



annual
report
2008

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	
Banks	MCB Bank Limited NIB 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.	
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 Third Annual General Meeting of the shareholders of the Company will be held at the Registered Office of the Company 20 – K Gulberg II, Lahore on October 31, 2008 at 5:00 p.m to transact the following business:-

1. To confirm the minutes of the Extra Ordinary General Meeting held on February 29, 2008.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2008 together with Directors' and Auditors' reports thereon.
3. To appoint Auditors of the Company for the year 2008-2009 and to fix their remuneration. The present Auditors M/s Horwath Hussain Chaudhury & Co. – Chartered Accountants, retire and being eligible offer themselves for the re-appointment.
4. To transact any other business with the permission of the chair.

BY ORDER OF THE BOARD

Lahore
October 9, 2008

Rizwan Atta
(Company Secretary)

Notes:-

- 1 The share transfer books of the Company will remain closed from October 30, 2008 to November 5, 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 be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
- 3 Shareholders are required to immediately notify the Registrar of any change in their postal addresses.
- 4 Account holders and sub-account holders holding book entry securities in respect of the shares of the Company in Central Depository Company of Pakistan Limited, who wish to attend the Annual General Meeting are requested to bring their original Computerized National Identity Cards for identification purpose.

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DIRECTORS' REPORT

On behalf of the Board of Directors of Pervez Ahmed Securities Limited, I am pleased to present the Company's Third Annual Report which includes the Audited Financial Statements of the Company together with the Auditor's report thereon for the year ended June 30, 2008

Capital Market Review

In Financial Year 2007-08, the Karachi Stock Exchange (KSE) - 100 index decreased by almost 10%. During this year the KSE-100 index touched the highest level of 15,740 points from 13,772 points at the beginning of year and closed at 12,289 points on June 30, 2008. Pakistan's equity market performed well till April 2008 and during this month it make a new high but after that difficult global & domestic conditions adversely impacted the foreign portfolio investment in Pakistan. A huge outflow exceeding US\$ 50 million was witnessed on account of portfolio investment in Pakistan. In the last quarter of financial year 2007-08 i.e. April 1, to June 30, 2008 the KSE-100 index dropped by almost 19% and not only wipe out the increase of last nine months but also converted into negative zone with a significant mark. The regrettably law & order situation, recession of world economies and stock markets effected the stock market badly. The stock prices tumble badly resulting a great fall in KSE-100 index. Trading volumes have also reduced to 3.3 billion shares in June 2008 compared to 7.7 billion shares in July 2007. Stock market capitalization which was Rs. 4 Trillion at the beginning of the year has also come down to Rs. 3.7 Trillion

Financial Review

The Financial results of the Company for the year ended June 30, 2008 are as under.

	Year Ended	
	June 30, 2008	June 30, 2007
	Rupees	Rupees
Operating revenue	143,466,813	125,382,861
Operating profit	108,352,662	103,955,652
(Deficit) / surplus on remeasurement of investments	(38,820,535)	34,206,973
Profit before taxation	45,359,281	136,260,832
Taxation	(2,534,645)	(331,944)
Profit after taxation	42,824,636	135,928,888
Earnings per share - Basic (2007: Restated)	0.55	2.77

The Company earned profit after tax of Rs. 42.82 million in the year as compared to profit of Rs. 135.92 million in the last year. Operating profit for the year under review has been Rs. 108.35 million as against Rs. 103.96 million in last year. Till the third quarter the performance of the Company was satisfactory but in the last quarter on the basis of aforesaid reasons company's full years' profit reduced significantly and closed at Rs. 42.82 million.

Payouts

Company has already paid 20% cash dividend and 27.50% stock dividend for the year ended June 30, 2008. Profits of the Company till the end of third quarter i.e. March 31, 2008 were remarkable good but in the last quarter problems at the political, Law and order and on the economic front effected the market badly and we being directly connected with the portfolio investment took a significant impact of that. Our first nine months profit which was Rs 490.24 million closed at Rs. 42.82 million for the full year 2007-08 with resultant decrease in un-appropriated profit with the amount of excessive payouts declared during the year.

Book Closure

The Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from October 30, 2008 to November 5, 2008 (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 29, 2008 will be considered to attend and vote at the meeting.

