

1st
Quarter Accounts
for the
Period Ended
September 30
2008

PERVEZ AHMED SECURITIES LIMITED

COMPANY INFORMATION

Board of Directors	Mr. Pervez Ahmed Mrs. Rehana Pervez Ahmed Mr. Ali Pervez Ahmed Mr. Hassan Ibrahim Ahmed Mr. Suleman Ahmed Mrs. Ayesha Ahmed Mansoor Mr. Muhammad Khalid Khan	Chief Executive
Audit Committee	Mr. Muhammad Khalid Khan Mr. Ali Pervez Ahmed Mr. Suleman Ahmed	Chairman
Chief Financial Officer	Mr. Muhammad Yousuf	
Company Secretary	Mr. Rizwan Atta	
Auditors	M/s Horwath Hussain Chaudhury & Co. Chartered Accountants	
Legal Advisor	Cornelius, Lane & Mufti Advocates & Solicitors	
Banks	Arif Habib Bank Limited Dawood Islamic Bank Limited Dubai Islamic Bank Pakistan Limited MCB Bank Limited NIB Bank Limited Saudi Pak Commercial 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	Gangjees Registrar Services (Pvt.) Limited 516-Clifton Centre, Khayaban-e-Roomi, Block - 5, Clifton, Karachi - 75 600	
Website	www.pervezahmed.net	

DIRECTORS' REVIEW

On behalf of the Board of Directors of Perez Ahmed Securities Limited, I present to you the Company's unaudited financial statements for the first quarter ended September 30, 2008.

Capital Market Review

Stock market sentiments still remained bearish in the first quarter of fiscal year 2008-09. The benchmark of KSE-100 index opened at 12,289 on July 1, 2008 and closed at 9,180 on September 30, 2008 showing a decline of 25% within three months. Similarly market capitalization of Karachi Stock Exchange fell to Rs. 2.8 trillion from Rs. 3.7 trillion during the same period of time. Stoppage of fresh liquidity, increase in oil & commodity prices, depreciating Rupee value, economic recession throughout the world and tumbling world stock markets badly affected the equity market of Pakistan. The effect of this turmoil has impacted on the financial results of the Company badly.

Financial Results of the Company

During the quarter July 1, 2008 to September 30, 2008 Perez Ahmed Securities Limited suffered operating loss of Rs. 432 million and closed its results at net loss of Rs. 491 million as against profit of Rs. 64 million during the same period of last year. This represents loss per share of Rs. 6.34 as against earning per share of Rs. 0.83 for the same period of last year. This significant fall in financial results of the Company is primarily due to sharp & continuous decline of stock prices in August 2008.

Future Outlook

The future outlook and profitability of the Company is mainly dependent on the stock market performance. The management is anticipating that the stock market will normalize by the end of this year. Management is also planning to raise further capital or inject funds to run the Company in a healthy way.

Acknowledgement

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

Lahore
October 31, 2008

For & on behalf of the Board



Chief Executive

PERVEZ AHMED SECURITIES LIMITED**BALANCE SHEET AS AT SEPTEMBER 30, 2008**

	Sep. 30, 2008	June 30, 2008
	Rupees	Rupees
Non Current Assets		
Property and equipments	4,984,924	5,326,602
Membership & room of Lahore Stock Exchange (G) Limited	40,000,000	40,000,000
Long term investment in Associated undertaking	106,100,805	106,100,805
Long term security deposits	4,970,000	4,970,000
	156,055,729	156,397,407
Current Assets		
Short term investments	457,395,286	2,076,753,276
Advances, tax refundable and other receivables	7,745,823	8,346,072
Cash and bank balances	21,449,433	33,654,870
	486,590,542	2,118,754,218
	<u>642,646,271</u>	<u>2,275,151,625</u>
Equity and Liabilities		
Issued, subscribed and paid up capital	774,478,890	774,375,530
Share deposit money	465,000	870,000
Unappropriated loss	(616,071,274)	(124,852,879)
Deficit on revaluation of available for sale investments	(479,454,153)	(127,643,537)
	(320,581,537)	522,749,114
Non Current Liabilities		
Deferred liabilities	1,248,391	998,713
Current Liabilities		
Trade and other payables	586,118,178	1,416,373,199
Accrued interest / Mark-up	12,800,938	9,898,551
Short term borrowings	363,060,301	325,132,048
	961,979,417	1,751,403,798
	<u>642,646,271</u>	<u>2,275,151,625</u>

The annexed notes form an integral part of these accounts.



CHIEF EXECUTIVE



DIRECTOR

PERVEZ AHMED SECURITIES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED SEPTEMBER 30, 2008**

	July 1 to September 30, 2008	July 1 to September 30, 2007
	Rupees	Rupees
Operating (loss) / revenue	(432,134,669)	43,858,088
Administrative expenses	(5,260,859)	(3,716,368)
Operating Profit	(437,395,528)	40,141,720
Finance cost	(12,024,129)	-
Other operating expenses	(19,799)	(207,500)
Other operating income	3,353	140,264
	(449,436,103)	40,074,484
(Deficit) / surplus on remeasurement of investments at fair value through profit and loss - Net	(41,629,832)	24,216,240
(Loss) / Profit before Taxation	(491,065,935)	64,290,724
Taxation	(129,100)	(123,197)
(Loss) / Profit after Taxation	(491,195,035)	64,167,527
(Loss) / Earnings per Share - Basic (2007:Restated)	(6.34)	0.83

The annexed notes form an integral part of these accounts.


