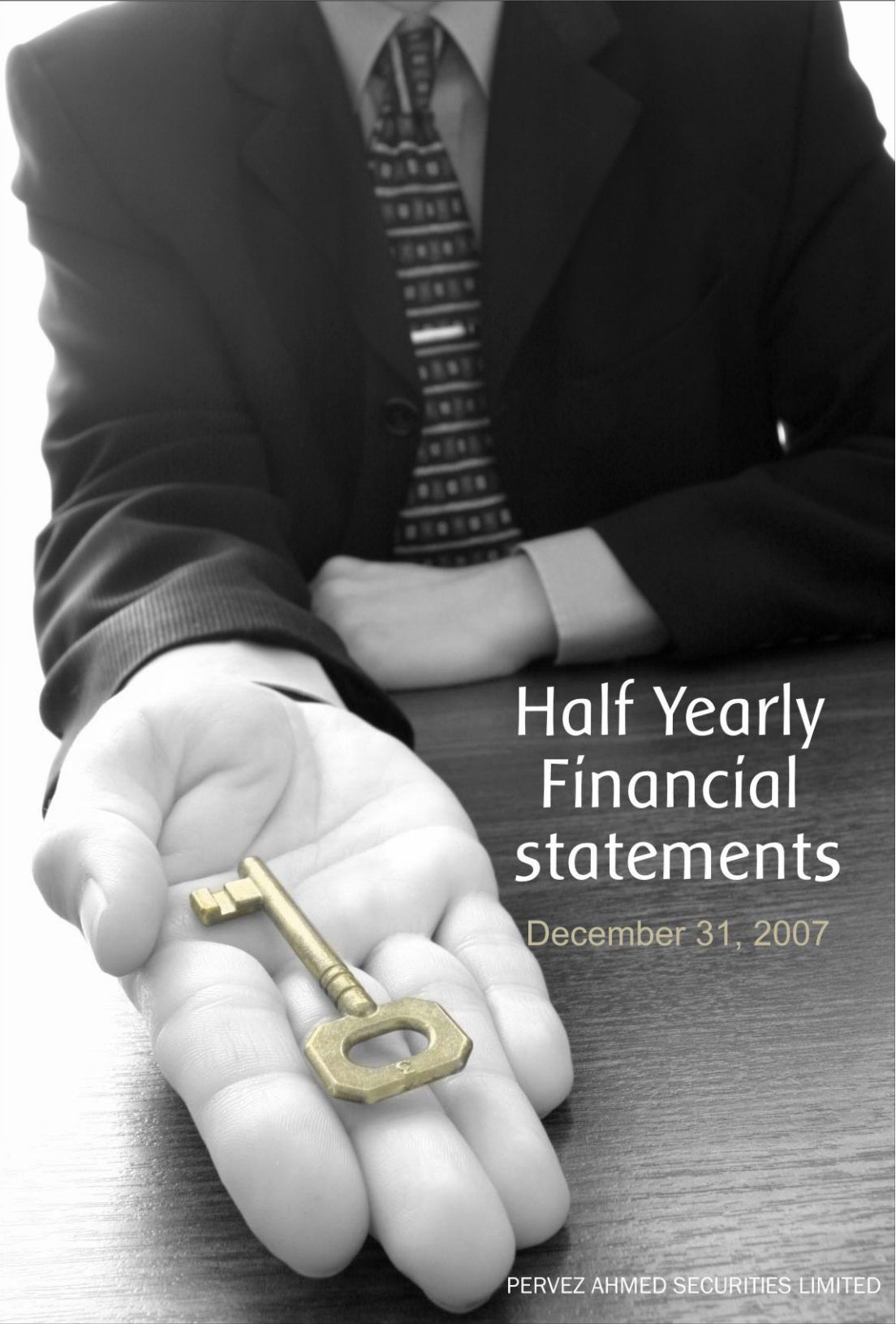




Half Yearly Financial statements

December 31, 2007

PERVEZ AHMED SECURITIES LIMITED

company information

Board of Directors	Mr. Pervez Ahmed Mrs. Rehana Pervez Ahmed Mr. Ali Pervez Ahmed Mr. Hassan Ibrahim Ahmed Mr. Suleman Ahmed Mrs. Ayesha Ahmed Mansoor Mr. Muhammad Khalid Khan	Chief Executive
Audit Committee	Mr. Muhammad Khalid Khan Mrs. Rehana Pervez Ahmed Mr. Suleman Ahmed	Chairman
Chief Financial Officer	Mr. Muhammad Yousuf	
Company Secretary	Mr. Rizwan Atta.	
Auditors	M/s M.Hussain Chaudhury & Co. Chartered Accountants	
Legal Advisor	Cornelius, Lane & Mufti Advocates & Solicitors	
Banks	MCB Bank Limited PICIC Commercial Bank Limited Arif Habib Bank Limited Dawood Islamic 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.	
Karachi Office	C 107, Block 2, KDA Scheme No. 5, Clifton Karachi	
Share Registrars	Gangjees Registrar Services (Pvt.) Limited 516-Clifton Centre, Khayaban-e-Roomi, Block - 5, Clifton, Karachi - 75 600	
Website	www.pervezahmed.net	

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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.