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Pattern of Shareholding

The pattern of shareholding including categories of Shareholders of the Company as on June 30, 2008 is annexed.

Share Capital

During the year Company has increased its authorized capital from Rs. 600 million to Rs. 900 million. Paid up share capital of the Company has also increased twice through issuance of bonus shares during the year.

Operating and Financial Data

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

Future Outlook

Stability on the political & economic front is very crucial for the country in achieving economic growth and to avoid law and order issues. This will also help the investors to built their confidence in the stock market. Management is also planning to focusing on some other side to avoid portfolio & leverage issues.

Social Responsibility

Social responsibility has been one of the objective of the Company. Accordingly, financial assistance has been provided to some credible charitable organizations directly by your Company during the year.

Number of Board Meetings Held

Five meetings of the Board of Directors were held during the year ended June 30, 2008 and the attendance of the directors is as follows.

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

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
Mrs. Rehana Pervez Ahmed	Member
Mr. Suleman Ahmed	Member

Meetings of the Audit Committee were held during the year ended June 30, 2008 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 by the Chief Financial Officer, Head if 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 / 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 There is no significant doubt upon the Company's ability to continue as a going concern.
- 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 three years are annexed.

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, 2009

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 9, 2008

For & on behalf of the Board



Pervez Ahmed
Chief Executive

FINANCIAL HIGHLIGHTS

Profit and Loss Account	2008	2007	2006
	Rupees	Rupees	Rupees
Operating revenue	143,466,813	125,382,861	(16,621,982)
Administrative expenses	(35,114,151)	(21,427,209)	(5,394,926)
Operating Profit	108,352,662	103,955,652	(22,016,908)
- Finance cost	(20,317,963)	(7,235)	-
- Other operating charges	(4,117,550)	(1,921,780)	(746,582)
- Other operating income	262,667	27,222	-
	(24,172,846)	(1,901,793)	(746,582)
(Deficit) / surplus on remeasurement of investments	(38,820,535)	34,206,973	27,969,598
Profit before Taxation	45,359,281	136,260,832	5,206,108
Taxation	(2,534,645)	(331,944)	(76,965)
Profit before Taxation	42,824,636	135,928,888	5,129,143
Payouts			
- Cash dividend	20%	Nil	Nil
- Stock dividend	27.50%	Nil	Nil
Balance Sheet			
Share Capital (Including deposit for shares)	775,245,530	600,000,000	210,000,000
Property, plant and equipment	5,326,602	458,039	-
Memberships & room at Lahore Stock Exchange	40,000,000	40,000,000	40,000,000
Long term investment in associate	106,100,805	-	-
Short term investments	2,076,753,276	787,700,093	245,447,965
Total assets	2,275,151,625	964,065,619	297,660,250
Shareholders' equity	522,749,114	727,394,015	215,129,143
Earning per share	0.55	2.77	0.64
Current ratio	1.21 : 1	3.90 : 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 No.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 two 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. To the best of our Knowledge all the resident 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 two are 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 9, 2008

For and on behalf of
Board of Directors



Pervez Ahmed
Chief Executive

Established Since 1947



Horwath Hussain Chaudhury & Co.
Chartered Accountants

25-E, Main Market, Gulberg 2,
Lahore-54660 Pakistan
+92-42-111-111-442 Tel
+92-42-5759226 Fax
www.horwath.com.pk
hhc@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.37 (Chapter XI) and No.40 (Chapter XIII) of the Karachi Stock Exchange and Lahore Stock Exchange respectively, 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.

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, 2008.

Lahore
Dated: October 9, 2008


(HORWATH HUSSAIN CHAUDHURY & CO.)
Chartered Accountants


Established Since 1947



Horwath Hussain Chaudhury & Co.
Chartered Accountants

25-E, Main Market, Gulberg 2,
Lahore-54660 Pakistan

+92-42-111-111-442 Tel
+92-42-5759226 Fax
www.horwath.com.pk
hhc@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, 2008 and the related profit and loss account, 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 accounting policies consistently applied;
 - (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, 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, 2008 and of the profit, 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.

