



annual report 2010

PERVEZ AHMED SECURITIES LIMITED



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COMPANY INFORMATION

Board of Directors	Mr. Pervez Ahmed Mrs. Rehana Pervez Ahmed Mr. Ali Pervez Ahmed Mr. Hassan Ibrahim Ahmed 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	
	Dawood Islamic Bank Limited Dubai Islamic Bank Pakistan Limited MCB Bank Limited NIB Bank Limited Silk Bank Limited Summit Bank Limited	
Registered Office	20-K, Gulberg II, Lahore.	
Stock Exchange Office	Room No. 317, Third Floor, Lahore Stock Exchange Building, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.	
Share Registrars	Gangjees Registrar Services (Pvt.) Limited 516-Clifton Centre, Khayaban-e-Roomi, Block - 5, Clifton, Karachi - 75 600	
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 Fifth 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 30, 2010, at 11:30 a.m. to transact the following business:

1. To confirm the minutes of the forth Annual General Meeting held on October 31, 2009
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2010 together with Directors' and Auditors' reports thereon.
3. To appoint Auditors of the Company for the year 2010-2011 and to fix their remuneration. The present Auditors M/s Horwath Hussain Chaudhury & Co. – Chartered Accountants, retire and being eligible offered themselves for the re-appointment.

Lahore: October 8, 2010

By the order of the Board

Rizwan Atta
Company Secretary

NOTES

- I THE Share Transfer Books of the Company will remain closed from October 28, 2010 to November 2, 2010 (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

On behalf of the Board of Directors of Pervez Ahmed Securities Limited, I am pleased to present the Company's Fifth Annual Report which includes the Audited Financial Statements of the Company together with the Auditor's report thereon for the year ended June 30, 2010.

Capital Market Review

During the Financial Year 2009-2010 the benchmark KSE-100 index started from 7,162 points and closed at 9,722 points on June 30, 2010. The average daily volumes remained depressed during the year and inflation in Pakistan has made the local investors to remain sideline. Unlike the situation in Pakistan, the improving conditions in the global economy made the foreign investors to go for selective buying in the emerging markets stocks.

Financial Review

The Financial results of the Company for the year ended June 30, 2010 are as under.

	Year Ended	
	June 30, 2010 Rupees	June 30, 2009 Rupees
Operating revenue	4,275,475	(909,463,263)
Operating (loss)	(1,295,753)	(920,951,711)
Finance cost	(29,834,005)	(134,899,272)
(Deficit) on remeasurement of investments	(8,559,527)	(356,703,167)
(Loss) before taxation	(42,349,703)	(1,412,742,177)
Taxation	-	-
(Loss) after taxation	(42,349,703)	(1,412,742,177)
Earnings per share - Basic	(0.55)	(18.24)

Financial Results of the Company

During the year ended June 30, 2010 Pervez Ahmed Securities Limited suffered operating loss of Rs. 1.3 million as compared to loss of Rs. 921 million in last year. Unrealized loss on re-measurement of short term investments to its fair value was Rs. 8.6 million whereas last year loss from re-measurement was Rs. 356.7 million. Finance cost for the year reduced to Rs. 29.8 million which was Rs. 134.9 million in last year. Finance cost will further reduce next year as major portion of bank borrowings has been settled against commercial & residential properties relinquished by the directors in favour of the Company.

The management has succeeded in settlement agreements with Summit Bank Limited (formerly Arif Habib Bank Limited) and Silk Bank Limited through adjustment of properties. MCB Bank Limited has restructured its morabaha finance facility into long term loan.

Dividend

In view of the adverse results in the current year and available accumulated losses, directors of your Company have passed over the dividends.

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, 2010 to November 2, 2010 (both days inclusive). Transfer received by our Shares Registrar, Gangjees Registrar Services (Pvt.) Limited - 516 Clifton Centre, Khayaban-e-Roomi, Block-5, Clifton, Karachi at the close of business on October 27, 2010 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, 2010, as required under section 236 of the Companies Ordinance 1984 and Code of Corporate Governance is annexed with this report.

Operating and Financial Data

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

Future Outlook

Now national economy has to face more challenges like flood and inflation. Interest rate are on the rise now and the political environment is once again trembling. The market can further perform well provided that these economic and political challenges are rightly addressed.

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.

Number of Board Meetings Held

Six meetings of the Board of Directors were held during the year ended June 30, 2010 and the attendance of the directors is as follows.

Mr. Pervez Ahmed	Chief Executive	6 attendance
Mrs. Rehana Pervez Ahmed	Director	5 attendance
Mr. Ali Pervez Ahmed	Director	6 attendance
Mr. Hassan Ibrahim Ahmed	Director	6 attendance
Mr. Suleman Ahmed	Director	4 attendance
Mrs. Ayesha Ahmed Mansoor	Director	5 attendance
Mr. Muhammad Khalid Khan	Director	6 attendance

Auditors

The Auditors Messrs Horwath Hussain Chaudhury & Co. - Chartered Accountants retire and offer themselves for the reappointment. The Audit Committee recommends the reappointment of Messrs Horwath Hussain Chaudhury & Co - Chartered Accountants as auditors for the financial year ending June 30, 2011.

Audit Committee

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

Mr. Muhammad Khalid Khan	Chairman
Mr. Ali Pervez Ahmed	Member
Mr. Suleman Ahmed	Member

Meetings of the Audit Committee were held during the year ended June 30, 2010 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.

Code of Corporate Governance

The Directors of the Company 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 Nos 37 and 43 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 have been prepared by the management in accordance with the requirements of the Companies Ordinance 1984 and the directives issued by the Securities and Exchange Commission of Pakistan.
- 2 Proper books of accounts of the Company have been maintained as required under the Companies Ordinance 1984.
- 3 Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates, which are based on reasonable and prudent judgment.

- 4 Approved Accounting / International Financial Reporting Standards have been followed in preparation of financial statements and any departure there from has been adequately disclosed in the Notes to the financial statements.
- 5 The system of internal control & internal audit function is sound in design and has been effectively implemented and monitored.
- 6 The Company has incurred net loss of Rs. 42.35 million during the year and has accumulated losses of Rs. 1,580 million as at the balance sheet date. The current liabilities of the Company exceeds its current assets by Rs. 645 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 borrowings 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 five years are annexed.

Acknowledgement

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

Lahore
October 8, 2010

For & on behalf of the Board



Pervez Ahmed
Chief Executive

FINANCIAL HIGHLIGHTS

Profit and Loss Account

	2010 Rupees	2009 Rupees	2008 Rupees	2007 Rupees	2006 Rupees
Operating revenue / (loss)	4,275,745	(909,463,763)	143,466,813	125,387,661	(16,621,987)
Administrative expenses	(5,571,488)	(11,488,448)	(35,114,151)	(21,427,209)	(5,394,926)
Operating (Loss) / Profit	(1,295,753)	(920,951,711)	108,352,662	103,955,652	(22,015,908)
- Finance cost	(29,834,005)	(134,898,272)	(20,317,963)	(7,235)	-
- Other operating charges	(225,000)	(200,000)	(4,117,550)	(1,921,780)	(746,582)
- Other operating income	162,431	11,973	262,657	27,222	-
	(29,896,574)	(135,087,299)	(24,172,846)	(1,901,793)	(746,582)
(Deficit) / surplus on remeasurement of investments	(8,559,527)	(356,703,167)	(38,820,535)	24,206,973	27,969,598
(Loss) / Profit before Taxation and Share from Associated Undertaking	(39,751,854)	(1,412,742,177)	45,359,281	136,260,832	5,205,108
Share of loss from Associated Undertaking	(2,597,849)	-	-	-	-
(Loss) / Profit before Taxation	(42,349,703)	(1,412,742,177)	45,359,281	136,260,832	5,205,108
Taxation	-	-	(2,534,645)	(331,944)	(76,965)
(Loss) / Profit before Taxation	(42,349,703)	(1,412,742,177)	42,824,636	135,928,888	5,128,143
Payouts					
- Cash dividend	Nil	Nil	20%	Nil	Nil
- Stock dividend	Nil	Nil	27.50%	Nil	Nil