DIRECTORS' REVIEW

On behalf of the Board of Directors of Pervez Ahmed Securities Limited, I am pleased to present the unaudited Financial Statements for the second quarter and half year ended December 31, 2007.

Capital Market Review

In the first half of Financial Year 2007-08, the Karachi Stock Exchange (KSE) - 100 index and average daily volumes remained under pressure and highly volatile. During this half year the KSE-100 index reached a high at 14,788 points from 13,772 points at the beginning of the first half and closed at 14,077 points showing a net increase of almost 2.2%.

Financial Review

	July 1 to December 31, 2007 Rupees	July 1 to December 31, 2006 Rupees
Operating revenue	208,656,076	12,391,189
Operating Profit	198,710,849	6,974,845
Surplus on remeasurement of investments	54,337,854	(3,325,523)
Profit before Taxation	249,634,968	3,649,322
Taxation	(1,005,004)	(76,122)
Profit after Taxation	248,629,964	3,573,200
Earnings per Share - Basic	4.14	0.16

The Company earned profit after tax of Rs. 248.63 million for the half year ended on December 31, 2007 as compared to profit of Rs. 3.57 million for the same period of last year. Operating revenue for the first half of financial year 2007-08 was Rs. 208.66 million as compared to Rs. 12.39 million for the same period of last year. Revenue, earnings, earning per share & return on equity all grew strongly as a result of healthy performance of this period.

Out of the total Earning Per Share of Rs. 4.14 for the half year ended December 31, 2007, Rs. 3.07 have earned in this quarter whereas Rs. 1.07 were earned in the previous quarter showing a quarter to quarter growth in profit of 187%. Similarly return on equity which was 8.82% in the first quarter has gone-up to 24.14% for this quarter. Moreover return on total assets also increased from 6.66% for the quarter ended September 30, 2007 to 18.11% for the quarter ended December 31, 2007.

Payouts

On behalf of the Board of Directors of the Company I am pleased to announce second Interim Cash Dividend @ 5% i.e. Rs. 0.50 per ordinary share of Rs. 10 each and Bonus Shares @ 10% i.e. one Ordinary Share for every ten Ordinary Shares held. These payouts are in addition to 15% first Interim Cash dividend already paid, making in all 20% Cash Dividend and 10% Bonus Shares for the year ended June 30, 2008.

In our last quarterly report we had pointed out that it is our objective to maximize our shareholders wealth and to declare good payouts. We had also mentioned that it is our desire and hope to give quarterly dividends / payouts on the lines of the worlds biggest brokerage houses/securities companies like Merrill Lynch, Morgan Stanley, J P Morgan, Bear Stearns and Goldman Sachs.

Book Closure

The Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from February 25, 2008 to March 3, 2008 (both days inclusive) to determine entitlement of second interim Cash Dividend & Bonus shares.

The Cash Dividend & Bonus Shares will be paid to those shareholders whose names appear on the register of members of the Company at the close of business on February 23, 2008.

Investment in Subsidiary

During the period under review we have acquired Mashriq Securities (Pvt.) Limited which is Corporate member of the Karachi Stock Exchange (Guarantee) Limited. Change of Nominee Directorship with the Karachi Stock Exchange has been completed and registration with the Securities & Exchange Commission of Pakistan (SECP) under the Broker & Agents Registration Rules 2001 is in process. Once we get ourselves registered with the SECP we shall be in a position to start brokerage & other financials services in Karachi also which is considered as Financial Hub of Pakistan.

Future Outlook

We hope InshaAllah the Company will continue its pace of growth as well in the future and also to develop new business ventures to maximize profit.

Placement of Company's Accounts on Its Web Site

You will be pleased to know that the Company's accounts have been placed on its Web Site www.pervezahmed.net. This will ensure the timely availability of Company's accounts to the shareholders & investors.

Social Responsibility

Social responsibility is one of the objective of the Company. Accordingly, financial assistance is being provided on regular basis to the following charitable organizations directly by your Company.

- 1 Care Foundation - Lahore
- 2 Shaukat Khanum Memorial Cancer Hospital - Lahore
- 3 SIUT - Karachi
- 4 Fatmid Foundation - Lahore
- 5 Edhi Trust - Karachi
- 6 LRBT - Lahore
- 7 Bali Memorial Hospital - Lahore,
- 8 Quaid-e-Azam Musafarkhana, Mayo Hospital - Lahore
- 9 DSRA Educational & Welfare Trust - Karachi, and
- 10 Society for Welfare of Orthopaedically Disabled - Lahore.

