	416,000	-	-	416,000	20	305,161	22,168	-	327,329	88,671
Vehicles	1,090,270	-	-	1,090,270	20	775,933	62,867	-	838,800	251,470
Office equipment	2,613,334	-	-	2,613,334	33.33	2,315,514	99,263	-	2,414,777	198,557
	4,119,604	-	-	4,119,604		3,396,608	184,298	-	3,580,906	538,698

	Note	2015	2014
		Rupees	Rupees
7 INTANGIBLE ASSETS			
Trading rights entitlement certificate			
Carrying amount	7.1	-	7,360,000
Impairment	7.2	-	(2,360,000)
		-	5,000,000
Room at Lahore Stock Exchange		**2,000,000**	2,000,000
		2,000,000	7,000,000

7.1 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 was apportioned between TREC and shares received from LSE as explained in note 8.2.2.

7.2 Due to inadequate net capital balance, the Company's TREC was inactive. During the year, the Company has transferred the TREC to a third party for an amount of Rs. 5 million.

	Note	2015	2014
		Rupees	Rupees
8 LONG TERM INVESTMENTS			
Investment in related parties	8.1	**607,444,334**	630,807,462
Other investments	8.2	**17,264,100**	20,640,000
		624,708,434	651,447,462
8.1 Investment in related parties			
Pervez Ahmed Capital (Private) Limited	8.1.1	**89,481,909**	111,520,062
Origins Fabrics (Private) Limited	8.1.2	**517,962,425**	519,287,400
		607,444,334	630,807,462

8.1.1 Pervez Ahmed Capital (Private) Limited

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

	2015	2014
	Rupees	Rupees
Cost of investment		
8,498,300 (June 30, 2013: 8,498,300) fully paid ordinary shares of Rs. 10 each	**84,983,000**	84,983,000
Share of post acquisition profits	**4,498,909**	26,537,062
	89,481,909	111,520,062
Percentage of ownership interest	**49.36%**	49.36%

Extracts of financial statements of associate

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

	2015	2014
	Rupees	Rupees
Assets	**181,469,050**	226,096,304
Liabilities	**220,877**	199,497

	2015	2014
	Rupees	*Rupees*
Loss for the year	**(44,648,634)**	(9,125,385)
Share of loss	**(22,038,153)**	(4,504,206)

8.1.2 Origins Fabrics (Private) Limited

Cost of investment	**9,000,000**	9,000,000
Changes in fair value	**508,962,425**	510,287,400
	517,962,425	519,287,400

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 as 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 as at the reporting date is based on Buy Side Enterprise Valuation of OFPL carried by an independent firm H.A.M.D & COMPANY, CHARTERED ACCOUNTANTS (2014: GRANT THORNTON CONSULTING) on the request of the management of the Company. For basis of valuation refer to note 31.2.1.

8.2 Other investments

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

		2015	2014
		Rupees	*Rupees*
Available for sale investments			
Dawood Family Takaful Limited	*8.2.1*	**5,000,000**	5,000,000
Lahore Stock Exchange Limited	*8.2.2*	**12,264,100**	15,640,000
		17,264,100	20,640,000

8.2.1 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.

8.2.2 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 cancelation/surreder 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	Ratio	Allocation of carrying value of membership
		Rupees	*Rupees*	*Rupees*
Trading rights entitlement certificate	7	4,000,000	0.32	7,360,000
843,975 ordinary shares at Rs. 10 each in LSE	8.2	8,439,750	0.68	15,640,000
		12,439,750		23,000,000

The right to proceeds from disposal of these shares and any dividend/bonus is 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.

The right to proceeds from disposal of these shares and any dividend/bonus is 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.