Balance Sheet

Share capital	774,575,790	774,575,790	774,375,530	599,130,000	200,000,000
Share deposit money	299,000,120	306,000,000	970,000	570,000	10,000,000
Property, plant and equipment	1,835,412	3,958,890	5,326,602	458,039	-
Membership & room at Lahore Stock Exchange	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000
Long term investment in associate	103,502,956	106,100,805	106,100,805	-	-
Short term investments	23,286,635	47,962,734	2,076,753,276	787,700,083	245,447,965
Total assets	315,109,782	437,079,913	2,275,151,625	964,065,619	297,660,250
Shareholders' equity (2009: Restated)	(506,414,139)	(472,764,406)	522,749,114	727,394,015	215,129,143
Earning per share	(0.55)	(18.24)	0.55	2.77	0.64
Current ratio	0.70 : 1	0.30 : 1	1.21 : 1	3.93 : 1	3.12 : 1

Statement of Compliance With Best Practices of Code of Corporate Governance

The statement is being presented to comply with the Code of Corporate Governance contained in Listing Regulation Number 37 of Karachi Stock Exchange (Guarantee) Limited and Chapter XIII of the Lahore Stock Exchange (Guarantee) Limited 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 in the following manner:

1. The Company encourages representation of independent non-executive directors; at present the Board includes one non-executive directors.
2. The Directors have confirmed that none of them is serving as a director in more than ten 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 in the board during the current year.
5. The Company has prepared a 'statement of Ethics and Business Practices', which has been signed by all the directors and key employees of the Company.
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 and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman 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.
10. There were no new appointments of CFO, Company Secretary or head of internal audit department during the year.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and it fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval by the Board.

13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee which comprises of three members of whom one is non-executive directors.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formulated and advised to the committee for compliance.
17. The Board has set-up an effective internal audit function.
18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme 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 parents are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. 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.
20. We confirm that all material principles contained in the Code have been complied with.

Lahore.
October 8, 2010

For and on behalf of
Board of Directors



Pervez Ahmed
Chief Executive



Horwath Hussain Chaudhury & Co.
Chartered Accountants
Member Crowe Horwath International

25-E, Main Market, Gulberg 2,
Lahore-54660 Pakistan
+92-42-111-111-442 Tel
+92-42-5759226 Fax
www.horwath.com.pk

REVIEW REPORT TO THE MEMBERS

ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **PERVEZ AHMED SECURITIES LIMITED**, to comply with the Listing Regulation No. 35 (Chapter XI) of both the Karachi Stock Exchange and Lahore Stock Exchange, where the Company is listed.

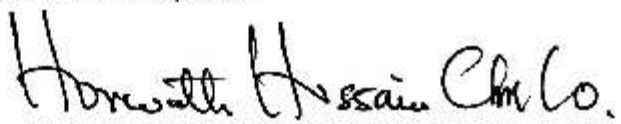
The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal controls systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub-Regulation (xiii-a) of Listing Regulations 35 notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated January 19, 2009 requires the Company to place before the Board of Directors for their consideration and approval 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, recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before 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 the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2010.

Lahore
Dated: 08 OCT 2010


HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants

(Engagement Partner: Muhammad Nasir Muneer)



Horwath Hussain Chaudhury & Co.
Chartered Accountants
Member Crowe Horwath International

25-E, Main Market, Culberg 2,
Lahore-54660 Pakistan
+92-42-111-111-442 Tel
+92-42-5759226 Fax
www.horwath.com.pk

PERVEZ AHMED SECURITIES LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **PERVEZ AHMED SECURITIES LIMITED** as at June 30, 2010 and the related profit and loss account, statement of 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 purposes 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;

- (a) in our opinion, proper books of account 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 account and are further in accordance with the accounting policies consistently applied except for changes as stated in note 2.5.1 to the financial statements with which we concur;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;



- (c) 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 comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2010 and of the loss, total comprehensive loss, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company, and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Without qualifying our opinion, we draw attention to Note 1.2 to the financial statements, which indicates that the Company has accumulated losses of Rs. 1,579.990 million and its current liabilities exceed its current assets by Rs. 644.962 million as at the balance sheet date. These conditions indicate the existence of material uncertainty, which casts significant doubt about the Company's ability to continue as a going concern.

Lahore

Dated: 08 OCT 2010

Horwath Hussain Chd Co.
HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants

(Engagement partner: Muhammad Nasir Muneer)

BALANCE SHEET AS AT JUNE 30, 2010

	Note	2010 Rupees	2009 Rupees
Non Current Assets			
Property and equipment	4	1,835,412	3,959,890
Intangible assets	5	40,000,000	40,000,000
Long term investment in associate	6	103,502,956	106,100,805
Long term security deposits	7	4,055,000	4,055,000
		149,393,368	154,115,695
Current Assets			
Short term investments	8	23,286,605	47,962,734
Advances and other receivables	9	6,947,765	7,356,959
Assets held for sale (2009: Restated)	10	134,000,000	210,300,120
Bank balances	11	1,482,044	1,644,525
		165,716,414	267,264,338
Current Liabilities			
Trade and other payables	12	(559,141,791)	(565,097,560)
Accrued interest / mark up		(31,752,638)	(22,044,830)
Current portion of long term financing	14	(4,515,238)	-
Short term borrowings	13	(215,269,061)	(304,875,627)
		(810,678,728)	(892,018,017)
Net Current Assets		(644,962,314)	(624,753,679)
Non Current Liabilities			
Long term financing	14	7,988,508	-
Deferred liability	15	2,856,655	2,126,422
		10,845,163	2,126,422
NET ASSETS		<u>(506,414,109)</u>	<u>(472,764,406)</u>
REPRESENTED BY:			
Issued, subscribed and paid up capital	16	774,575,790	774,575,790
Share deposit money (2009: Restated)	17	299,000,120	290,300,120
Unappropriated losses		(1,579,990,019)	(1,537,640,316)
		(506,414,109)	(472,764,406)
Contingencies and Commitments			
	18	-	-
		<u>(506,414,109)</u>	<u>(472,764,406)</u>

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


CHIEF EXECUTIVE


DIRECTOR

PERVEZ AHMED SECURITIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2010

		2010	2009
		Rupees	Rupees
Profit / (loss) on sale of investments - Net		3,490,919	(912,204,665)
Dividend income		784,826	2,725,300
Brokerage income		-	16,102
		<u>4,275,745</u>	<u>(909,463,263)</u>
Administrative expenses	19	<u>(5,571,498)</u>	<u>(11,488,448)</u>
Operating Loss		<u>(1,295,753)</u>	<u>(920,951,711)</u>
Other operating expenses	20	(225,000)	(200,000)
Finance cost	21	(29,834,005)	(134,899,272)
Other operating income	22	<u>162,431</u>	<u>11,973</u>
		<u>(31,192,327)</u>	<u>(1,056,039,010)</u>
Deficit on remeasurement of investments at fair value through profit or loss - Net	8	<u>(8,559,527)</u>	<u>(356,703,167)</u>
Loss before Taxation and Share from Associated Undertaking		<u>(39,751,854)</u>	<u>(1,412,742,177)</u>
Share of loss from associated undertaking	6	<u>(2,597,849)</u>	<u>-</u>
Loss before Taxation		<u>(42,349,703)</u>	<u>(1,412,742,177)</u>
Taxation		-	-
Loss after Taxation		<u><u>(42,349,703)</u></u>	<u><u>(1,412,742,177)</u></u>
Loss per Share - Basic	23	<u><u>(0.55)</u></u>	<u><u>(18.24)</u></u>