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
January 23, 2008

For & on behalf of the Board


Pervez Ahmed
Chief Executive

Financial Statements

Established Since 1947



M. Hussain Chaudhury & Co.
Chartered Accountants
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PERVEZ AHMED SECURITIES LIMITED

REVIEW REPORT TO THE MEMBERS

Introduction

We have reviewed the annexed balance sheet of **Pervez Ahmed Securities Limited** as at December 31, 2007 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the six months period then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review. The figures of the profit and loss account for the quarter ended December 31, 2007 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2007.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the annexed financial statements as of and for the half year ended December 31, 2007 are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

LAHORE
Dated: January 23, 2008


M. HUSSAIN CHAUDHURY & CO.
Chartered Accountants
mhc

M. Hussain Chaudhury & Co. is a member of Horwath International, a worldwide network of independent accounting and management consulting firms

PERVEZ AHMED SECURITIES LIMITED
BALANCE SHEET AS AT DECEMBER 31, 2007

		December 31, 2007 (Un-Audited) Rupees	June 30, 2007 (Audited) Rupees
Non Current Assets			
Property and equipment	4	1,007,700	458,039
Intangible assets		40,000,000	40,000,000
Long term investment in subsidiary	5	106,100,805	-
Long term security deposits		1,320,000	1,055,000
		148,428,505	41,513,039
Current Assets			
Short term investments	6	1,298,520,669	787,700,093
Advances, tax refundable and other receivables		28,729,474	4,306,828
Cash and bank balances		51,598,340	130,545,659
		1,378,848,483	922,552,580
Current Liabilities			
Short term borrowings	7	(246,092,307)	-
Trade and other payables		(411,313,799)	(236,671,604)
		(657,406,106)	(236,671,604)
Net Current Assets		721,442,377	685,880,976
NET ASSETS		869,870,882	727,394,015
REPRESENTED BY			
Issued, subscribed and paid up capital		599,130,000	599,130,000
Share deposit money		870,000	870,000
Unappropriated profits		286,154,479	127,394,015
Deficit on revaluation of available for sale investments	6	(16,283,597)	-
		869,870,882	727,394,015
Contingencies and Commitments	8	-	-
		869,870,882	727,394,015

The annexed notes form an integral part of these accounts.



CHIEF EXECUTIVE



DIRECTOR

PERVEZ AHMED SECURITIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2007

	Note	For The Quarter Ended		For The Half Year Ended	
		December 31, 2007 (Un-audited) Rupees	December 31, 2006 (Audited) Rupees	December 31, 2007 (Un-audited) Rupees	December 31, 2006 (Audited) Rupees
Operating revenue	9	164,797,988	3,388,190	208,656,076	12,391,189
Administrative expenses		(6,228,859)	(1,615,909)	(9,945,227)	(5,416,344)
Operating Profit		<u>158,569,129</u>	<u>1,772,281</u>	<u>198,710,849</u>	<u>6,974,845</u>
Other operating expenses		(3,346,499)	-	(3,553,999)	-
Other operating income		-	-	140,264	-
		<u>155,222,630</u>	<u>1,772,281</u>	<u>195,297,114</u>	<u>6,974,845</u>
Surplus on remeasurement of investments at fair value through profit and loss - Net		<u>30,121,614</u>	<u>(21,628,627)</u>	<u>54,337,854</u>	<u>(3,325,523)</u>
Profit before Taxation		<u>185,344,244</u>	<u>(19,856,346)</u>	<u>249,634,968</u>	<u>3,649,322</u>
Taxation		(881,807)	(76,122)	(1,005,004)	(76,122)
Profit after Taxation		<u>184,462,437</u>	<u>(19,932,468)</u>	<u>248,629,964</u>	<u>3,573,200</u>
Earnings per Share - Basic	10	<u>3.07</u>	<u>(0.88)</u>	<u>4.14</u>	<u>0.16</u>

The annexed notes form an integral part of these accounts.