	2015	2014
	Rupees	*Rupees*
9 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
	1,055,000	1,055,000

10 SHORT TERM INVESTMENTS

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

	Note	2015		2014	
		Carrying value	Fair value	Carrying value	Fair value
		Rupees	*Rupees*	*Rupees*	*Rupees*
Related parties					
D.S. Industries Limited 3,614,000 (2014: 3,614,000) ordinary shares of Rs. 10 each.	10.1	**14,817,400**	**14,528,280**	18,322,980	14,817,400
Other investments					
Reliance Cotton Mills Limited 1,500 (2014: 1500) ordinary shares of Rs. 10 each.		**130,350**	**132,675**	78,465	130,350
Engro Chemicals Limited 2,600 (2014: 2,600) ordinary shares of Rs. 10 each.		**464,126**	**771,680**	316,862	464,126
Engro Fertilizers Limited 260 (2014: nil) ordinary shares of Rs. 10 each.		-	**23,059**	-	-
Jahangir Siddiqui and Company Limited 48 (2014: 48) ordinary shares of Rs. 10 each.		**562**	**1,193**	555	562
KASB Bank Limited 399 (2014: 399) ordinary shares of Rs. 10 each.		**658**	**1,313**	858	658
Lotte Chemical Pakistan Limited 50,000 (2014: 50,000) ordinary shares of Rs. 10 each.		**359,500**	**346,000**	381,000	359,500
UBL Shariah Stock Fund 17,001 (2014: 27,195) units.		**1,659,050**	**1,955,285**	2,430,338	3,289,916
		17,431,646	**17,759,485**	21,531,058	19,062,512

10.1 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 classifed as "Financial asset at fair value through profit or loss".

	Note	2015	2014
		Rupees	Rupees
11 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)
		-	-
Dividend receivable		9,000,000	-
Other receivables		131,571	131,571
Impairment allowance for doubtful receivables		(131,571)	(131,571)
		-	-
		9,000,000	-
12 CURRENT TAXATION			
Advance income tax/income tax refundable		6,406,846	6,328,203
Provision for taxation		(965,267)	(1,845)
		5,441,579	6,326,358
13 CASH AT BANKS			
Cash at banks			
current accounts		1,961,867	1,635,341
saving accounts		80	80
		1,961,947	1,635,421
14 TRADE AND OTHER PAYABLES			
Trade creditors		473,016,344	473,016,104
Accrued expenses		2,460,331	2,960,331
Witholding tax payable		9,000,528	8,991,866
Unclaimed dividend		885,404	885,404
Payable against purchase of investment	14.1	4,086,600	4,086,600
Other payables		49,617	741,609
		489,498,824	490,681,914

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

15 ACCRUED INTEREST/MARK-UP

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

	Note	2015	2014
		Rupees	Rupees

16 SHORT TERM BORROWINGS - SECURED

These represent short term finances utilized under interest/mark-up arrangements from banking companies

Murabaha finance	16.1	105,239,151	105,239,151
Running finance	16.2	2,701,780	2,701,780
		107,940,931	107,940,931

16.1 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% (2014: 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.

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

	Note	2015	2014
		Rupees	Rupees

17 DUE TO RELATED PARTIES

Associated undertakings	17.1	18,900,000	18,933,135
Directors	17.2	35,815,072	43,675,072
		54,715,072	62,608,207

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

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

	Note	2015	2014
		Rupees	Rupees

18 EMPLOYEES RETIREMENT BENEFITS

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

18.1 Movement in present value of defined benefit obligation

As at beginning of the year		3,083,244	3,075,244
Charged to profit or loss for the year	18.2	8,000	8,000
Benefits paid during the year		-	-
As at end of the year		3,091,244	3,083,244

18.2 Charge to profit or loss

Current service cost	8,000	8,000
Interest cost	-	-
	8,000	8,000

18.3 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. The principal actuarial assumptions used in determining present value of defined benefit obligation are:

	2015	2014
Discount rate	**13%**	13%
Expected rates of increase in salary	**12%**	12%
Expected average remaining working lives of employees	**4 years**	4 years

18.4 Sensitivity analysis

The Company has only five employees as at the reporting date. Majority of obligation pertains to the key nmanagement personnel of the Company, who have voluntarily opted out of the scheme in the previous years in view of the financial position of the Company (see note 28). The provision for the year pertains to one employee only. 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.