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



CHIEF EXECUTIVE



DIRECTOR

PERVEZ AHMED SECURITIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2010

	2010	2009
	Rupees	Rupees
Loss after taxation	(42,349,703)	(1,412,742,177)
Other comprehensive income		
Deficit on remeasurement of available for sale investments realized on disposal	-	127,643,537
Total Comprehensive Loss for the Year	(42,349,703)	(1,285,098,640)

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



CHIEF EXECUTIVE



DIRECTOR

PERVEZ AHMED SECURITIES LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2010

	2010 Rupees	2009 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(42,349,703)	(1,412,742,177)
Adjustments for:		
- Deficit on remeasurement of investments at fair value through profit or loss - Net	8,559,527	356,703,167
- Dividend income	(784,826)	(2,725,300)
- Provision for gratuity	735,733	1,223,209
- Profit on disposal of property and equipment	(148,369)	-
- Share of loss from investment in associate	2,597,849	-
- Depreciation	762,847	1,366,712
- Finance cost	29,834,005	134,899,272
	41,556,766	491,467,060
Operating loss before working capital changes	(792,937)	(921,275,117)
Decrease in current assets:		
- Short term investments	16,116,602	1,799,730,912
- Advances and other receivables	45,471	880,202
Decrease in current liabilities:		
- Trade and other payables	(5,955,760)	(944,774,017)
	10,206,304	855,846,097
Cash generated from / (used in) operations	9,413,367	(65,429,020)
Taxes paid	(64,677)	(437,659)
Finance costs paid	(14,149,907)	(29,254,615)
Gratuity paid	(5,500)	(95,500)
	(14,220,084)	(29,787,774)
Net Cash used in Operating Activities	(4,806,717)	(95,276,794)
CASH FLOWS FROM INVESTING ACTIVITIES		
Assets held for sale	70,323,830	-
Proceeds from disposal of property and equipment	1,510,000	-
Dividend income received	1,213,226	3,262,870
Long term security deposit	-	915,000
Net Cash from Investing Activities	73,047,056	4,177,870
CASH FLOW FROM FINANCING ACTIVITIES		
Share deposit money received	8,700,000	80,000,000
Share deposit money of fictitious / multiple applications transferred to SEOP	-	(715,000)
Short term borrowings	(77,102,820)	(20,256,421)
Net Cash (used in) / generated from Financing Activities	(68,402,820)	59,028,579
Net Decrease in Cash and Cash Equivalents	(167,487)	(32,010,345)
Cash and cash equivalents at the beginning of the year	1,644,525	33,654,870
Cash and Cash Equivalents at the End of the Year	1,482,044	1,644,525

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



CHIEF EXECUTIVE



DIRECTOR

PERVEZ AHMED SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2010

	Share Capital	Share Deposit Money	Unappropriated Loss	Deficit on Revaluation of Investments Available for Sale	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2008	774,375,530	870,000	(124,852,879)	(127,643,537)	522,749,114
Total comprehensive loss for the year	-	-	(1,412,742,177)	127,643,537	(1,285,098,640)
Issue of share capital against share deposit money	155,000	(155,000)	-	-	-
Bonus shares issued	45,260	-	(45,260)	-	-
Share deposit money received during the year	-	290,300,120	-	-	290,300,120
Transfer of share deposit money to SECP for fictitious / duplicate applications	-	(715,000)	-	-	(715,000)
Balance as at June 30, 2009 as Restated	<u>774,575,790</u>	<u>290,300,120</u>	<u>(1,537,640,316)</u>	<u>-</u>	<u>(472,764,406)</u>
Balance as at June 30, 2009 as Previously Reported	774,575,790	306,000,000	(1,537,640,316)	-	(457,064,526)
Reduction in share deposit money on account of restatement of assets held for sale (refer to Note 10.3)	-	(15,699,880)	-	-	(15,699,880)
Balance as at June 30, 2009 as Restated	<u>774,575,790</u>	<u>290,300,120</u>	<u>(1,537,640,316)</u>	<u>-</u>	<u>(472,761,406)</u>
Total comprehensive loss for the year	-	-	(42,349,703)	-	(42,349,703)
Share deposit money received during the year	-	8,700,000	-	-	8,700,000
Balance as at June 30, 2010	<u>774,575,790</u>	<u>299,000,120</u>	<u>(1,579,990,019)</u>	<u>-</u>	<u>(506,414,109)</u>

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



CHIEF EXECUTIVE



DIRECTOR

PERVEZ AHMED SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2010

Note 1

The Company and Its Operations

1.1 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.

1.2 Going concern assumption

The Company has accumulated losses of Rs. 1579.990 million (2009: Rs. 1,537.640 million) and incurred net loss for the year of Rs. 42.349 million (2009: 1,412.742 million). The current liabilities of the Company exceed its current assets by Rs. 644.962 million (2009: 624.754 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.

The management considers that the going concern assumption used in the preparation of these financial statements is appropriate and has following plans / arrangements to mitigate the uncertainties disclosed in the preceding paragraph:

- The Company has settled its major portion of bank borrowings against assets held for sale (refer to Note 13).
- The Company is committed to its plan of right issue and negotiations with various financial institutions for underwriting were in process as at the balance sheet date.
- The Company has one surplus property released from a lender available for any suitable option under consideration by the management.
- The Company is considering various options of revival including diversification of operations.
- The directors of the Company are committed to run the affairs of the Company and to make it a profitable venture.

Keeping in view the above mitigating plans, these financial statements have been prepared on going concern basis.

Note 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. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except to the extent of followings:

Employee retirement benefits (Gratuity)	Note 15	Present value
Investment in quoted companies	Note 8	Fair value

2.3 Functional and presentation currency

The financial statements are prepared and presented in Pak Rupees which is the Company's functional and presentation currency.

Note 2, Basis of Preparation - Continued...

2.4 Use of estimation and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made.

Significant management estimates in these financial statements relate to the useful life of property and equipment and taxation. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in the financial statements.

2.5 New / revised Standards and Interpretations

The following amendments to existing standards have been published that are applicable to companies financial statements covering annual period, beginning on or after the following dates:

2.5.1 Amendment to publish standards effective in current year and applicable to the company

- IAS 1 (Revised) 'Presentation of Financial Statements' (effective for annual periods beginning on or after July 01, 2009), was issued in September 2007. The revised standard requires an entity to present, in a Statement of changes in equity, all owner changes in equity. All non owner's changes in equity (i.e. comprehensive income) will be required to be presented separately from owner's changes in equity, either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The entity has opted to issue two separate statements.
- IFRS 7 (Amendment), 'Financial Instruments Disclosure' that become effective for the financial years beginning on or after January 01, 2009, requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognized at fair value. The fair value measurement disclosures are presented in note 39 to these financial statements. The liquidity risk disclosures amendments are not expected to have a significant impact on the Company's financial statements.
- IFRS 8 - Operating Segments (effective from January 1, 2009). This standard requires the Company to determine and present operating segments based on the information that is provided internally to the Company's Chief Operating Decision Maker i.e., the organization's function which allocates resources to and assesses performance of its operating segments.