Lahore
Dated: October 9, 2008


HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants

PERVEZ AHMED SECURITIES LIMITED

BALANCE SHEET AS AT JUNE 30, 2008

	Note	2008 Rupees	2007 Rupees
Non Current Assets			
Property and equipment	4	5,326,602	458,039
Intangible assets	5	40,000,000	40,000,000
Long term investment in associate	6	106,100,805	-
Long term security deposits	7	4,970,000	1,055,000
		<u>156,397,407</u>	<u>41,513,039</u>
Current Assets			
Short term investments	8	2,076,753,276	787,700,093
Advances, tax refundable and other receivables	9	8,346,072	4,306,828
Cash and bank balances	10	33,654,870	130,545,659
		<u>2,118,754,218</u>	<u>922,552,580</u>
Current Liabilities			
Trade and other payables	11	(1,416,373,199)	(236,671,604)
Accrued interest / mark up		(9,898,551)	-
Short term borrowings	12	(325,132,048)	-
		<u>(1,751,403,798)</u>	<u>(236,671,604)</u>
Net Current Assets		367,350,420	685,880,976
Non Current Liabilities			
Deferred liabilities	13	(998,713)	-
NET ASSETS		<u>522,749,114</u>	<u>727,394,015</u>
REPRESENTED BY			
Issued, subscribed and paid up capital	14	774,375,530	599,130,000
Share deposit money	15	870,000	870,000
Deficit on revaluation of available for sale investments		(127,643,537)	-
Unappropriated (losses) / profits		(124,852,879)	127,394,015
		<u>522,749,114</u>	<u>727,394,015</u>
Contingencies and Commitments			
	16	-	-
		<u>522,749,114</u>	<u>727,394,015</u>

The annexed notes form an integral part of these accounts.



CHIEF EXECUTIVE



DIRECTOR

PERVEZ AHMED SECURITIES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2008**

	Note	2008 Rupees	2007 Rupees
Gain on sale of investments - Net		117,359,282	118,703,354
Dividend income		25,013,900	6,679,507
Underwriting commission		541,250	-
Brokerage income		552,381	-
		<u>143,466,813</u>	<u>125,382,861</u>
Administrative expenses	17	<u>(35,114,151)</u>	<u>(21,427,209)</u>
Operating Profit		108,352,662	103,955,652
Finance cost	18	(20,317,963)	(7,235)
Other operating charges	19	(4,117,550)	(1,921,780)
Other operating income	20	<u>262,667</u>	<u>27,222</u>
		84,179,816	102,053,859
(Deficit) / Surplus on remeasurement of investments at fair value through profit and loss - Net	8	<u>(38,820,535)</u>	<u>34,206,973</u>
Profit before Taxation		45,359,281	136,260,832
Taxation		(2,534,645)	(331,944)
Profit after Taxation		<u>42,824,636</u>	<u>135,928,888</u>
Earnings per Share - Basic (2007: Restated)	21	<u>0.55</u>	<u>2.77</u>

The annexed notes form an integral part of these accounts.



CHIEF EXECUTIVE



DIRECTOR

PERVEZ AHMED SECURITIES LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2008

	2008	2007
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	45,359,281	136,260,832
Adjustments for:		
Deficit / (surplus) on remeasurement of investments at fair value through profit and loss - Net	38,820,535	(34,206,973)
- Provision for gratuity	998,713	-
- Dividend income	(25,013,900)	(6,679,507)
- Finance cost	20,317,963	7,235
- Depreciation	592,548	53,854
	<u>35,715,859</u>	<u>(40,825,391)</u>
Operating Profit before Working Capital Changes	81,075,140	95,435,441
Decrease / (increase) in current assets		
- Short term investments	(1,455,517,255)	(508,045,155)
- Advances and other receivables	(1,468,700)	9,323,113
Increase in current liabilities:		
- Trade and other payables	1,178,305,948	154,140,497
	<u>(278,680,007)</u>	<u>(344,581,545)</u>
Cash used in Operations	(197,604,867)	(249,146,104)
Taxes paid	(7,186,894)	(1,258,496)
Finance cost paid	(10,419,412)	(7,235)
Dividend income received	27,095,605	3,631,832
Long term security deposits	(3,915,000)	(830,000)
Net Cash used in Operating Activities	(192,030,568)	(247,610,003)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment	(5,461,111)	(511,893)
Long term investment in associate	(106,100,805)	-
Net Cash used in Investing Activities	(111,561,916)	(511,893)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	390,000,000
Initial public offer costs	-	(13,664,016)
Dividend paid	(118,430,353)	-
Short term borrowings	325,132,048	-
Net Cash from Financing Activities	<u>206,701,695</u>	<u>376,335,984</u>
Net (Decrease) / Increase in Cash and Cash Equivalents	(96,890,789)	128,214,088
Cash and cash equivalents at the beginning of the year	130,545,659	2,331,571
Cash and Cash Equivalents at the End of the Year	<u>33,654,870</u>	<u>130,545,659</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 YEAR ENDED JUNE 30, 2008