18.5 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 fututre salaries of employees. An increase in salary of employees will increase the defined benefit obligation. However, the increase is not expected to be material.

19 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2015	2014		*Note*	2015	2014
No. of shares	*No. of shares*			*Rupees*	*Rupees*
		Ordinary shares of Rs. 10 each			
59,928,500	59,928,500	Issued for cash		**599,285,000**	599,285,000
17,529,079	17,529,079	Issued as fully paid bonus shares		**175,290,790**	175,290,790
29,390,860	29,390,860	Issued at discount for cash		**293,908,600**	293,908,600
79,720,048	79,720,048	Issued at discount for other than cash	*19.1*	**797,200,480**	797,200,480
186,568,487	186,568,487			**1,865,684,870**	1,865,684,870

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

20 DISCOUNT ON ISSUE OF ORDINARY SHARES

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

21 ADVANCE AGAINST ISSUE OF ORDINARY SHARES

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

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

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 provison has been made in this regard as the management of the Company expects favouable outcome of the suit.

22.2 Commitments

There are no material commitments as at the reporting date.

	2015	2014
	Rupees	*Rupees*
23 REVENUE		
Gain/(loss) on sale of investments	**81,270**	(26,588)
Dividend income	**9,711,387**	211,135
	9,792,657	184,547

	Note	2015	2014
		Rupees	*Rupees*
24 ADMINISTRATIVE EXPENSES			
Salaries and benefits	*24.1*	**104,000**	104,000
Postage and communication		**2,723**	11,662
Traveling, conveyance and entertainment		**58,350**	7,800
Legal and professional charges		**211,580**	783,205
Printing and stationery		**79,839**	60,565
Fees and subscription		**689,397**	548,921
Auditors' remuneration	*24.2*	**100,000**	921,000
Advertisment		**51,750**	31,320
Depreciation	*6*	**133,552**	184,298
Others		**26,440**	550
		1,457,631	2,653,321

24.1 These include charge in respect of employees retirement benefits amounting to Rs. 8,000 (2014: Rs. 13,621).

	Note	2015	2014
		Rupees	*Rupees*
24.2 Auditor's remuneration			
Annual statutory audit		-	500,000
Interim audit		-	300,000
Limited scope reviews and certifications		**100,000**	100,000
Out of pocket expenses		-	21,000
		100,000	921,000

25 TAXATION

25.1 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.

25.2 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.

25.3 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	2015	2014
26 (LOSS)/EARNINGS PER SHARE - BASIC AND DILUTED			
(Loss)/profit attributable to ordinary shareholders	*Rupees*	**(15,665,635)**	497,814,912
Weighted average number of ordinary shares outstanding during the year	*No. of shares*	**186,568,487**	186,568,487
(Loss)/earnings per share - *Basic*	*Rupees*	**(0.08)**	2.67

There is no diluting effect on the basic (loss)/earnings per share of the Company.

	2015	2014
	Rupees	*Rupees*

27 CASH AND CASH EQUIVALENTS

Cash and bank balances	**1,961,947**	1,635,421
	1,961,947	1,635,421

28 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associates and associated undertakings, sponsors and directors, and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. Key management personnel do not draw any compensation from the Company. Transactions with sponsors and directors are limited to provision of temporary interest free loans to the Company. Transactions with associates and associated undertakings are limited to provision of interest free loans to the Company, investments in equity securities and issue of ordinary shares of the Company.

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

		2015	2014
		Rupees	*Rupees*
28.1 Transactions with related parties			
Nature of relationship	**Nature of transactions**		
Associated undertakings	Investment in equity securities	**-**	9,000,000
	Temporary loan (repaid)/received - *net*	**(33,135)**	-
Sponsors and directors	Temporary loan (repaid)/received - *net*	**(7,860,000)**	6,459,400
28.2 Balances with related parties			
Nature of relationship	**Nature of balance**		
Associates and associated undertakings	Borrowings	**18,900,000**	18,933,135
	Investment in equity securities	**621,972,614**	645,624,862
	Advance against issue of ordinary shares	**20,622,850**	20,622,850
Sponsors and directors	Borrowings	**35,815,072**	43,675,072
Key management personnel	Post employment benefits	**2,340,000**	2,340,000

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS, AND EXECUTIVES

Chief Executive and Directors are on payroll of the Company. However, in view of losses they do not draw any compensation from the Company. Employees retirement benefits outstanding inlcude Rs. 2.3 million (2014: 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.