Comparative information has been re-presented so that it is in conformity with the revised / new standards. Since the change in accounting policies only affect presentation / disclosures of financial statements, there is no impact on profit for the year and earnings per share.

2.5.2 Amendment to publish standards effective in current year not applicable to the Company

The following amendments to existing standard have been published that are not applicable to Company's financial statements:

- IAS 23 'Borrowing Cost' certain amendments have been published that are applicable to the financial statements covering annual periods, beginning on or after July 01, 2009. Adoption of these amendments would require the company to capitalize the borrowing cost directly attributable to acquisition, construction or production of qualifying assets (one that takes substantial period of time to get ready for the use or sale) as part of the cost of that asset. The option of the immediately expensing these borrowing costs will be removed.
- IAS 27 (Revised), 'Consolidated and Separate Financial Statement', is effective from July 01, 2009. The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The Standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognized in income statement.
- IAS 38 (Amendment), 'Intangible Assets' (effective from July 01, 2009). The amended standard states that the prepayment may only be recognized in the event that payment has been made in advance of obtaining right of access of goods or receipts of services.

Notes to the Financial Statements

Note 2, Basis of Preparation - Continued...

- IAS 39 (Amendment), 'Financial Instruments Recognition and Measurement' - Reclassification of Financial Assets (effective from July 01, 2009). These amendments to the standard permits an entry to reclassify non derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in the particular circumstances. The amendment also permits an entity to transfer from the available for sale category to the loans and receivable category, a financial asset that would have met the definition of loans and receivable (if the financial asset had not been designated as available for sale), if the entity has intention and ability to hold that financial asset for the foreseeable future.
- IFRS 2, 'Share based payment' (effective from 1 January 2009). This standard requires attribution of group share-based payment transactions only if they are equity settled. The amendments require an entity receiving goods or services in either an equity-settled or a cash-settled payment transaction to account for the transaction in its separate financial statements.
- IFRS 3 (Revised), 'Business Combinations' (effective from July 01, 2009). The revised standard continues to apply the acquisition method to business combination with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by acquisition basis to measure the non-controlling interest in the acquire at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets. All acquisitions related costs should be expensed.
- IFRS 4, 'Insurance Contracts' (effective from 1 July 2009). The standard prescribes the accounting treatment for embedded derivatives and deposit components to avoid the omission of assets and liabilities. It also permits an expanded presentation for insurance contracts acquired in a business combination or portfolio transfer and addresses limited aspects of discretionary participation features contained in insurance contracts or financial instruments.

- **Other Interpretations**

Effective Date

(accounting period beginning on/after)

IFRIC 13	Customers Loyalty Programs	July 01, 2009
IFRIC 15	Agreement for the Construction of Real Estate	January 01, 2009
IFRIC 16	Hedge of Net Investment in a Foreign Operation	October 01, 2008
IFRIC 17	Distribution of Non-Cash Assets to Owners	July 01, 2009
IFRIC 18	Transfer of Assets from Customers	July 01, 2009

2.5.3 Amendments and Interpretation to published standards not yet effective

The following standards, interpretations and amendments in respect of approved accounting standards are for accounting periods beginning on or after January 01, 2010:

Standards or interpretation

Effective Date

(accounting period beginning on/after)

Revision / Improvements / Amendments to IFRSs In 2009

IAS 1	Presentation of Financial Statements	January 01, 2010
IAS 7	Statement of Cash Flows	January 01, 2010
IAS 17	Leases	January 01, 2010
IAS 32	Financial Instruments: Presentation	January 01, 2010
IAS 36	Impairment of Assets	January 01, 2010
IAS 39	Financial Instruments (Recognition and Measurement)	January 01, 2010
IFRS 1	First Time Adoption of International Financial Reporting Standards	January 01, 2010
IFRS 2	Share-based Payments	January 01, 2010
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	January 01, 2010
IFRS 8	Operating Segments	January 01, 2010
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	July 01, 2010

Notes to the Financial Statements

Note 2, Basis of Preparation - Continued...

Revision / Improvements / Amendments to IFRSs in 2010

IAS 1	Presentation of Financial Statements	January 01, 2011
IAS 24	Related Party Disclosure	January 01, 2011
IAS 27	Consolidated and Separate Financial Statements	July 01, 2010
IAS 34	Interim Financial Reporting	January 01, 2011
IFRS 1	First Time Adoption of International Financial Reporting Standards	January 01, 2011
IFRS 3	Business Combinations	July 01, 2010
IFRS 7	Financial Instruments: Disclosures	January 01, 2011
IFRIC 13	Customer Loyalty Programs	January 01, 2011
IFRIC 14	The Limit on a Defined Benefit Assets	January 01, 2011

The Company expects that the adoption of above standards and interpretations will have no material impact on the Company's financial statements in the period of initial application.

Note 3

Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently, unless otherwise stated.

3.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of property and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable cost of bringing the assets into working condition.

Depreciation is charged to income on reducing balance method at the rates specified in note No.4. Full month's depreciation is charged on additions during the month of addition whereas, no depreciation is charged on assets disposed off during the month of deletion. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and replacements are capitalized. Gains or losses on disposal of property, plant and equipment are included in the current year income.

3.2 Intangible assets

An intangible asset is recognized as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and the cost of such asset can be measured reliably. Cost of intangible assets includes purchase cost and directly attributable expenses.

Cost that are directly associated with identifiable and have probable economic benefits beyond one year, are recognized as an intangible assets.

Intangibles are measured initially at cost and subsequently stated at cost less accumulated amortization and identified impairment losses, if any. Amortization is charged to income on the straight line basis so as to write off cost of an asset over its estimated useful life. The amortization period and the amortization method for an intangible asset are reviewed, at each financial year end, and adjusted if impact on amortization is significant.

3.3 Impairment

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In the absence of any information about the fair value, the recoverable amount is determined to be the value in use. Impairment losses are recognized as expense in the profit and loss account.

Notes to the Financial Statements

Note 3, Significant Accounting Policies - Continued...

3.4 Investments

The management determines the appropriate classification of its investment in accordance with the requirements of International Accounting Standards 39; 'Financial Instruments : Recognition and measurement ' and International Accounting Standard 28 ; Investments in Associates' at the time of purchase and re-evaluates this classification on a regular basis . Investments are categorized as follows:

Investment in associates

The Company considers its associates to be such enterprise in which the Company has ownership of not less than twenty percent but not more than fifty percent of the voting power and / or has significant influence but not control. Investments in associates are accounted for on cost less impairment loss, if any.

Investments in associates are accounted for using the equity method less impairment loss. This method is applied from the date when significant influence is established until the date when that significant influence ceases. The company's share of its associate's post-acquisition profits or losses is recognized in the profit and loss account, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distribution received from an associate reduce the carrying amount of the investment. Investment in associate with less than 20% holding are classified under IAS 39 ; 'Financial Instruments : Recognition and measurement '.

Other investments

Investments are initially recognized at cost, comprising the consideration paid and cost of transaction except in the case of investments at fair value through profit or loss where transaction costs are charged to profit and loss account when incurred. For listed securities, closing quotations of stock exchanges on last working day of the accounting year are considered for determining the fair value, while for unquoted securities, cost is usually considered as fair value of securities.

