PERVEZ AHMED SECURITIES LIMITED

3rd Quarter
& Nine Months accounts

for the Period ended

31st March, 2012

CONTENTS

COMPANY INFORMATION

Board of Directors	Mr. Pervez Ahmed	Chief Executive
	Mr. Ali Pervez Ahmed	
	Mr. Hassan Ibrahim Ahmed	
	Mr. Suleman Ahmed	
	Mr. Muhammad Khalid Khan	
	Mrs. Rehana Pervez Ahmed	
	Mrs. Ayesha Ahmed Mansoor	
Audit Committee	Mr. Muhammad Khalid Khan	Chairman
	Mr. Ali Pervez Ahmed	
	Mr. Suleman Ahmed	
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	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	Gangjees Registrar Services (Pvt.) Limited 516-Clifton Centre, Khayaban-e-Roomi, Block - 5, Clifton, Karachi - 75600	
Website	www.pervezahmed.net	

DIRECTORS' REPORT

On behalf of the Board of Directors of Pervez Ahmed Securities Limited, I present to you the Companys' un-audited financial statements for the nine months ended March 31, 2012.

Capital Market Review

During the nine months under review the Karachi Stock Exchange benchmark index rose by more than 10%. Major gains were witnessed in the last three months ended March 31, 2012 where the KSE-100 index gained 21.27%. SECP capital gain tax revamp proposal was the major reason behind the current derive which attracted individual investors to the market. The average daily volumes also showed handsome improvement in the last quarter.

Financial Results of the Company

During the period the Company incurred a loss of Rs. 14.525 million as against profit of Rs. 16.140 million during the corresponding period of last year. Operating activities of the Company for the time being have become limited due to liquidity conditions but the management is making efforts to run the affairs of the Company in profitable manners.

Future Outlook

The management of the Company is committed to run the affairs of the Company and efforts are being made to revive the Company by way of right issue and make the Company profitable by diversifying its operations.

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 appreciates the employees of the Company for their dedication and hard work.

For & behalf of the Board

Pervez Ahmad
(Chief Executive)

Lahore:
April 26, 2012

PERVEZ AHMED SECURITIES LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2012

	Note	March 31 2012 (Un-Audited) Rupees	June 30 2011 (Audited) Rupees
Non Current Assets			
Property and equipment		1,067,223	1,334,364
Intangible assets		30,000,000	30,000,000
Long term investment in associate		85,132,032	102,337,554
Long term security deposits		1,055,000	4,055,000
		117,254,255	137,726,918
Current Assets			
Short term investments		16,469,081	11,496,766
Advances, tax refundable and other receivables		7,025,595	7,022,073
Assets held for sale		-	19,000,000
Bank balances		4,322,663	1,678,966
		27,817,339	39,197,805
Current Liabilities			
Trade and other payables		(534,056,594)	(551,461,596)
Accrued interest / mark up		(27,923,420)	(27,923,420)
Current & overdue portion of long term financing		(10,767,116)	(7,641,179)
Short term borrowings		(107,940,931)	(107,940,931)
Provision for taxation		(74,766)	(74,766)
		(680,762,827)	(695,041,892)
Net Current Assets		(652,945,488)	(655,844,087)
Non Current Liabilities			
Long term financing		694,652	3,820,589
Deferred liability		3,036,905	2,959,655
		3,731,557	6,780,244
NET ASSETS		**(539,422,790)**	**(524,897,413)**
REPRESENTED BY			
Issued, subscribed and paid up capital		774,575,790	774,575,790
Share deposit money		291,500,120	291,500,120
Unappropriated losses		(1,605,498,700)	(1,590,973,323)
		(539,422,790)	(524,897,413)
Contingencies and Commitments	4	-	-
		(539,422,790)	**(524,897,413)**

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE **DIRECTOR**

PERVEZ AHMED SECURITIES LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE THIRD QUARTER AND NINE MONTHS ENDED MARCH 31, 2012

	Quarter Ended March 31,		Nine Months Ended March 31,	
	2012	2011	2012	2011
	(Un-Audited) Rupees	(Un-Audited) Rupees	(Un-Audited) Rupees	(Un-Audited) Rupees
Operating income - Net	-	670,294	5,220	2,381,300
Administrative expenses	(460,004)	(718,499)	(1,932,159)	(2,217,102)
Operating (Loss)	(460,004)	(48,205)	(1,926,939)	164,198
Finance cost	(18,375)	-	(29,581)	(6,540,743)
Other operating charges	(37,149)	(6,374)	(17,096,342)	(71,487)
Other operating income	-	-	-	25,449,085
	(515,528)	(54,579)	(19,052,862)	19,001,053
Surplus / (Deficit) on remeasurement of investments at fair value through profit and loss - Net	6,587,942	(2,546,749)	4,972,315	(2,582,008)
Profit / (Loss) before Taxation and Share from Associated Undertaking	6,072,414	(2,601,328)	(14,080,547)	16,419,045
Share of loss from Associated Undertaking	-	-	(444,830)	(240,463)
Profit / (Loss) before Taxation	6,072,414	(2,601,328)	(14,525,377)	16,178,582
Taxation	-	-	-	(38,165)
Profit / (Loss) after Taxation	6,072,414	(2,601,328)	(14,525,377)	16,140,417
Profit / (Loss) per Share	0.08	(0.03)	(0.19)	0.21