	Share Capital	Share Deposit Money	Unappropriated Profit	Deficit on Remeasurement of Investment	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2006	200,000,000	10,000,000	5,129,143	-	215,129,143
Share deposit money received	-	140,000,000	-	-	140,000,000
Issue of share capital against share deposit money	150,000,000	(150,000,000)	-	-	-
Initial public offer	249,130,000	870,000	-	-	250,000,000
Initial public offer costs	-	-	(13,664,016)	-	(13,664,016)
Profit for the year	-	-	135,928,888	-	135,928,888
Balance as at June 30, 2007	<u>599,130,000</u>	<u>870,000</u>	<u>127,394,015</u>	<u>-</u>	<u>727,394,015</u>
Profit for the year	-	-	42,824,636	-	42,824,636
Deficit on remeasurement of available for sale investments	-	-	-	(127,643,537)	(127,643,537)
First interim cash dividend @ 15%	-	-	(89,869,500)	-	(89,869,500)
Second interim cash dividend @ 5%	-	-	(29,956,500)	-	(29,956,500)
Interim issue of bonus shares @ 10%	59,913,000	-	(59,913,000)	-	-
Interim issue of bonus shares @ 17.5%	115,332,530	-	(115,332,530)	-	-
Balance as at June 30, 2008	<u>774,375,530</u>	<u>870,000</u>	<u>(124,852,879)</u>	<u>(127,643,537)</u>	<u>522,749,114</u>

* The Company paid dividends and issued bonus shares based on sufficient profits and reserves at the time of declaration during the first three quarters. However, the abnormal fall in share market during the last quarter resulted in accumulated loss as at the balance sheet date.

The annexed notes form an integral part of these accounts.



CHIEF EXECUTIVE



DIRECTOR

PERVEZ AHMED SECURITIES LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2008

Note 1

The Company and its Operations

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

Note 2

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 New accounting standards and IFRIC interpretations that are not yet effective

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards and interpretations.

Standards or interpretation	Effective date (accounting period beginning on or after)
IAS 1 - Presentation of Financial Statements	January 01, 2009
IAS 23 - Borrowing Cost	January 01, 2009
IAS 27 - Consolidated and Separate Financial Statements	January 01, 2009
IAS 29 - Financial Reporting in Hyperinflationary Economies	July 01, 2008
IAS 32 - Financial Instruments: Presentation	January 01, 2009
IFRS 2 - Share-based payments	January 01, 2009
IFRS 3 - Business Combinations	January 01, 2009
IFRS 7 - Financial Instruments: Disclosures	July 01, 2008
IFRIC 12 - Service Concession Arrangements	January 01, 2008
IFRIC 13 - Customer Loyalty Programmes	July 01, 2008
IFRIC 14 - The limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction	January 01, 2008
IFRIC 15 - Agreement for the Construction of Real Estate	October 01, 2009
IFRIC 16 - Hedge of Net Investment in a Foreign Operation	October 01, 2008

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

2.3 Basis of measurement

These accounts have been prepared under the historical cost convention without any adjustment for the effect of inflation or current values except certain investments that have been measured at fair value.

2.4 Use of estimation and judgments

The preparation of financial statements in conformity with IASs 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, plant 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.

Notes to the Accounts

2.5 Functional and presentation currency

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

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. 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.

Gains / losses on disposal of property and equipment are taken to profit and loss account.

3.2 Intangible assets

Intangible assets with indefinite useful life are stated at cost less accumulated impairment losses, if any. The carrying amount of intangible assets are ascertained at each balance sheet date and any impairment loss identified is taken to the profit and loss account.

3.3 Impairment

In accordance with IAS 36, assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Whenever the carrying amount of these assets exceeds their recoverable amount, an impairment loss is recognized in the profit and loss account.

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 management 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.

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.