Subsequently, investments at fair value through profit and loss and available for sale are carried at fair value. Realized gains and losses are included in the profit and loss account in the period in which they arise. Unrealized gains and losses arising from changes in fair value of the investments at fair value through profit and loss are included in the profit and loss account in the period in which they arise. Surplus / deficit arising from changes in the fair value of available for sale investments is taken to equity. Interest earned whilst holding investments is reported as Interest Income using the effective yield method.

The classification is made on the basis of intended purpose for holding such investments. These are measured at the balance sheet date in accordance with the requirements of IAS - 39 (Financial Instruments: Recognition and Measurement) described as under:

At fair value through profit or loss

These are securities which are acquired for the purpose of generating a profit from short-term fluctuations in market price or dealer's margin, securities in a portfolio in which a pattern of short term profit taking exists or derivatives other than those held as hedging instruments.

Held to maturity

Held to Maturity Investments are financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity.

Available for sale

These are the investments that do not fall under investments at fair value through profit and loss or held to maturity categories.

3.5 Assets held for sale

These are valued at lower of its carrying amount and fair value less cost to sell.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash with banks in current and saving accounts.

Notes to the Financial Statements

Note 3, Significant Accounting Policies - Continued...

3.7 Trade date accounting

All purchases and sales of investments that require delivery within the time frame established by regulation or market convention ('regular way' purchases and sales) are recognized at trade date, which is the date that the Company commits to purchase or sell the asset. All other purchases and sales are recognized as derivative forward transactions until settlement occurs.

3.8 Sale and repurchase agreements

Securities purchased under agreements to resell ('reverse repo') are shown as receivable against continuous funding system. Securities sold subject to a linked repurchase agreement ('repo') are retained in the financial statement as trading or investment securities and the counter party liability is retained in the financial statements as trading or investment securities and the counter party liability is included in borrowing under repurchase agreements. The difference between sale and repurchase price is treated as income / expense from continuous funding system.

3.9 Staff retirement benefits

The Company operates an unfunded gratuity scheme covering its permanent employees. Under this scheme employees are eligible for benefits after the completion of a prescribed qualifying period of service and gratuity is paid to retiring employees on the basis of their last drawn gross salary for each completed year of services, calculated from the start of service to the date of retirement. Company's obligation under the scheme is determined through actuarial valuations carried out under the "Projected Unit Credit Method". The latest actuarial valuation was carried out as at June 30, 2008. Based upon this actuarial valuation the Company accounts for the provision for gratuity and current service cost.

The future contribution rates of this plan include allowances for deficit and surplus. As per the latest actuarial valuation the following significant assumptions were used for calculation of this plan.

Discount rate	12% p.a
Expected rate of salary increase in future years	11% p.a
Average expected remaining working life time of employees	10 years
Actuarial valuation method	Projected Unit Credit Method

Net cumulative unrecognized actuarial gains / losses relating to previous reporting periods in excess of the higher of 10% of present value of defined benefit obligation or 10% of the fair value of plan assets are recognized as income or expense over the estimated remaining working lives of the employees.

3.10 Taxation

Income tax on the profit or loss for the year comprises current tax. Income tax expense is recognized in profit and loss account except to the extent that relates to items recognized directly in equity, in which case it is recognized in equity.

Current

The charge for current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. All tax credits and tax rebates have been taken into account in calculating this charge. However, in the case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of Income Tax Law.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets, as required by IAS-12 (Income Taxes), are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. There are no significant temporary difference as at the balance sheet date, therefore, no deferred tax liability / asset arises.

3.11 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid or given in future for goods and services received or to be delivered or for any other amount, whether or not billed to the Company.

Notes to the Financial Statements

Note 3, Significant Accounting Policies - Continued...

3.12 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation of which a reliable estimate can be made.

3.13 Financial instruments

Financial instruments are recognized in the financial statements when the Company becomes a party to the contract and ceases to recognize when it loses control of contractual rights, in case of financial assets, and in case of financial liability when liability is extinguished. Any gain or loss on subsequent remeasurement / derecognizing is charged to income.

Financial assets and liabilities

Financial instruments carried on the balance sheet include advances to be settled against cash or any other financial asset, investments, cash and bank balances and trade and other payables. The particular recognition method adopted are disclosed in the individual policy statements associated with each item.

Derivative financial instruments

Derivative financial instruments are recognized at their fair value on the date on which a derivative contract is entered into. Subsequently, any changes in fair values arising on marking these investments to market are taken to the profit and loss account. Fair values are obtained from quoted market prices in active markets.

Off-setting of financial assets and financial liabilities

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

3.14 Borrowing cost

Borrowing cost are charged to income as and when incurred except costs that are directly attributable to acquisition, construction or production of qualifying assets that are capitalized as part of the cost of assets.

3.15 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party or between two or more segments of the Company are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company not to do so.

3.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

3.17 Revenue recognition

- Brokerage income is recognized as and when such services are provided.
- Capital gains and losses on sale of investments are recorded on the date of sale.
- Underwriting commission is recognized when the agreement is executed.
- Dividend income is recognized when the right to receive payment is established.
- Return on deposits is recognized on accrual basis.

3.18 Dividends

Dividend distribution including stock dividend to the shareholders is accounted for as a liability in the period in which dividends are approved.

Notes to the Financial Statements

Note 4

Property and Equipment

Description	Cost			Rate %	Depreciation			Net Book Value as at 30.06.10 Rupees
	As at 01.07.09 Rupees	Addition / (Disposal) during the year Rupees	As at 30.06.10 Rupees		As at 01.07.09 Rupees	For the Year (On Deletions) Rupees	As at 30.06.10 Rupees	
Owned								
Furniture and fittings	116,000	-	116,000	20	175,396	51,121	199,517	216,763
Vehicles	2,843,670	- (1,853,400)	1,090,270	20	761,794	206,306 (491,769)	476,331	613,939
Office equipments	2,613,334	-	2,613,334	33.33	1,105,924	502,420	1,608,344	1,004,990
Rupees 2010	<u>5,573,004</u>	<u>-</u> <u>(1,853,400)</u>	<u>4,119,604</u>		<u>2,013,114</u>	<u>752,847</u> <u>(491,769)</u>	<u>2,284,192</u>	<u>1,835,412</u>
Rupees 2009	<u>5,573,004</u>	<u>-</u>	<u>5,573,004</u>		<u>646,402</u>	<u>1,355,712</u>	<u>2,031,114</u>	<u>3,959,890</u>

4.1 Depreciation charge for the year has been allocated to administrative expenses.

4.2 Disposal of property and equipment

Particulars	Cost Rupees	Accumulated Depreciation Rupees	Book value Rupees	Sale Proceeds Rupees	Gain Rupees	Mode of Disposal Rupees	Particulars of Buyer
Vehicle - Toyota Hilux	1,853,400	491,769	1,361,631	1,510,000	148,369	Negotiation	Salman Gaga, Karachi

Note 5

Intangible Assets

	2010 Rupees	2009 Rupees
Lahore Stock Exchange:		
- Membership card	38,000,000	38,000,000
- Room	2,000,000	2,000,000
	<u>40,000,000</u>	<u>40,000,000</u>

Note 6

Long Term Investment in Associate

	Note	2010 Rupees	2009 Rupees
Pervez Ahmed Capital (Private) Limited			
8,500,300 (2009: 8,500,300) ordinary shares of Rs. 10 each	6.1	106,100,805	106,100,805
Percentage of equity held 49.37% (2009: 49.37%)			
- Share of loss from associated company		<u>(2,597,849)</u>	<u>-</u>
		<u>103,502,956</u>	<u>106,100,805</u>