30 CAPITAL MANAGEMENT

All the efforts of the management is towards ensuring that the Company continues as a going concern. The measures include introduction of capital by directors and sponsors of the Company and settlement of debt finances. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises total borrowings less cash and cash equivelants. 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.

	2015	2014
	Rupees	*Rupees*
31 FINANCIAL INSTRUMENTS		
31.1 Financial instruments by class and category		
Financial assets		
Loans and receivables		
Cash at banks	**1,961,947**	1,635,421
Available for sale financial assets		
Long tern investments	**17,264,100**	20,640,000
Financial assets at fair value through profit or loss		
Long tern investments	**517,962,425**	-
Short tern investments	**17,759,485**	19,062,512
Financial liabilities		
Financial liabilities at amortized cost		
Short term borrowings	**107,940,931**	107,940,931
Accrued interest/mark-up	**21,757,327**	21,757,327
Trade creditors	**473,016,344**	473,016,104
Accrued liabilities	**2,460,331**	2,960,331
Payable against purchase of investment	**4,086,600**	-

31.2 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.

31.2.1 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 realibly.

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 18.62% (2014: 21.6%) per annum has been used and a terminal growth rate of 4.26% (2014: 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. 109.482 million or Rs. 171.098 million (2014: 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. 26.884 million or Rs. 23.383 million (2014: 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.

31.2.2 Significane 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.

31.2.3 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 quotaed 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.

	2015		
	Level I	**Level II**	**Level III**
	Rupees	***Rupees***	***Rupees***
Financial assets at fair value through profit or loss			
Long term investments	-	-	**517,962,425**
Short term investments	**17,759,485**	-	-
	17,759,485	-	**517,962,425**

	2014		
	Level I	Level II	Level III
	Rupees	*Rupees*	*Rupees*
Financial assets at fair value through profit or loss			
Long term investments	-	-	-
Short term investments	19,062,512	-	-
	19,062,512	-	-

32 FINANCIAL RISK EXPOSURE AND MANAGEMENT

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

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

32.1 Credit risk

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

	2015	2014
	Rupees	*Rupees*
32.1.1 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	**1,961,947**	1,635,421
	1,961,947	1,635,421

32.1.2 Concentration of credit risk

There is no concentration of credit risk.

32.1.3 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.

32.1.4 Collateral held

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

32.1.5 Credit risk management

The Companies financial assets do not carry any significant risk.

32.2 Liquidity risk

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

32.2.1 Exposure to liquidity risk

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

	2015				
	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	**473,016,344**	**473,016,344**	**473,016,344**	-	-
Accrued liabilities	**2,460,331**	**2,460,331**	**2,460,331**	-	-
Payable against purchase of investment	**4,086,600**	**4,086,600**	**4,086,600**	-	-
	609,261,533	**609,261,533**	**609,261,533**	-	-

	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	-	-	-	-	-
	605,674,693	605,674,693	605,674,693	-	-

32.2.2 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company is facing liquidity shortfall due which its current liabilities exceed current assets by Rs. 639,749 million (2014: 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 being inactive due to inadequate net capital balance has been sold by the Compay to a third party. In order to mitigate the liquidity shortfall, the Company has made/planned strategic investments in equity securities of project carrying high return with view to profit from their return in the form of dividends. However, the Company has continued support of its directors and associated undertakings in the form of interest free loans.

32.3 Market risk

32.3.1 Currency risk

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

32.3.2 Interest rate risk

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

32.3.3 Price risk

Price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is exposed to price risk due to changes in active market prices of investment in listed equity securities. A ten percent increase in market prices would have increased profit for the year by Rs. 1.776 million (2014: Rs. 1.91 million). A ten percent decrease in market prices would have had an equal but opposite effect on profit for the year.