CHIEF EXECUTIVE



DIRECTOR

PERVEZ AHMED SECURITIES LIMITED
CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED JUNE 30, 2007

	December 31, 2007	December 31, 2006
	(Un-audited)	(Audited)
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	249,634,968	3,649,322
Adjustments for:		
- (Surplus) / Deficit on remeasurement of investments at fair value through profit and loss - Net	(54,337,854)	3,325,523
- Dividend income	(9,882,650)	-
- Depreciation	104,104	20,109
	<u>(64,116,400)</u>	<u>3,345,632</u>
Operating Profit before Working Capital Changes	185,518,568	6,994,954
Decrease / (increase) in current assets		
- Short term investments	(472,766,319)	(75,597,121)
- Advances and other receivables	(24,983,597)	4,048,459
Increase in current liabilities:		
- Trade and other payables	84,772,695	(35,498,140)
	<u>(412,977,221)</u>	<u>(107,046,802)</u>
Cash used in Operations	(227,458,653)	(100,051,848)
Taxes paid	(2,896,968)	(416,043)
Dividend income received	12,335,565	-
Net Cash used in Operating Activities	(218,020,056)	(100,467,891)
CASH FLOWS FROM INVESTING ACTIVITIES		
Security deposit	(265,000)	-
Investment in subsidiary	(106,100,805)	-
Fixed capital expenditure	(653,765)	(205,093)
Net Cash used in Investing Activities	(107,019,570)	(205,093)
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital issued	-	140,000,000
Short term borrowings	246,092,307	-
Net Cash from Financing Activities	246,092,307	140,000,000
Net (Decrease) / Increase in Cash and Cash Equivalents	(78,947,319)	39,327,016
Cash and cash equivalents at the beginning of the period	130,545,659	2,331,571
Cash and Cash Equivalents at the End of the Period	<u>51,598,340</u>	<u>41,658,587</u>

The annexed notes form an integral part of these accounts.



CHIEF EXECUTIVE



DIRECTOR

PERVEZ AHMED SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2007

	Share Capital	Share Deposit Money	Unappropriated Profit	Revaluation Reserve on Investments Available for Sale	Total
	(Audited) Rupees	(Audited) Rupees	(Audited) Rupees	(Audited) Rupees	(Audited) Rupees
Balance as at July 1, 2006	200,000,000	10,000,000	5,129,143	-	215,129,143
Issue of share capital	150,000,000	-	-	-	150,000,000
Share deposit money received	-	11,500,000	-	-	11,500,000
Transfer to share capital	-	(21,500,000)	-	-	(21,500,000)
Profit for the period	-	-	3,573,200	-	3,573,200
(Deficit) on remeasurement of available for sale investments	-	-	-	(2,338,275)	(2,338,275)
Balance as at December 31, 2006	<u>350,000,000</u>	<u>-</u>	<u>8,702,343</u>	<u>(2,338,275)</u>	<u>356,364,068</u>
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Balance as at July 1, 2007	599,130,000	870,000	127,394,015	-	727,394,015
Profit for the period	-	-	248,629,964	-	248,629,964
(Deficit) on remeasurement of available for sale investments	-	-	-	(16,283,597)	(16,283,597)
Interim cash dividend	-	-	(89,869,500)	-	(89,869,500)
Balance as at December 31, 2007	<u>599,130,000</u>	<u>870,000</u>	<u>286,154,479</u>	<u>(16,283,597)</u>	<u>869,870,882</u>

The annexed notes form an integral part of these accounts.


CHIEF EXECUTIVE


DIRECTOR

PERVEZ AHMED SECURITIES LIMITED

**NOTES TO THE ACCOUNTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2007**

Note 1

The Company and its Operations

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

Note 2

Basis of Preparation

These accounts have been prepared and are being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984 and International Accounting Standard, IAS 34 "Interim Financial Reporting".

Note 3

Significant Accounting Policies

Accounting policies, related judgements, estimates, method of computation and assumptions adopted for the preparation of these interim financial statements are the same as those applied in preparation of the annual financial statements of the Company for the year ended June 30, 2007 except to the extent of new accounting policy adopted on long term investment in subsidiary mentioned as under:

Long term investment in subsidiary

Investment in subsidiary is initially recognized at cost, comprising the consideration paid and cost of transaction. After initial recognition, investment is classified as available for sale and is remeasured at fair value. Any change in carrying value and fair value is recognized in equity until investment is sold or determined to be impaired at which time the accumulated gain or loss previously recognized in equity is included in the profit and loss account.

Where active market exists, closing quotations of stock exchanges on last working day of the accounting year are considered for determining the fair value, while for unquoted securities, fair value is determined by using valuation techniques.

Note 4

Property and Equipment

	Half Year Ended December 31, 2007	Full Year Ended June 30, 2007
	(Un-Audited)	(Audited)
	Rupees	Rupees
Opening written down value	458,039	-
Additions during the period	653,765	511,893
Less: Depreciation charged for the period / year	(104,104)	(53,854)
Closing written down value	<u>1,007,700</u>	<u>458,039</u>

Note 5

Long Term Investment in Subsidiary

Pervez Ahmed Securities Limited acquired 100% shareholding comprising of 8,500,300 shares of Rs. 10 each in Mashriq Securities (Private) Limited on October 5, 2007 for a total consideration of Rs. 106,100,805. Mashriq Securities (Private) Limited is a corporate member of Karachi Stock Exchange (Guarantee) Limited and its principal activity includes shares brokerage, underwriting and investments.