6.1 The investment is accounted for by using the equity method in accordance with IAS-28 (Investment in Associate). Summarized unaudited financial statements of Pervez Ahmed Capital (Private) Limited are as follows:

	2010 Rupees (Un-Audited)	2009 Rupees (Audited)
Total assets	175,828,738	181,090,738
Total liability	130,708	130,708
Revenue	1,458,979	1,500,636
(Loss) / Profit after tax	<u>(5,262,000)</u>	<u>70,030</u>

Notes to the Financial Statements

Note 8

Short Term Investments

	Note	2010 Rupees	2009 Rupees
Available for sale	8.1	5,000,000	5,000,000
At fair value through profit or loss	8.2	18,286,605	42,962,734
		<u>23,286,605</u>	<u>47,962,734</u>

	June 30, 2010		June 30, 2009	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	Rupees	Rupees	Rupees	Rupees
8.1 Available for sale				
Quoted equity securities	-	-	-	-
Unquoted equity securities	5,000,000	5,000,000	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
8.2 At fair value through profit or loss				
Related parties - quoted				
D.S Industries Limited (Associated undertaking) 4,653,500 (2009: 4,653,500) shares representing 7.76% (2009: 7.76%) of equity held	14,379,315	10,144,630	235,978,985	14,379,315
Others - quoted	12,466,818	8,141,975	163,686,916	28,583,419
	<u>26,846,133</u>	<u>18,286,605</u>	<u>399,665,901</u>	<u>42,962,734</u>
Deficit on remeasurement to fair value - Net	(8,559,527)	-	(356,703,167)	-
	<u>18,286,606</u>	<u>18,286,605</u>	<u>42,962,734</u>	<u>42,962,734</u>

8.2.1 298,778 shares of a listed entity are pledge as security for certain financing by bank (refer note 13.2).

Note 9

Advances and Other Receivables

	Note	2010 Rupees	2009 Rupees
Advances with stock brokers		180,258	258,154
Advance income tax		6,317,728	6,253,051
Advance to employees	9.1	305,000	180,000
Dividend receivable		-	428,400
Prepayments		13,168	12,366
Other receivable		131,611	224,988
		<u>6,947,765</u>	<u>7,356,959</u>

9.1 Amount due from chief executive, directors and executives is Nil (2009: Nil).

Note 10

Assets Held for Sale

	2010 Rupees	2009 Rupees (Restated)
Residential and commercial properties	210,300,120	210,300,120
Less: Adjusted against short term borrowing (refer to Note 13.2)	(76,300,120)	-
	<u>134,000,000</u>	<u>210,300,120</u>

10.1 This includes commercial and residential properties valuing Rs. 104.0 million which are under equitable mortgage with Summit Bank Limited (formerly, Arif Habib Bank Limited) (2009: Rs. 210.300 million with Summit Bank Limited and Silk Bank Limited) and shall be adjusted against bank liability agreed in a settlement reached subsequent to the balance sheet date as explained in Note 13.2. The title of properties mortgaged with banks were in the name of the directors of the Company and the ownership of the properties was relinquished in the favour of the Company.

10.2 This includes one commercial property valuing Rs. 30.0 million that has been released by the lending bank and is classified as asset held for sale as the management is committed to its original plan of disposing it off within next twelve months. The title of the property free from any charge or encumbrance is in the name of the director of the Company as at the balance sheet date and the ownership of the property has been relinquished in the favour of the Company.

Notes to the Financial Statements

Note 12

Trade and Other Payables

		2010	2009
	Note	Rupees	Rupees
Trade creditors		486,307,615	488,229,767
Accrued expenses		3,685,073	2,758,138
Income tax payable		8,992,877	8,995,229
Dividend payable		885,404	887,854
Due to associated undertaking	12.1	20,068,027	25,153,794
Due to directors		36,292,199	35,972,299
Other payables		2,910,596	3,100,479
		<u>559,141,791</u>	<u>565,097,560</u>

Note 13

Short Term Borrowings - Secured

		2010	2009
	Note	Rupees	Rupees
Murabaha finance	13.1	105,239,151	128,503,746
Running finance	13.2	<u>110,029,910</u>	<u>176,371,881</u>
		<u>215,269,061</u>	<u>304,875,627</u>

13.1 This represents murabaha finance facility of Rs. 150 million obtained from Dawood Islamic Bank Limited (2009: Rs. 250 million from Dawood Islamic Bank and MCB Islamic Banking) for trading in shariah compliant shares. The profit is to be charged at matching KIBOR plus 1.30% (2009: matching KIBOR plus 1.30% to 2.5%). It is secured against pledge of shares of blue chip listed companies approved by bank's Shariah Board with 35% margin. Negotiations for the restructuring of the outstanding liability were in process as at the balance sheet date.

13.2 This represents running finance facility of Rs. 200 million obtained from Summit Bank Limited (formerly, Arif Habib Bank Limited) (2009: 200 million from Arif Habib Bank Limited and 171 million from Silk Bank Limited) to finance working capital and short term investment requirements of the Company. Mark-up is charged at 3 months KIBOR plus 2.50% (2009: 3 months KIBOR plus 2.50% to 4% per annum). The facility is secured against pledge of shares of listed companies with 30% margin on overall exposure and residential and commercial properties classified as held for sale in these financial statements (refer to Note 8 and Note 10).

During the year, outstanding liability of Silk Bank Limited amounting to Rs. 76,300 million including mark up of Rs. 5,926 million has been repaid through adjustment of properties valuing Rs. 90.0 million (refer to Note 10).

Subsequent to the year end, the Company has reached a settlement agreement with Summit Bank Limited (formerly Arif Habib Bank Limited) to settle the outstanding liability of Rs. 110,030 million under the following terms and conditions:

- The bank will accept properties valuing Rs. 106 million for Rs. 104 million
- Value of 298,778 shares of listed entity shall be adjusted against the liability
- Remaining liability and accrued mark up shall be waived off

Note 14

Long Term Financing

		2010	2009
	Note	Rupees	Rupees
Loan from banking company - Secured			
MCB Bank Limited	14.1	12,503,746	-
Current portion		<u>(4,515,238)</u>	<u>-</u>
		<u>7,988,508</u>	<u>-</u>

14.1 This represents restructuring of murabaha finance facility of Rs. 13.98 million obtained from MCB Bank Limited into long term loan. Principal liability of Rs. 12,503 million is now repayable in 36 monthly installments commencing from June 30, 2010. Bank has waived off all present and future profits on this facility provided entire liability is paid strictly according to the agreed terms. Facility is secured against shares of listed companies and personal guarantees of the directors of the Company.

Notes to the Financial Statements

Note 15

Deferred Liability

	Note	2010 Rupees	2009 Rupees
Gratuity payable	15.1	2,856,655	2,126,422
15.1 The amounts recognized in the balance sheet are as follows:			
Present value of defined benefit obligation		3,113,661	2,511,930
Unrecognized transitional liability		(257,006)	(385,508)
		<u>2,856,655</u>	<u>2,126,422</u>
Movement in net liability recognized			
Balance sheet liability as previously reported		2,126,422	998,713
Charge for current year		735,733	1,223,209
Benefits paid during the year		(5,500)	(95,500)
Balance at the end of the year		<u>2,856,655</u>	<u>2,126,422</u>
Charge to profit and loss account			
Current service cost		305,800	916,690
Interest cost		301,431	178,017
Liability charged due to change in accounting policy		<u>128,502</u>	<u>128,502</u>
		<u>735,733</u>	<u>1,223,209</u>

15.2 The latest actuarial valuation in respect of employees' gratuity scheme was carried out as at June 30, 2008 by an independent actuary using the significant assumptions as mentioned in Note 3.9. However, provision for gratuity as at balance sheet date has been recognized on the basis of actuarial estimate provided in the latest actuarial valuation.