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

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

	2015	2014
	No. of shares	*No. of shares*
D.S. Industries Limited	**61,550**	7,855,050
D.S. Textiles Limited	**1,119,395**	6,053,720
D.S. Apparel (Private) Limited	**69,375**	78,375
Infinite Securities Limited	**80,000**	80,000
Pervez Ahmed Capital (Private) Limited	**-**	29,390,860
	1,330,320	43,458,005

34 OPERATING SEGMENTS

The Company operates as single reportable segment only.

35 ASSETS PLEDGED AS SECURITY

Listed securities valued at Rs. 14.528 million (2014: Rs. 14.817 million) are pledged with banks as security against debt finances.

36 NUMBER OF EMPLOYEES

Total number of employees of the Company as at the reporting date are 4 (2014: 4). Average number of persons employed by the Company during the period are 4 (2014: 4).

37 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.

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 09, 2015 by the Board of Directors of the Company.

39 GENERAL

Figures have been rounded off to the nearest rupee.

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

Categories of Shareholders
As At June 30, 2015

Categories	Number	Shares Held	%age
Associated Companies & Related Parties			
D.S.Industries Limited	1	61,550	0.033
D.S.Textiles Limited	1	1,119,395	0.600
D.S.Apparel (Pvt.) Limited	1	69,375	0.037
Infinite Securities Limited	1	80,000	0.043
Chief Executive & Directors			
Mr. Pervez Ahmed - Chief Executive	1	5,254,798	2.817
Mrs. Rehana Pervez Ahmed	1	27,334,140	14.651
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
Banks, DFI and NBFI	2	302,111	0.162
Joint Stock Companies	47	3,151,111	1.689
General Public (Local)	7,976	145,556,919	78.018
General Public (Foreign)	88	2,671,168	1.432
Others	3	228,000	0.122
Total	**8127**	**186,568,487**	**100.000**

Detail of Shareholding of 5% and above.	Shares Held	Percentage
Mrs. Rehana Pervez Ahmed	27,334,140	14.651