Notes to the Accounts

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 and 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 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.

3.6 Sale and repurchase agreements

Securities purchased under agreements to resell ('reverse reposit') are shown as receivable against continuous funding system. Securities sold subject to a linked repurchase agreement ('reposit') 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.

3.7 Staff retirement benefits

The Company operates an unfunded gratuity scheme covering its permanent employees. Employees are eligible for benefits under this scheme after the completion of a prescribed qualifying period of service. The latest actuarial valuation has been 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

3.8 Taxation

Income tax on the profit or loss for the year comprises current and deferred 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 taxation for the year is based on taxable income at the current rates of taxation after taking into account tax rebates and credits available, if any.

Notes to the Accounts

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.

3.9 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 in the future for goods and services received, whether or not billed to the Company.

3.10 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.

3.11 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, cheques in hand and deposits with banks.

3.12 Financial instruments

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

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to offset the recognized amounts and the Company intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.13 Related party transactions

Transactions with related parties are made at arm's length prices using comparable uncontrolled price method except in circumstances where it is in the interest of the Company not to do so.

3.14 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.

3.15 Dividend distribution

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

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Notes to the Accounts

Note 4

Property and Equipment

Description	Cost			Rate %	Depreciation			Net Book Value as at 30.06.08 Rupees
	As at 01.07.07 Rupees	Additions during the year Rupees	As at 30.06.08 Rupees		As at 01.07.07 Rupees	For the Year Rupees	As at 30.06.08 Rupees	
Owned								
Furniture and fittings	112,000	304,000	416,000	20	17,327	60,418	77,745	338,255
Vehicles	113,400	2,830,270	2,943,670	20	1,890	214,435	216,325	2,727,345
Office equipments	286,493	2,326,841	2,613,334	33.33	34,637	317,695	352,332	2,261,002
Rupees 2008	<u>511,893</u>	<u>5,461,111</u>	<u>5,973,004</u>		<u>53,854</u>	<u>592,548</u>	<u>646,402</u>	<u>5,326,602</u>
Rupees 2007	<u>-</u>	<u>511,893</u>	<u>511,893</u>		<u>-</u>	<u>53,854</u>	<u>53,854</u>	<u>458,039</u>

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

Note 5

Intangible Assets

	2008 Rupees	2007 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

	2008 Rupees	2007 Rupees
Pervez Ahmed Capital (Private) Limited		
- Cost of investment	106,100,805	-
- 8,500,300 (2007: Nil) ordinary shares of Rs. 10 each Percentage of equity held 49.37% (2007: Nil)		

6.1 The Company acquired 100% shareholding in Pervez Ahmed Capital (Private) Limited (PACL) (Formerly Mashriq Securities (Private) Limited) on October 5, 2007 for a total consideration of Rs. 106,100,805. During the year, PACL issued further shares of 8,717,000 which were not subscribed by the Company and resultingly its shareholding was diluted from 100% to 49.37% converting the wholly owned subsidiary into an associate. The investment in PACL is, therefore, accounted for by using the equity method in accordance with IAS-28 (Investment in Associate) as per the Company's accounting policy.

6.2 Pervez Ahmed Capital (Private) Limited has not commenced its operations, therefore, there are no post acquisition profit / losses.

6.3 Summarized unaudited financial statements of Pervez Ahmed Capital (Private) Limited as at June 30, 2008 are as follows:

Total assets	180,908,000
Total liability	18,000
Revenue	Nil
Profit after tax	Nil

Note 7

Long Term Security Deposits

	2008 Rupees	2007 Rupees
Deposits with:		
- Central Depository Company of Pakistan	150,000	150,000
- Lahore Stock Exchange (Guarantee) Limited	3,705,000	680,000
- National Clearing Company of Pakistan Limited	200,000	-
- Others	915,000	225,000
	<u>4,970,000</u>	<u>1,055,000</u>

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Notes to the Accounts

Note 8

Short Term Investments

		2008	2007
		Rupees	Rupees
Available for sale	8.1	1,788,691,347	-
At fair value through profit and loss	8.2	288,061,929	787,700,093
		<u>2,076,753,276</u>	<u>787,700,093</u>