15.3 The Company does not have any plan assets covering its post employment benefits payable. The comparative statements of present value of defined benefits obligation is as under:

Year	Present Value of Defined Benefits Obligation	Plan Assets	Deficit
	Rupees	Rupees	Rupees
2010	2,856,655	-	2,856,655
2009	2,126,422	-	2,126,422
2008	998,713	-	998,713
2007	-	-	-
2006	-	-	-

Note 16

Share Capital

			2010 Rupees	2009 Rupees
	2010 Number	2009 Number		
16.1 Authorized capital				
	<u>90,000,000</u>	<u>90,000,000</u>	Ordinary shares of Rs. 10 each	<u>900,000,000</u> <u>900,000,000</u>
16.2 Issued, subscribed and paid up capital				
	59,928,500	59,928,500	Ordinary shares of Rs. 10 each fully paid in cash	599,285,000 599,285,000
	17,529,079	17,529,079	Ordinary shares of Rs. 10 each Issued as fully paid bonus shares	175,290,790 175,290,790
	<u>77,457,579</u>	<u>77,457,579</u>		<u>774,575,790</u> <u>774,575,790</u>

16.2.1 23,990,845 shares (2009 : 24,647,359) are held by associates of the Company.

Notes to the Financial Statements

Note 17

Share Deposit Money

	Note	2010 Rupees	2009 Rupees (Restated)
Share deposit money	17.1	299,000,120	290,300,120
17.1 Directors (2009: Restated)	17.1.1	210,300,120	210,300,120
Associated undertaking		88,700,000	80,000,000
		<u>299,000,120</u>	<u>290,300,120</u>

17.1.1 This represents share deposit money contributed by the directors of the Company in the form of personal commercial and residential properties mortgaged in the favour of Company in previous year. The value of properties amounting to Rs. 15.699 million has been written down with retrospective effect on account of settlement values agreed with lending banks during the year and therefore, corresponding adjustment has been made in share deposit money.

Note 18

Contingencies and Commitments

Contingencies

There are no material contingencies outstanding as at balance sheet date (2009: Nil).

Commitments

There are no material commitments outstanding as at balance sheet date (2009: Nil).

Note 19

Administrative Expenses

	Note	2010 Rupees	2009 Rupees
Salaries and benefits	19.1	2,372,358	5,285,731
Postage and communication		161,629	502,433
Rent, rates and taxes		933,345	1,982,817
Repair and maintenance		75,040	54,280
Vehicle running		33,002	157,435
Traveling and conveyance		72,840	506,140
Utilities		-	438,826
Legal and professional		591,366	403,125
Stationery and office supplies		149,128	313,436
Fees and subscription		250,659	321,475
Advertisement		120,824	58,344
Entertainment		44,239	48,601
Depreciation	4.1	762,847	1,366,712
Miscellaneous		4,221	49,093
		<u>5,571,498</u>	<u>11,488,448</u>

19.1 This includes Rs. 735,733 (2009: 1,223,209) in respect of employee benefits - gratuity scheme.

Note 20

Other Operating Expenses

	Note	2010 Rupees	2009 Rupees
Auditors' remuneration	20.1	225,000	200,000
20.1 Auditors' remuneration			
Audit fee		150,000	125,000
Certifications and reviews		75,000	75,000
		<u>225,000</u>	<u>200,000</u>

Notes to the Financial Statements

Note 21

Finance Cost

	2010	2009
	Rupees	Rupees
Interest / mark up on short term borrowings	27,084,302	134,577,238
Bank and other charges	2,749,703	322,034
	<u>29,834,005</u>	<u>134,899,272</u>

Note 22

Other Operating Income

	2010	2009
	Rupees	Rupees
Income from financial assets		
- Profit on saving bank accounts	14,062	11,973
Income from non financial assets		
- Profit on sale of property and equipment	148,369	-
	<u>162,431</u>	<u>11,973</u>

Note 23

Earnings per Share

	2010	2009
	Rupees	Rupees
Loss after taxation attributable to ordinary shareholders	(42,349,703)	(1,412,742,177)
	Number of shares	Number of shares
Weighted average number of ordinary shares	77,457,579	77,457,579
Loss per share - Basic	<u>Rupees (0.55)</u>	<u>Rupees (18.24)</u>

23.1 Diluted earnings per share

There is no dilution effect on the basic earnings per share as at the balance sheet date.

Note 24

Remuneration of Chief Executive, Directors' and Executive

	2010		2009	
	Chief Executive	Directors	Chief Executive	Directors
	Rupees	Rupees	Rupees	Rupees
Salary and benefits	-	-	167,740	670,960
House rent	-	-	75,483	301,872
Utilities	-	-	16,777	67,168
	<u>-</u>	<u>-</u>	<u>260,000</u>	<u>1,040,000</u>
Number of persons	<u>-</u>	<u>-</u>	<u>1</u>	<u>4</u>

24.1 Keeping in view of losses of the Company, no remuneration has been paid to any director of the Company.

24.2 Executives are defined as employees with basic salary exceeding Rs. 500,000. No employee of the Company qualifies as an Executive.

Notes to the Financial Statements

Note 25

Transactions with Related Parties

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

	2010	2009
	Rupees	Rupees
Associated undertakings		
Share deposit money received	8,700,000	80,000,000
Funds received from associated undertaking	-	25,153,794
Directors		
Funds received from directors - Not	319,900	35,764,209
Share deposit money received in the form of properties (2009: Restated)	-	210,300,120
Purchase of shares from director	-	2,310,000

Note 26

Segment Reporting

For management purposes, the activities of the Company are organized into one operating segment i.e., purchase and sale of securities. The Company operates in the said reportable operating segment based on the nature of products, risks and returns, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these financial statements related to the Company's only reportable segment.

Note 27

Financial Risk Management**27.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency, interest rate, commodity price and equity price that will affect the Company's income or the value of its holdings of financial instruments.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The company is not exposed to currency risk as it does not have any foreign receivables and payables.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a 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 instrument traded in the market. The Company is exposed to equity / commodity price risk in respect of short term investments in quoted companies.

Sensitivity analysis

A change of 5% in the value of investments at fair value through profit and loss would have increased / decreased profit or loss by Rs. 1.164 million (2009 : Rs. 2.398 million) on the basis that all other variables remain constant.

Notes to the Financial Statements

Note 27, Financial Risk Management – Continued...

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from short term borrowings. As the borrowings are obtained at variable rates, these expose the Company to cash flow interest rate risk.

At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments was:

	2010	2009
	Rupees in thousands	
Floating rate instruments		
Financial liabilities		
Short term borrowings	215,269	304,876
Financial assets		
Bank balances - saving accounts	0.08	306

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the balance sheet date, fluctuate by 1% higher / lower with all other variables held constant, net loss for the year would have been Rs. 2.153 million (2009 : Rs. 3.046 million) higher / lower, mainly as a result of higher interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at balance sheet dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2010	2009
	Rupees in thousands	
Long term deposits	4,055	4,055
Advances and other receivables	132	653
Short term investments	23,287	47,963
Bank balances	1,482	1,645

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. As at the balance sheet date, the Company had Rs. 250 million worth short term borrowing limits available from financial institutions and Rs 1.482 million bank balances. Following are the contractual maturities of financial liabilities.