Note 6

Short Term Investments

	Half Year Ended December 31, 2007 (Un-Audited) Rupees	Full Year Ended June 30, 2007 (Audited) Rupees
Available for sale		
- Cost	142,507,387	-
- (Deficit) on remeasurement of investments	(16,283,597)	-
	126,223,790	-
Investments at fair value through profit and loss		
- Cost	1,117,959,025	753,493,120
- Surplus on remeasurement of investments	54,337,854	34,206,973
	1,172,296,879	787,700,093
	<u>1,298,520,669</u>	<u>787,700,093</u>

Note 7

Short Term Borrowings

	Half Year Ended December 31, 2007 (Un-Audited) Rupees	Full Year Ended June 30, 2007 (Audited) Rupees
Banking company - Secured		
- Dawood Islamic Bank Limited	7.1 150,000,000	-
- Arif Habib Bank Limited	7.2 96,092,307	-
	<u>246,092,307</u>	<u>-</u>

7.1 This represents Murabaha facility of Rs. 150 million obtained from Dawood Islamic Bank Limited for trading in shariah compliant shares. The profit shall be charged at matching KIBOR + 1.30%. The facility is secured against pledge of shares of blue chip listed companies approved by DIBL's Shariah Board with 35% margin. The facility is valid till 30-09-2008.

7.2 This represents running finance facility of Rs. 200 million obtained from Arif Habib Bank Limited to finance working capital / short term investment requirements of the Company. The mark-up is charged at three months KIBOR + 2.50% per annum. The facility is secured against pledge of shares of listed companies at Central Depository Company (CDC) with 30% margin on overall exposure. The facility is valid till 30-09-2008.

7.3 Shares valued at Rs. 382.820 million are pledged with banks against above facilities.

Note 8

Contingencies and Commitments

Contingencies

There are no material contingencies outstanding at the close of the balance sheet date (June 30, 2007: Nil).

Commitments

There are no material commitments outstanding at the close of the balance sheet date (June 30, 2007: Nil).

Note 9

Operating Revenue

	Half Year Ended December 31, 2007 (Un-Audited) Rupees	Half Year Ended December 31, 2006 (Audited) Rupees
Gain on sale of investments - Net	198,297,335	10,893,732
Dividend income	9,882,650	1,497,457
Brokerage income	266,091	-
Underwriting commission	210,000	-
	<u>208,656,076</u>	<u>12,391,189</u>

Note 10

Earnings per Share

	Half Year Ended December 31, 2007 (Un-Audited) Rupees	Half Year Ended December 31, 2006 (Audited) Rupees
Profit after tax attributable to ordinary shareholders	248,629,964	3,573,200
	Number of shares	Number of shares
Weighted average number of ordinary shares	60,000,000	22,643,443
	Rupees	Rupees
Earnings per share	4.14	0.16

10.1 Share deposit money has been considered as issued share capital for the calculation of earning per share.

Note 11

Transactions with Related Parties

The related parties comprise related group companies, associated companies, staff retirement funds, directors and close family members 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.

	Half Year Ended December 31, 2007 (Un-Audited) Rupees	Half Year Ended December 31, 2006 (Audited) Rupees
Utilities and other common expenses charged by associated undertaking	4,800	322,855
Shares purchased	-	184,500
Share capital issued to associated undertaking	-	20,000,000
Investment in subsidiary company	106,100,805	-
Funds repaid to associated undertakings	614,592	13,977,145
Purchase of marketable securities on behalf of associated undertaking	17,490,215	-
Sale of marketable securities on behalf of associated undertaking	17,502,274	-
Funds repaid to directors	-	13,640,257

Note 12

General

12.1 These interim financial statements have been authorized for issue on January 23, 2008 by the Board of Directors of the Company; and

12.2 Figures have been rounded off to the nearest rupees.



CHIEF EXECUTIVE



DIRECTOR

Consolidated Financial Statements

PERVEZ AHMED SECURITIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2007

		December 31, 2007	June 30, 2007
	Note	(Un-Audited) Rupees	(Audited) Rupees
Non Current Assets			
Property and equipment	5	1,007,700	458,039
Intangible assets	6	140,000,000	40,000,000
Long term security deposits		<u>1,320,000</u>	<u>1,055,000</u>
		142,327,700	41,513,039
Current Assets			
Short term investments	7	1,298,520,669	787,700,093
Advances, tax refundable and other receivables		28,770,398	4,306,828
Cash and bank balances		<u>57,658,221</u>	<u>130,545,659</u>
		1,384,949,288	922,552,580
Current Liabilities			
Short term borrowings	8	(246,092,307)	-
Trade and other payables		<u>(411,313,799)</u>	<u>(236,671,604)</u>
		(657,406,106)	(236,671,604)
Net Current Assets		727,543,182	685,880,976
NET ASSETS		<u>869,870,882</u>	<u>727,394,015</u>
REPRESENTED BY			
Issued, subscribed and paid up capital		599,130,000	599,130,000
Share deposit money		870,000	870,000
Unappropriated profits		286,154,479	127,394,015
Deficit on revaluation of available for sale investments	7	<u>(16,283,597)</u>	<u>-</u>
		869,870,882	727,394,015
Contingencies and Commitments	9	-	-
		<u>869,870,882</u>	<u>727,394,015</u>

The annexed notes form an integral part of these accounts.