	June 30, 2008		June 30, 2007	
	Carrying Value (Rupees)	Fair Value (Rupees)	Carrying Value (Rupees)	Fair Value (Rupees)
8.1 Available for sale				
Quoted equity securities	410,705,466	283,061,929	-	-
Unquoted equity securities	5,000,000	5,000,000	-	-
	415,705,466	288,061,929	-	-
Deficit on remeasurement to fair value	(127,643,537)	-	-	-
	<u>288,061,929</u>	<u>288,061,929</u>	<u>-</u>	<u>-</u>

8.2 At fair value through profit and loss

Related parties - quoted

D.S Industries Limited (Associated undertaking)
6,241,000 (2007: 3,120,500) shares representing
10.40% (2007: 10.40%) of equity held, including
3,120,500 (2007: Nil) shares received as fully paid bonus shares

120,763,350	316,481,110	103,787,830	120,763,350
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Others - quoted

1,706,748,532	1,472,210,237	649,705,290	666,936,743
1,827,511,882	1,788,691,347	753,493,120	787,700,093

(Deficit) / Gain on remeasurement to fair value - Net

(38,820,535)	-	34,206,973	-
<u>1,788,691,347</u>	<u>1,788,691,347</u>	<u>787,700,093</u>	<u>787,700,093</u>

Note 9

Advances, tax refundable and other receivables

		2008	2007
		Rupees	Rupees
Advances with stock brokers		788,802	62,476
Advance income tax		5,815,392	1,163,143
Advance to employees	9.1	251,636	-
Dividend receivable		965,970	3,047,675
Prepayments		495,526	-
Other receivable		28,747	33,534
		<u>8,346,072</u>	<u>4,306,828</u>

9.1 Amount due from chief executive, directors and executives is Nil (2007: Nil).

Note 10

Cash and Bank Balances

	2008	2007
	Rupees	Rupees
With banks in:		
- Current accounts	33,537,924	116,966,110
- Saving accounts	116,946	13,579,549
	<u>33,654,870</u>	<u>130,545,659</u>

Note 11

Trade and Other Payables

	2008	2007
	Rupees	Rupees
Trade creditors	1,401,449,524	218,456,571
Accrued expenses	3,168,643	17,121,485
Income tax payable	9,101,309	-
Dividend payable	1,395,647	-
Due to associated undertaking	-	609,792
Due to directors	-	392,299
Other payables	1,258,076	91,457
	<u>1,416,373,199</u>	<u>236,671,604</u>

Note 12

Short Term Borrowings

		2008	2007
		Rupees	Rupees
Murabaha finance	12.1	150,000,000	-
Running finance	12.2	175,132,048	-
		<u>325,132,048</u>	<u>-</u>

12.1 This represents Murabaha finance 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 plus 1.30%. It is secured against pledge of shares of blue chip listed companies approved by bank's Shariah Board with 35% margin. The facility is valid till September 30, 2008.

12.2 This represents running finance facility of Rs. 200 million obtained from Arif Habib 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% per annum. The facility is secured against pledge of shares of listed companies with 30% margin on overall exposure. The facility is valid till September 30, 2008.

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Notes to the Accounts

Note 13

Deferred Liabilities

		2008	2007
		Rupees	Rupees
Gratuity payable	13.1	<u>998,713</u>	<u>-</u>
13.1 The amounts recognized in the balance sheet are as follows:			
Present value of defined benefit obligation		1,483,475	-
Unrecognized transitional liability		(514,010)	-
Unrecognized actuarial loss		<u>29,248</u>	<u>-</u>
		<u>998,713</u>	<u>-</u>
Movement in net liability recognized			
Amount recognized during the year		998,713	-
Benefits paid during the year		<u>-</u>	<u>-</u>
Balance at the end of the year		<u>998,713</u>	<u>-</u>
Charge to profit and loss account			
Current service cost		793,110	-
Interest cost		77,101	-
Liability charged due to change in accounting policy		<u>128,502</u>	<u>-</u>
		<u>998,713</u>	<u>-</u>

Note 14

Share Capital

	2008	2007		2008	2007
				Rupees	Rupees
14.1 Authorized capital	<u>90,000,000</u>	<u>60,000,000</u>	Ordinary shares of Rs. 10 each	<u>900,000,000</u>	<u>600,000,000</u>
14.2 Issued, subscribed and paid up capital					
	59,913,000	59,913,000	Ordinary shares of Rs. 10 each fully paid in cash	599,130,000	599,130,000
	5,991,300	-	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	<u>59,913,000</u>	<u>-</u>
	<u>65,904,300</u>			<u>659,043,000</u>	<u>599,130,000</u>
*	11,533,253	-	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	<u>115,332,530</u>	<u>-</u>
	<u>77,437,553</u>	<u>59,913,000</u>		<u>774,375,530</u>	<u>599,130,000</u>

14.3 * These shares were credited / dispatched to the shareholders on July 4, 2008.