Contractual maturities of financial liabilities as at June 30, 2010:

	Carrying Amount	On Demand	Contractual Cash Flows	Within 1 Year	1-2 Years	2-5 Years
	Rupees'000	Rupees'000	Rupees'000	Rupees'000	Rupees'000	Rupees'000
Long term finances	12,504	-	12,504	4,515	4,168	3,821
Trade and other payables	550,149	-	550,149	550,149	-	-
Accrued interest / markup	31,753	-	31,753	31,753	-	-
Short term borrowings	215,269	215,269	-	-	-	-
	809,674	215,269	594,405	586,417	4,168	3,821

Contractual maturities of financial liabilities as at June 30, 2009:

	Carrying Amount	On Demand	Contractual Cash Flows	Within 1 Year	1-2 Years	2-5 Years
	Rupees'000	Rupees'000	Rupees'000	Rupees'000	Rupees'000	Rupees'000

Notes to the Financial Statements

Note 27, Financial Risk Management – Continued ..

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 June. The rates of interest / mark up have been disclosed in Note 13.

27.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Note 28

Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhance shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchase shares, if possible, selling surplus property without affecting the optimal operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt.

As on the balance sheet date, the gearing ratio of the Company was negative and the management has planned to manage it through 231% right issue.

	2010	2009
	Rupees in thousands	
Total borrowings	227,773	304,876
Bank balances	(1,482)	(1,645)
Net Debt	226,291	303,231
Equity	(506,414)	(457,065)
Total Capital	(280,123)	(153,834)
Gearing Ratio	(0.81)	(1.97)

Note 29

Authorization of Financial Statements

These financial statements have been authorized for issue by the Board of Directors of the Company on October 08, 2010.

Note 30

General

- Figures have been rounded off to the nearest rupee ;
- Comparative figures have been re-arranged / reclassified, wherever necessary, to facilitate comparison. No material rearrangements have been made in these financial statements except as disclosed in Note 10.3.



CHIEF EXECUTIVE



DIRECTOR

**Pattern of Shareholding
As At June 30, 2010**

Number of Shareholders	Shareholding From To		Total Number of Shares Held
685	1	100	37,341
1,211	101	500	459,156
2,354	501	1,000	1,891,134
2,686	1,001	5,000	7,086,695
699	5,001	10,000	5,460,410
256	10,001	15,000	3,249,347
144	15,001	20,000	2,634,811
103	20,001	25,000	2,386,715
61	25,001	30,000	1,734,024
33	30,001	35,000	1,089,657
32	35,001	40,000	1,229,919
15	40,001	45,000	655,573
28	45,001	50,000	1,373,412
17	50,001	55,000	902,729
14	55,001	60,000	819,227
4	60,001	65,000	250,019
9	65,001	70,000	607,853
11	70,001	75,000	800,055
8	75,001	80,000	621,433
6	80,001	85,000	497,315
5	85,001	90,000	440,764
1	90,001	95,000	91,903
13	95,001	100,000	1,300,000
3	100,001	105,000	303,869
5	105,001	110,000	533,850
2	110,001	115,000	224,500
2	115,001	120,000	235,844
2	120,001	125,000	242,520
1	125,001	130,000	125,466
1	130,001	135,000	134,900
1	135,001	140,000	136,049
1	140,001	145,000	143,144
1	145,001	150,000	150,000
3	150,001	155,000	461,911
1	155,001	160,000	155,750
2	160,001	165,000	327,781
1	175,001	180,000	180,000
1	185,001	190,000	186,000
1	195,001	200,000	200,000
3	200,001	205,000	608,372
2	205,001	230,000	457,109
2	230,001	235,000	465,111
1	235,001	240,000	237,000
1	240,001	245,000	243,000
2	245,001	250,000	495,527
1	260,001	265,000	264,000
1	280,001	285,000	280,024
1	295,001	300,000	300,000
2	300,001	305,000	604,350
1	305,001	310,000	309,500
2	315,001	320,000	636,892
1	350,001	355,000	350,225
2	395,001	400,000	800,000
1	400,001	405,000	400,092
1	425,001	430,000	428,250
1	465,001	470,000	468,500
2	495,001	500,000	1,000,000
1	585,001	590,000	587,500
1	645,001	650,000	646,250
1	730,001	735,000	730,050
1	745,001	750,000	750,000
1	895,001	900,000	897,500
1	945,001	950,000	949,043
1	960,001	965,000	960,738
1	1,015,001	1,020,000	1,018,000
1	1,290,001	1,295,000	1,292,500
1	1,410,001	1,415,000	1,413,013
1	1,495,001	1,500,000	1,500,000
1	3,075,001	3,080,000	3,075,840
1	6,860,001	6,865,000	6,863,250
1	9,060,001	9,065,000	9,064,867
8464			77,457,579

**Categories of Shareholders
As At June 30, 2010**

Categories	Number	Shares Held	Percentage
Associated Companies & Related Parties			
D.S.Industries Limited	1	7,881,250	10.175
D.S.Textiles Limited	1	15,053,720	19.435
D.S.Apparel (Pvt.) Limited	1	78,375	0.101
Ali Pervez Capital (pvt.) Limited	1	897,500	1.159
Infinite Securities Limited	1	80,000	0.103
Chief Executive & Directors			
Mr. Pervez Ahmed - Chief Executive	1	58,750	0.076
Mrs. Rehana Pervez Ahmed	1	2,026,640	2.616
Mr. Ali Pervez Ahmed	1	587,762	0.759
Mr. Hassan Ibrahim Ahmed	1	2,000	0.003
Mr. Suleman Ahmed	1	155,750	0.201
Mrs. Ayesha Ahmed Mansoor	1	735,866	0.950
Mr. Muhammad Khalid Khan	1	646	0.001
Insurance Companies	1	27,625	0.036
Joint Stock Companies	82	3,545,257	4.577
Modarba Companies	1	5,875	0.008
Financial Institutions	6	1,573,343	2.031
Individuals (General Public)	8,358	44,727,446	57.744
Others	4	19,774	0.026
Total	8464	77,457,579	100.000

Detail of Shareholding of 10% and above.

	Shares Held	Percentage
D.S.Industries Limited	7,881,250	10.175
D.S.Textiles Limited	15,053,720	19.435

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 30th October 2010

Signed this ----- day of -----2010

Witnesses:

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

Five
Rupees
Revenue
Stamp

Signature should be agreed with the
Specimen Signatures with the
Company

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint a proxy to attend and vote instead of him/her.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his constituted attorney or if such appointer is a corporation or company under the common seal of such corporation or company.
3. In case of individual, the account holder or sub-account holder and / or the person whose securities are in group account shall submit the Proxy form along with following documents:
 - a. The Proxy form shall be witnessed by the two persons whose names, addresses and CNIC number shall be mentioned on the form.
 - b. Attested copies of CNIC or the passport of the beneficial owners and the Proxy shall be furnished with the Proxy form.
 - c. The Proxy shall produce his / her original CNIC or original passport at the time of the meeting.
 - d. In case of corporate entity, the Board of Director's resolution / power of attorney with specimen signature shall be submitted along with Proxy form to the company.
4. The Proxy Form, duly completed, must be deposited with the Company Secretary of Pervez Ahmed Securities Limited, 20 – K Gulberg II Lahore not less than 48 hours before the time for holding the meeting.