CHIEF EXECUTIVE


DIRECTOR

PERVEZ AHMED SECURITIES LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2007

	Note	For The Quarter Ended		For The Half Year Ended	
		December 31, 2007 (Un-audited)	December 31, 2006 (Audited)	December 31, 2007 (Un-audited)	December 31, 2006 (Audited)
		Rupees	Rupees	Rupees	Rupees
Operating revenue	10	164,797,988	3,388,190	208,656,076	12,391,189
Administrative expenses		(6,228,859)	(1,615,909)	(9,945,227)	(5,416,344)
Operating Profit		158,569,129	1,772,281	198,710,849	6,974,845
Other operating expenses		(3,346,499)	-	(3,553,999)	-
Other operating income		-	-	140,264	-
		155,222,630	1,772,281	195,297,114	6,974,845
Surplus on remeasurement of investments at fair value through profit and loss - Net		30,121,614	(21,628,627)	54,337,854	(3,325,523)
Profit before Taxation		185,344,244	(19,856,346)	249,634,968	3,649,322
Taxation		(881,807)	(76,122)	(1,005,004)	(76,122)
Profit after Taxation		184,462,437	(19,932,468)	248,629,964	3,573,200
Earnings per share - Basic	11	3.07	(0.88)	4.14	0.16

The annexed notes form an integral part of these accounts.


CHIEF EXECUTIVE


DIRECTOR

PERVEZ AHMED SECURITIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED JUNE 30, 2007

	December 31, 2007	December 31, 2006
	(Un-Audited)	(Audited)
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	249,634,968	3,649,322
Adjustments for:		
- (Surplus) / Deficit on remeasurement of investments at fair value through profit and loss - Net	(54,337,854)	3,325,523
- Dividend income	(9,882,650)	-
- Depreciation	104,104	20,109
	<u>(64,116,400)</u>	<u>3,345,632</u>
Operating Profit before Working Capital Changes	185,518,568	6,994,954
Decrease / (increase) in current assets		
- Short term investments	(472,766,319)	(75,597,121)
- Advances and other receivables	(25,024,521)	4,048,459
Increase / (decrease) in current liabilities:		
- Trade and other payables	84,772,695	(35,498,140)
	<u>(413,018,145)</u>	<u>(107,046,802)</u>
Cash used in Operations	(227,499,577)	(100,051,848)
Taxes paid	(2,896,968)	(416,043)
Dividend income received	12,335,565	-
Net Cash used in Operating Activities	(218,060,980)	(100,467,891)
CASH FLOWS FROM INVESTING ACTIVITIES		
Security deposit	(265,000)	-
Purchase of Membership of KSE	(100,000,000)	-
Fixed capital expenditure	(653,765)	(205,093)
Net Cash used in Investing Activities	(100,918,765)	(205,093)
CASH FLOW FROM FINANCING ACTIVITIES		
Share capital issued	-	140,000,000
Short term borrowings	246,092,307	-
Net Cash from Financing Activities	246,092,307	140,000,000
Net (Decrease) / Increase in Cash and Cash Equivalents	(72,887,438)	39,327,016
Cash and cash equivalents at the beginning of the period	130,545,659	2,331,571
Cash and Cash Equivalents at the End of the Period	<u>57,658,221</u>	<u>41,658,587</u>

The annexed notes form an integral part of these accounts.



CHIEF EXECUTIVE



DIRECTOR

PERVEZ AHMED SECURITIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2007

	Share Capital	Share Deposit Money	Unappropriated Profit	Revaluation Reserve on Investments Available for Sale	Total
	(Audited) Rupees	(Audited) Rupees	(Audited) Rupees	(Audited) Rupees	(Audited) Rupees
Balance as at July 1, 2006	200,000,000	10,000,000	5,129,143	-	215,129,143
Issue of share capital	150,000,000	-	-	-	150,000,000
Share deposit money received	-	11,500,000	-	-	11,500,000
Transfer to share capital	-	(21,500,000)	-	-	(21,500,000)
Profit for the period	-	-	3,573,200	-	3,573,200
(Deficit) on remeasurement of available for sale investments	-	-	-	(2,338,275)	(2,338,275)
Balance as at December 31, 2006	<u>350,000,000</u>	<u>-</u>	<u>8,702,343</u>	<u>(2,338,275)</u>	<u>356,364,068</u>
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Balance as at July 1, 2007	599,130,000	870,000	127,394,015	-	727,394,015
Profit for the period	-	-	248,629,964	-	248,629,964
(Deficit) on remeasurement of available for sale investments	-	-	-	(16,283,597)	(16,283,597)
Interim cash dividend	-	-	(89,869,500)	-	(89,869,500)
Balance as at December 31, 2007	<u>599,130,000</u>	<u>870,000</u>	<u>286,154,479</u>	<u>(16,283,597)</u>	<u>869,870,882</u>