14.4 31,837,700 shares (2007: 14,907,500) are held by associates of the Company.

Note 15

Share Deposit Money

	2008	2007
	Rupees	Rupees
Share deposit money	<u>870,000</u>	<u>870,000</u>

15.1 This represents amount received on account of fictitious and multiple share applications received against initial public offer. Shares shall be issued against this balance after completion of legal formalities.

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Notes to the Accounts

Note 16

Contingencies and Commitments

Contingencies

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

Commitments

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

Note 17

Administrative Expenses

	2008	2007
	Rupees	Rupees
Salaries and benefits	23,174,317	18,941,490
Postage and communication	1,403,383	306,044
Rent, rates and taxes	3,351,840	847,500
Repair and maintenance	388,027	144,304
Vehicle running	139,040	37,040
Traveling and conveyance	1,471,918	548,065
Utilities	523,988	73,076
Legal and professional	326,107	236,570
Stationery and office supplies	929,150	174,565
Fees and subscription	1,231,875	20,500
Advertisement	422,470	-
Entertainment	484,375	-
Depreciation	4.1 592,548	53,854
Miscellaneous	675,113	44,201
	<u>35,114,151</u>	<u>21,427,209</u>

17.1 This includes Rs. 998,713 (2007: Nil) in respect of employee benefits - gratuity scheme.

Note 18

Finance Cost

	2008	2007
	Rupees	Rupees
Interest / mark up on short term borrowings	19,973,062	-
Bank charges	344,901	7,235
	<u>20,317,963</u>	<u>7,235</u>

Note 19

Other Operating Charges

	2008	2007
	Rupees	Rupees
Statutory fee for increase in authorized capital	750,000	1,000,000
Auditors' remuneration	19.1 325,000	265,000
Donations	19.2 3,042,550	656,780
	<u>4,117,550</u>	<u>1,921,780</u>

19.1 Auditors' remuneration

Audit fee	225,000	175,000
Certifications and reviews	100,000	90,000
	<u>325,000</u>	<u>265,000</u>

19.2 None of the directors or their spouse have any interest in the donees (2007: Nil)

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Notes to the Accounts

Note 20

Other Operating Income

	2008	2007
	Rupees	Rupees
Income from financial assets		
Profit on bank deposit accounts	262,667	27,222

Note 21

Earnings per Share

	2008	2007
	Rupees	Rupees
Profit after taxation attributable to ordinary shareholders	42,824,636	135,928,888
	Number of shares	Number of shares
Weighted average number of ordinary shares (2007: Restated)	77,524,553	49,137,567
	Rupees	Rupees
Earnings per share - Basic (2007: Restated)	0.55	2.77

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

21.2 Diluted earnings per share

There is no dilution effect on the basic earnings per share as the Company has no commitments resulting in dilution of earnings of the Company.

Note 22

Remuneration of Chief Executive, Directors' and Executives

	2008		2007	
	Chief (Rupees)	Directors (Rupees)	Chief Executive (Rupees)	Directors (Rupees)
Remuneration	1,006,440	4,025,760	1,006,440	4,025,760
House rent	452,898	1,811,592	452,898	1,811,592
Utilities	100,662	402,648	100,662	402,648
Bonus	10,500,000	-	10,500,000	-
	12,060,000	6,240,000	12,060,000	6,240,000
Number	1	4	1	4

22.1 No meeting fee has been paid to any director of the Company.

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

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Notes to the Accounts

Note 25

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, plant and equipment without affecting the optimal production and operating level, and regulate 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 as under:

	2008	2007
	Rupees	Rupees
Total borrowings	325,132,048	-
Cash and bank balances	<u>(33,654,870)</u>	-
Net Debt	291,477,178	-
Equity	522,749,114	727,394,015
Total Capital	<u>814,226,292</u>	<u>727,394,015</u>
Gearing Ratio*	35.80%	-

* Gearing ratio for the year 2007 can not be calculated as there were no borrowings in 2007

Note 26

Authorization of Financial Statements

These accounts have been authorized for issue by the Board of Directors of the Company on October 09, 2008

Note 27

General

Figures have been rounded off to the nearest rupee.