CHIEF EXECUTIVE

DIRECTOR

PERVEZ AHMED SECURITIES LIMITED**CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2008**

	July 1 to September 30, 2008 Rupees	July 1 to September 30, 2007 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(491,065,935)	64,290,724
Adjustments for:		
Deficit / (surplus) on remeasurement of investments at fair value through profit and loss - Net	41,629,832	(24,216,240)
- Provision for gratuity	249,678	-
- Dividend income	(1,291,000)	(1,158,700)
- Finance cost	12,024,129	-
- Depreciation	341,678	44,417
	<u>52,954,317</u>	<u>(25,330,523)</u>
Operating (Loss) / Profit before Working Capital Changes	(438,111,618)	38,960,201
Decrease / (increase) in current assets		
- Short term investments	1,225,917,542	(122,701,448)
- Advances and other receivables	796,179	(42,415,240)
(Decrease) / Increase in current liabilities:		
- Trade and other payables	(829,826,613)	17,797,908
	<u>396,887,109</u>	<u>(147,318,780)</u>
Cash used in Operations	(41,224,509)	(108,358,579)
Taxes paid	(88,090)	(123,197)
Finance cost paid	(9,121,742)	-
Dividend income received	<u>1,095,070</u>	<u>3,375,995</u>
Net Cash used in Operating Activities	(49,339,272)	(105,105,781)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment	-	(157,250)
Long term investment in associate	-	-
Net Cash used in Investing Activities	-	(157,250)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from duplicate IPO applications deposited with the SECP	(325,000)	-
Dividend paid	(469,418)	-
Short term borrowings	<u>37,928,253</u>	<u>-</u>
Net Cash from Financing Activities	<u>37,133,835</u>	<u>-</u>
Net (Decrease) / Increase in Cash and Cash Equivalents	(12,205,437)	(105,263,031)
Cash and cash equivalents at the beginning of the period	33,654,870	130,545,659
Cash and Cash Equivalents at the end of the period	<u>21,449,433</u>	<u>25,282,628</u>

The annexed notes form an integral part of these accounts.


CHIEF EXECUTIVE

DIRECTOR

PERVEZ AHMED SECURITIES LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2008**

	Share Capital	Share Deposit Money	Unappropriated Profit / (Loss)	Deficit on Revaluation of Investments Available for Sale	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 1, 2007	599,130,000	870,000	127,394,015	-	727,394,015
(Deficit) on remeasurement of available for sale investments	-	-		(27,496,295)	(27,496,295)
Net profit for the period	-	-	64,167,527	-	64,167,527
Balance as at Sep. 30, 2007	<u>599,130,000</u>	<u>870,000</u>	<u>191,561,542</u>	<u>(27,496,295)</u>	<u>764,065,247</u>
Balance as at July 1, 2008	774,375,530	870,000	(124,852,879)	(127,643,537)	522,749,114
Net loss for the period	-	-	(491,195,035)	-	(491,195,035)
(Deficit) on remeasurement of available for sale investments	-	-	-	(351,810,616)	(351,810,616)
Issue of share capital against share deposit money	80,000	(80,000)	-	-	-
Bonus shares issued	23,360		(23,360)	-	-
Share deposit money deposited with the SECP *	-	(325,000)	-	-	(325,000)
Balance as at Sep.30, 2008	<u>774,478,890</u>	<u>465,000</u>	<u>(616,071,274)</u>	<u>(479,454,153)</u>	<u>(320,581,537)</u>

Issue of further share during the period to disputed IPO applicants after the SECP decision.

*This represents the amount of fictitious / multiple application deposited with the Securities & Exchange Commission of Pakistan.

The annexed notes form an integral part of these accounts.


CHIEF EXECUTIVE


DIRECTOR

PERVEZ AHMED SECURITIES LIMITED

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED SEPTEMBER 30, 2008

Note 1

The Company and its Operations

Pervez Ahmed Securities Limited was incorporated under the Companies Ordinance, 1984 on June 8, 2005 as a single member company and was listed on Karachi and Lahore Stock Exchanges on June 21, 2007. The principal activities of the Company include shares brokerage and trading, consultancy services and underwriting. The registered office of the Company is situated at 20-K Gulberg II, Lahore.

Note 2

Statement of Compliance

These accounts have been prepared in accordance with the requirements of the Companies Ordinance, 1984 and International accounting Standard, IAS 34 " Interim Financial Reporting."

These accounts are un-audited and are being submitted to the shareholders as required by Section 245 of the Companies Ordinance 1984.

Note 3

Accounting Policies

The accounting policies and methods of computation followed in the preparation of these financial statements are the same as those of the published annual financial statements of the Company for the year ended June 30,2008.

Note 4

Taxation

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

Note 5

Contingencies and Commitments

Contingencies

There are no material contingencies outstanding at the close of the balance sheet date (June 30, 2008: Nil).

Commitments

There are no material commitments outstanding at the close of the balance sheet date (June 30, 2008: Nil).

Note 6

Transactions with Related Parties

The related parties comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties other than remuneration and benefits to key management personnel under the terms of their employment.

	July 1 to September 30, 2008 Rupees	July 1 to September 30, 2007 Rupees
Associated undertakings		
Purchase of marketable securities for & on behalf of associated undertakings	-	16,459,949
Sale of marketable securities for & on behalf of associated undertakings	-	16,502,274
Loan received from associated undertakings	74,035,000	-

Note 7

Authorization of Financial Statements

These interim financial statements have been authorized for issue on October 31, 2008 by the Board of Directors of the Company.

Note 8

General

Figures have been rounded off to the nearest rupees.

The figures of the corresponding period have been re-arranged , wherever necessary, to facilitate comparison. No rearrangement has been made during the period.



CHIEF EXECUTIVE



DIRECTOR