The annexed notes form an integral part of these accounts.



CHIEF EXECUTIVE



DIRECTOR

PERVEZ AHMED SECURITIES LIMITED

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2007**

Note 1

The Group and its Operations

1.1 Pervez Ahmed Securities Limited (Company) and its subsidiary Mashriq Securities (Private) Limited (Subsidiary) were incorporated in Pakistan under the Companies Ordinance, 1984. The Company and its Subsidiary are corporate members of the Lahore and Karachi stock exchanges and their principal activities 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 Mashriq Securities (Private) Limited has not yet started its operations.

Note 2

Basis of Preparation

These financial statements have been prepared and are being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984 and International Accounting Standard, IAS 34 " Interim Financial Reporting". The financial statements of the Subsidiary have been consolidated on a line-by-line basis and all intra group balances and transactions have been eliminated.

Note 3

Significant Accounting Policies

Accounting policies, related judgments, estimates, method of computation and assumptions adopted for the preparation of these interim financial statements are the same as those applied in preparation of the annual financial statements of the Company for the year ended June 30, 2007.

Note 4

Investment in Subsidiary

Pervez Ahmed Securities Limited acquired 100% shareholding comprising of 8,500,300 shares of Rs. 10 each in Mashriq Securities (Private) Limited on October 5, 2007 for a total consideration of Rs. 106,100,805. The detail of acquisition of the shareholding of Mashriq Securities (Private) Limited is as under:

	Half Year Ended December 31, 2007
	Rupees
Consideration paid	106,100,805
Fair value of assets acquired	
- Membership of Karachi Stock Exchange	100,000,000
- Advance tax	40,924
- Cash and bank balances	6,059,881
	<u>106,100,805</u>

Note 5

Property and Equipment

	Half Year Ended December 31, 2007	Full Year Ended June 30, 2007
	(Un-Audited)	(Audited)
	Rupees	Rupees
Opening written down value	458,039	-
Additions during the period	653,765	511,893
Less: Depreciation charged for the period / year	(104,104)	(53,854)
Closing written down value	<u>1,007,700</u>	<u>458,039</u>

Note 6

Intangible Assets

	Half Year Ended December 31, 2007 (Un-Audited) Rupees	Full Year Ended June 30, 2007 (Audited) Rupees
Membership and room of Lahore Stock Exchange (Guarantee) Limited	40,000,000	40,000,000
Membership of Karachi Stock Exchange (Guarantee) Limited	100,000,000	-
	<u>140,000,000</u>	<u>40,000,000</u>

Note 7

Short Term Investments

	Half Year Ended December 31, 2007 (Un-Audited) Rupees	Full Year Ended June 30, 2007 (Audited) Rupees
Available for sale		
- Cost	142,507,387	-
- (Deficit) on remeasurement of investments	(16,283,597)	-
	<u>126,223,790</u>	<u>-</u>
Investments at fair value through profit and loss		
- Cost	1,117,959,025	753,493,120
- Surplus on remeasurement of investments	54,337,854	34,206,973
	<u>1,172,296,879</u>	<u>787,700,093</u>
	<u>1,298,520,669</u>	<u>787,700,093</u>

Note 8

Short Term Borrowings

	Half Year Ended December 31, 2007 (Un-Audited) Rupees	Full Year Ended June 30, 2007 (Audited) Rupees
Banking company - Secured		
- Dawood Islamic Bank Limited	8.1 150,000,000	-
- Arif Habib Bank Limited	8.2 96,092,307	-
	<u>246,092,307</u>	<u>-</u>

8.1 This represents Murabaha facility of Rs. 150 million obtained from Dawood Islamic Bank Limited for trading in shariah compliant shares. The profit shall be charged at matching KIBOR + 1.30%. The facility is secured against pledge of shares of blue chip listed companies approved by DIBL's Shariah Board with 35% margin. The facility is valid till 30-09-2008.

8.2 This represents running finance facility of Rs. 200 million obtained from Arif Habib Bank Limited to finance working capital / short term investment requirements of the Company. The mark-up is charged at three months KIBOR + 2.50% per annum. The facility is secured against pledge of shares of listed companies at Central Depository Company (CDC) with 30% margin on overall exposure. The facility is valid till 30-09-2008.