The figures of the corresponding year have been re-arranged, wherever necessary, to facilitate comparison. No material re-arrangements / reclassifications have been made during the year


CHIEF EXECUTIVE


DIRECTOR

Pattern of Shareholding
As At June 30, 2008

Number of Shareholders	Shareholding		Total Number of Shares Held
	From	To	
866	1	100	55,220
1,105	101	500	494,484
1892	501	1,000	1,331,260
1246	1,001	5,000	2,784,170
201	5,001	10,000	1,515,969
51	10,001	15,000	639,353
38	15,001	20,000	686,516
20	20,001	25,000	466,063
6	25,001	30,000	169,950
9	30,001	35,000	298,900
5	35,001	40,000	190,450
7	40,001	45,000	304,500
9	45,001	50,000	443,000
2	50,001	55,000	105,400
2	55,001	60,000	116,600
4	60,001	65,000	254,450
7	70,001	75,000	507,688
1	75,001	80,000	79,500
1	80,001	90,000	89,750
1	90,001	95,000	91,000
1	95,001	100,000	100,000
3	120,001	125,000	372,500
1	125,001	130,000	130,000
5	145,001	150,000	747,050
1	150,001	155,000	151,850
3	155,001	160,000	472,827
1	165,001	170,000	170,000
1	170,001	175,000	171,000
2	190,001	195,000	382,950
1	195,001	200,000	198,000
1	210,001	215,000	214,000
1	215,001	220,000	220,000
2	270,001	275,000	548,600
1	295,001	300,000	300,000
1	310,001	315,000	310,200
1	420,001	425,000	425,000
1	460,001	465,000	461,500
2	495,001	500,000	1,000,000
1	545,001	550,000	550,000
1	650,001	655,000	650,250
1	695,001	700,000	697,500
1	705,001	710,000	707,000
1	740,001	745,000	743,500
1	785,001	790,000	785,400
1	820,001	825,000	825,000
1	930,001	935,000	930,500
1	1,095,001	1,100,000	1,100,000
1	1,125,001	1,130,000	1,127,100
1	1,145,001	1,150,000	1,150,000
1	1,165,001	1,170,000	1,166,000
1	1,220,001	1,225,000	1,224,850
1	1,385,001	1,390,000	1,390,000
1	1,415,001	1,420,000	1,420,000
1	1,465,001	1,470,000	1,469,500
1	1,555,001	1,560,000	1,555,500
1	1,655,001	1,660,000	1,659,900
1	1,900,001	1,905,000	1,900,500
1	2,550,001	2,555,000	2,552,000
1	12,530,001	12,535,000	12,530,100
1	12,765,001	12,770,000	12,770,000
Total	5524		65,904,300

**Categories of Shareholders
As At June 30, 2008**

Categories	Number	Shares Held	Percentage
Associated Companies & Related Parties			
D.S.Industries Limited	1	13,700,500	20.788
D.S.Textiles Limited	1	14,500,200	22.002
D.S.Apparel (Pvt.) Limited	1	825,000	1.252
Ali Pervez Capital (pvt.) Limited	1	2,812,000	4.267
Chief Executive & Directors			
Mr. Pervez Ahmed - Chief Executive	1	2,602,000	3.948
Mrs. Rehana Pervez Ahmed	1	1,724,800	2.617
Mr. Ali Pervez Ahmed	1	2,681,500	4.069
Mr. Hassan Ibrahim Ahmed	1	71,500	0.108
Mr. Suleman Ahmed	1	1,390,000	2.109
Mrs. Ayesha Ahmed Mansoor	1	1,170,950	1.777
Mr. Muhammad Khalid Khan	1	550	0.001
Insurance Companies	1	15,000	0.023
Joint Stock Companies	115	7,529,412	11.425
Modarba Companies	1	5,000	0.008
Financial Institutions	5	850,250	1.290
Individuals	5,391	16,025,638	24.317
Total	5524	65,904,300	100.000