Pattern of Shareholding
As At June 30, 2015

Number of Shareholders	Shareholding From	Shareholding To	Total Number of Shares Held	%age
603	1	100	31,220	0.017
827	101	500	319,922	0.171
1,700	501	1,000	1,342,175	0.719
2,144	1,001	5,000	6,235,812	3.342
881	5,001	10,000	7,393,102	3.963
350	10,001	15,000	4,602,223	2.467
299	15,001	20,000	5,602,192	3.003
218	20,001	25,000	5,193,748	2.784
136	25,001	30,000	3,898,388	2.090
73	30,001	35,000	2,437,630	1.307
86	35,001	40,000	3,357,902	1.800
50	40,001	45,000	2,179,657	1.168
149	45,001	50,000	7,373,766	3.952
39	50,001	55,000	2,068,482	1.109
40	55,001	60,000	2,346,059	1.257
25	60,001	65,000	1,584,096	0.849
33	65,001	70,000	2,264,938	1.214
32	70,001	75,000	2,361,854	1.266
26	75,001	80,000	2,054,350	1.101
10	80,001	85,000	825,164	0.442
19	85,001	90,000	1,694,390	0.908
16	90,001	95,000	1,492,199	0.800
89	95,001	100,000	8,884,500	4.762
12	100,001	105,000	1,231,247	0.660
8	105,001	110,000	872,744	0.468
14	110,001	115,000	1,586,500	0.850
8	115,001	120,000	952,501	0.511
10	120,001	125,000	1,240,000	0.665
10	125,001	130,000	1,287,466	0.690
7	130,001	135,000	933,501	0.500
2	135,001	140,000	280,000	0.150
8	140,001	145,000	1,143,120	0.613
19	145,001	150,000	2,844,000	1.524
5	150,001	155,000	770,000	0.413
6	155,001	160,000	949,750	0.509
1	160,001	165,000	165,000	0.088
4	165,001	170,000	678,000	0.363
3	170,001	175,000	522,000	0.280
4	175,001	180,000	720,000	0.386
3	180,001	185,000	548,500	0.294
3	185,001	190,000	568,000	0.304
2	190,001	195,000	388,000	0.208
24	195,001	200,000	4,787,000	2.566
3	200,001	205,000	607,339	0.326
6	205,001	210,000	1,253,800	0.672
3	210,001	215,000	638,000	0.342
3	215,001	220,000	657,500	0.352
2	220,001	225,000	450,000	0.241
3	225,001	230,000	690,000	0.370
1	230,001	235,000	231,500	0.124
3	235,001	240,000	717,000	0.384
1	240,001	245,000	241,000	0.129
7	245,001	250,000	1,746,000	0.936
3	250,001	255,000	759,500	0.407
1	255,001	260,000	255,146	0.137
2	260,001	265,000	524,000	0.281
3	270,001	275,000	820,500	0.440
2	275,001	280,000	560,000	0.300
2	280,001	285,000	565,000	0.303
9	295,001	300,000	2,700,000	1.447
5	300,001	305,000	1,509,002	0.809
3	305,001	310,000	926,500	0.497
2	310,001	315,000	627,000	0.336
1	315,001	320,000	315,500	0.169
1	325,001	330,000	328,000	0.176
4	345,001	350,000	1,397,500	0.749
1	350,001	355,000	354,000	0.190
1	355,001	360,000	360,000	0.193
5	375,001	380,000	1,897,000	1.017
2	395,001	400,000	798,000	0.428
1	400,001	405,000	401,198	0.215
1	405,001	410,000	410,000	0.220
2	415,001	420,000	837,355	0.449
1	430,001	435,000	433,731	0.232
1	440,001	445,000	444,500	0.238
1	445,001	450,000	450,000	0.241
1	450,001	455,000	453,500	0.243
1	460,001	465,000	461,242	0.247
1	465,001	470,000	468,500	0.251
1	480,001	485,000	485,000	0.260
5	495,001	500,000	2,500,000	1.340
1	505,001	510,000	508,500	0.273
1	535,001	540,000	535,500	0.287
1	545,001	550,000	548,500	0.294
3	595,001	600,000	1,800,000	0.965
1	625,001	630,000	630,000	0.338
1	640,001	645,000	645,000	0.346
1	645,001	650,000	646,250	0.346
4	695,001	700,000	2,796,500	1.499
1	725,001	730,000	727,000	0.390
2	730,001	735,000	1,461,050	0.783
1	750,001	755,000	754,500	0.404
1	765,001	770,000	766,000	0.411
1	775,001	780,000	778,500	0.417
1	785,001	790,000	786,000	0.421
1	825,001	830,000	827,500	0.444
1	925,001	930,000	930,000	0.498
1	950,001	955,000	954,000	0.511
1	970,001	975,000	975,000	0.523
1	990,001	995,000	995,000	0.533
1	995,001	1,000,000	1,000,000	0.536
1	1,095,001	1,100,000	1,100,000	0.590
1	1,115,001	1,120,000	1,119,395	0.600
1	1,240,001	1,245,000	1,243,333	0.666
1	1,345,001	1,350,000	1,346,500	0.722
1	1,760,001	1,765,000	1,763,500	0.945
1	1,845,001	1,850,000	1,850,000	0.992
1	5,195,001	5,200,000	5,196,048	2.785
1	26,595,001	26,600,000	26,600,000	14.257
8127			**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 2015

Signed this ---------- day of ----------2015

Witnesses:

Signature	_____	_____	Five Rupees Revenue Stamp
Name	_____	_____	
Address	_____	_____	
CNIC No./ Passport No.	_____	_____	

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 und er 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 secur ities 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 w ith specimen signature shall be submitted along with Proxy form to the company.

4. The Proxy Form, duly completed, must be deposited with the Company Secretary of Pervez Ahmed Securities Limited, 20 – K Gulberg II Lahore not less than 48 hours before the time for holding the meeting.

Registered Office: 20-K Gulberg II, Lahore.

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

Fax: (042) 3571 0312