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE **DIRECTOR**

PERVEZ AHMED SECURITIES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2012

	Quarter Ended March 31,		Nine Months Ended March 31,	
	2012	**2011**	**2012**	**2011**
	(Un-Audited) Rupees	**(Un-Audited) Rupees**	**(Un-Audited) Rupees**	**(Un-Audited) Rupees**
Profit / (Loss) after taxation	6,072,414	(2,601,328)	(14,525,377)	16,140,417
Other comprehensive income	-	-	-	-
Total Comprehensive Income / (Loss) for the Period	**6,072,414**	**(2,601,328)**	**(14,525,377)**	**16,140,417**

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE **DIRECTOR**

PERVEZ AHMED SECURITIES LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2012

	Nine Months Ended March31, 2012 (Un-Audited) Rupees	2011 (Un-Audited) Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(14,525,377)	16,178,582
Adjustments for:		
- (Surplus) on remeasurement of investments at fair value through profit and loss - Net	(4,972,315)	2,582,008
- Dividend income	-	(231,650)
- Provision for gratuity	77,250	25,750
- Depreciation	267,141	375,786
- Share of loss from associated undertaking	444,830	240,463
- Waive-off accrued mark-up	-	(24,265,740)
- Finance cost	29,581	6,540,743
- Impairment in valuation of investment in associate	16,760,692	-
	12,607,179	(14,732,640)
Operating (Loss) before Working Capital Changes	(1,918,198)	1,445,942
(increase) / decrease in current assets		
- Short term investments	-	7,553,925
- Advances and other receivables	(3,522)	(18,327)
Increase / (decrease) in current liabilities:		
- Trade and other payables	(17,405,002)	(4,796,678)
	(17,408,524)	2,738,920
Cash used in Operations	(19,326,722)	4,184,862
Finance costs paid	(29,581)	-
Dividend income received	-	231,650
Net Cash used in Operating Activities	(19,356,303)	4,416,512
CASH FLOWS FROM INVESTING ACTIVITIES		
Assets held for sale	19,000,000	104,000,000
Net Cash generated from Investing Activities	19,000,000	104,000,000
CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing	-	(1,041,978)
Short term borrowings	-	(107,328,130)
Long term security deposit	3,000,000	-
Net Cash from Financing Activities	3,000,000	(108,370,108)
Net Increase in Cash and Cash Equivalents	2,643,697	46,404
Cash and cash equivalents at the beginning of the period	1,678,966	1,482,044
Cash and Cash Equivalents at the End of the period	**4,322,663**	**1,528,448**

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE **DIRECTOR**

PERVEZ AHMED SECURITIES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2012

	Share Capital	Share Deposit Money	Unappropriated (Loss)	Total
	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)
Balance as at July 1, 2010	774,575,790	299,000,120	(1,579,990,019)	(506,414,109)
Total comprehensive income for nine months period ended March 31, 2011	-	-	16,140,417	16,140,417
Balance as at March 31, 2011	**774,575,790**	**299,000,120**	**(1,563,849,602)**	**(490,273,692)**
Balance as at July 1, 2011	**774,575,790**	**291,500,120**	**(1,590,973,323)**	**(524,897,413)**
Total comprehensive loss for nine months period ended March 31, 2012			(14,525,377)	(14,525,377)
Balance as at March 31, 2012	**774,575,790**	**291,500,120**	**(1,605,498,700)**	**(539,422,790)**

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE **DIRECTOR**

PERVEZ AHMED SECURITIES LIMITED

NOTES TO THE CONDENSED INTERIM UN-AUDITED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED MARCH 31, 2012

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.

The Company has accumulated loss of Rs. 1,605.499 million as incurred net loss for the period of Rs. 14.525 million. The current liabilities of the Company exceeds its current assets by Rs. 652.945 million and its total liabilities exceeds its total assets by Rs. 539.423 million as at the balance sheet date. These factors raise doubts about the Company being a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business

However the management considers that the going concern assumption used in preparation of these financial statements is appropriate as the Company has a plan of capital restructuring and various options are also under consideration by the Board.

Note 2
Basis of Preparation

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

This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2011. Comprehensive balance sheet is extracted from annual audited financial statements for the year ended June 30, 2011 whereas comparative profit & loss account, statement of comprehensive income, statement of changes in equity and cash flow statement are stated from un-audited interim financial information for the nine month period ended on March 31, 2011.

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 30,2011.

Note 4

Property and Equipment

	March 31,2012 (Un-audited) Rupees	June 30, 2011 (Audited) Rupees
Opening written down value	1,334,364	1,835,412
Addition / (Deletions) during the period / year	-	-
	1,334,364	1,835,412
Depreciation charge for the period / year	(267,141)	(501,048)
	1,067,223	1,334,364

Note 5

Contingencies and Commitments

Contingencies

One of the lenders has filed suit for the recovery of its outstanding liability. The Management believes that the outcome of the case shall be in favour of the Company therefore no additional liability is foreseen (June 30, 2011: Nil)

Commitments

There are no material commitments outstanding at the close of the balance sheet date (June 30, 2011: 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.

	Nine Months Ended March 31	
	2012 (Un-audited) Rupees	2011 (Un-audited) Rupees
Associated undertaking		
Services rendered	-	1,500,000
Funds received from associated undertaking	1,921,158	1,168,952
Directors		
Funds (repaid to) / received from director - net	(18,700,000)	1,041,978

Note 7

Authorization of Financial Statements

These interim financial information have been authorized for issue on April 26, 2012 by the Board of Directors of the Company.

Note 8
General

Figures have been rounded off to the nearest rupees.
Figures of the corresponding period have been re-arranged , wherever necessary, to facilitate comparison. No material rearrangement has been made during the period.

CHIEF EXECUTIVE **DIRECTOR**

Registered Office: 20-K Gulberg II, Lahore.

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Fax: (042) 3571 0312