8.3 Shares valued at Rs. 382.820 million are pledged with banks against above facilities.

Note 9

Contingencies and Commitments

Contingencies

There are no material contingencies outstanding at the close of the balance sheet date (June 30, 2007: Nil).

Commitments

There are no material commitments outstanding at the close of the balance sheet date (June 30, 2007: Nil).

Note 10

Operating Revenue

	Half Year Ended December 31, 2007 (Un-Audited) Rupees	Half Year Ended December 31, 2006 (Audited) Rupees
Gain on sale of investments - Net	198,297,335	10,893,732
Dividend income	9,882,650	1,497,457
Brokerage income	266,091	-
Underwriting commission	210,000	-
	<u>208,656,076</u>	<u>12,391,189</u>

Note 11

Earnings per Share

	Half Year Ended December 31, 2007 (Un-Audited) Rupees	Half Year Ended December 31, 2006 (Audited) Rupees
Profit after tax attributable to ordinary shareholders	248,629,964	3,573,200
	Number of shares	Number of shares
Weighted average number of ordinary shares	60,000,000	22,643,443
	Rupees	Rupees
Earnings per share	<u>4.14</u>	<u>0.16</u>

11.1 Share deposit money has been considered as issued share capital for the calculation of earning per share.

Note 12

Transactions with Related Parties

The related parties comprise related group companies, associated companies, staff retirement funds, directors and close family members 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.

	Half Year Ended December 31, 2007 (Un-Audited) Rupees	Half Year Ended December 31, 2006 (Audited) Rupees
Utilities and other common expenses charged by associated undertaking	4,800	322,855
Shares purchased	-	184,500
Share capital issued	-	20,000,000
Funds repaid to associated undertakings	614,592	13,977,145
Purchase of marketable securities on behalf of associated undertaking	17,490,215	-
Sale of marketable securities on behalf of associated undertaking	17,502,274	-
Funds repaid to directors	-	13,640,257

Note 13

General

13.1 These interim financial statements have been authorized for issue on January 23, 2008 by the Board of Directors of the Company; and

13.2 Figures have been rounded off to the nearest rupees.



CHIEF EXECUTIVE



DIRECTOR

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NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Pervez Ahmed Securities Limited will be held at the Registered Office of the Company 20-K, Gulberg II, Lahore on Friday, February 29, 2008 at 4:00 p.m. to transact the following business:

ORDINARY BUSINESS

To confirm the minutes of the Second Annual General Meeting held on October 22, 2007

SPECIAL BUSINESS

To consider and if deemed fit to pass the following as a special resolution.

"Resolved that the Authorized Capital of the Company be and is hereby increased from Rs. 600,000,000 (Rupees six hundred million) to Rs. 900,000,000 (Rupees nine hundred million) by creation of 30,000,000 new Ordinary shares of Rs. 10 each.

"Further Resolved that the Memorandum & Articles of Association of the Company be and is hereby allowed to be altered by substituting the figures and words of ' Rs. 600,000,000 (Rupees six hundred million) divided into 60,000,000 Ordinary shares of Rs. 10 each' appearing in Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Company with the figures & words 'Rs. 900,000,000 (Rupees nine hundred million) divided into 90,000,000 Ordinary shares of Rs.10 each' by creation of 30,000,000 new Ordinary shares of Rs. 10 each."

"Further resolved that Mr. Pervez Ahmed – Chief Executive and Rizwan Atta, Company Secretary be and are hereby authorized, any one singly' to give effect to the resolution as mentioned above and to do cause to be done all acts, deeds and things that may necessary or required for the increase in the Authorized Capital of the Company."

Lahore: January 23, 2008

By the order of the Board

Rizwan Atta
Company Secretary

Statement under section 160 (1)(b) of the Companies Ordinance 1984

The Directors have recommended to the increase Authorized Share Capital of the Company from Rs. 600,000,000 to Rs. 900,000,000 in order to facilitate the issue of further capital

The Directors of Pervez Ahmed Securities Limited have no interest in the Special Business except to the extent of their shareholding in the Company.

Notes:-

- 1 The share transfer books of the Company will remain closed from February 25, 2008 to March 3, 2008 (BOTH DAYS INCLUSIVE)
- 2 A member entitled to attend and vote at this meeting may appoint another member as his / her proxy to attend the meeting and vote for him / her. Proxies in order to be effective must reach the Registered Office of the Company not less than 48 hours before the meeting.
- 3 Account holders and sub-account holders holding book entry securities in respect of the shares of the Company in the Central Depository Company of Pakistan Limited, who wish to attend the Extra-ordinary General Meeting are requested to bring their original Computerized National Identity Cards for identification purpose.