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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 Mrs. Ayesha Ahmed Mansoor 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	Burj Bank Limited Dubai Islamic Bank Pakistan Limited MCB Bank Limited NIB Bank Limited Silk Bank Limited Summit Bank Limited	
Registered Office	20-K, Gulberg II, Lahore.	
Stock Exchange Office	Room No. 317, Third Floor, Lahore Stock Exchange Building, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore.	
Share Registrars	THK Associates (Pvt.) Limited Ground Floor, State Life Building No 3, Dr. Ziauddin Ahmed Road, Karachi - 75530	
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.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Eighth Annual General Meeting of Pervez Ahmed Securities Limited will be held at the Registered Office of the Company 20-K, Gulberg II, Lahore on Thursday October 31, 2013, at 4:15 p.m. to transact the following business:

1. To confirm the minutes of the Annual General Meeting held on October 31, 2012
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2013 together with Directors' and Auditors' reports thereon.
3. To appoint Auditors of the Company for the year 2013-2014 and to fix their remuneration. The present Auditors M/s Horwath Hussain Chaudhury & Co. - Chartered Accountants, retire and being eligible offered themselves for the re-appointment.

By the order of the Board

Lahore: October 04, 2013

Rizwan Atta
Company Secretary

NOTES

- I The Share Transfer Books of the Company will remain close from October 25, 2013 to October 31, 2013 (both days inclusive).
- II A member of the Company entitled to attend and vote may appoint another member as his/ her proxy to attend and vote instead of him /her.
- III Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.
- IV Beneficial owners of the physical shares and the shares registered in the name of Central Depository Company of Pakistan Limited or their proxies are required to produce their original Computerized National Identity Card (CNIC) or passport for identification purpose. In case of corporate entity, the Board of Directors' Resolution / power of Attorney with specimen signature shall be submitted along with proxy form.

DIRECTORS' REPORT

Directors of Perez Ahmed Securities Limited, are pleased to present the eighth annual report of the Company for the year ended June 30, 2013 along with the financial statements and auditor's report thereon.

Capital Market Review

During the year under review the stock market showed huge gains. The KSE-100 index gained 52% Yoyo and the average daily volume improved by the year end as the new government took control. The key factor that led this rise was the foreign investment portfolio investment. Foreigners bought shares worth US\$ 568.8 million during this year. During June 2013 the index touched its highest level of 22,881 but was unable to sustain by the year end and closed at 21,005. The average daily volumes reached close to 150 million shares as compared to 130 million shares last year.

The political unrest on the back of upcoming elections, US Pak relationship and demutualization are the key triggers that will influence the market performance in the upcoming year.

Financial Review

The Financial results of the Company for the year ended June 30, 2013 are as under

	Year Ended	
	June 30,2013 Rupees	June 30,2012 Rupees
Operating revenue	276,356	33,000
Operating (loss)	(8,833,255)	(3,264,747)
Finance cost	(8,654)	(35,737)
Surplus on remeasurement of investments	13,949,547	1,312,895
Profit / (Loss) before taxation	50,153,333	(23,966,426)
Taxation	(7,278)	(3,300)
Profit / (Loss) after taxation	50,146,055	(23,969,726)
Earnings per share - Basic	0.56	(0.31)

Financial Results of the Company

During the year the Company recorded after tax profit of Rs. 50.146 million as compared to loss of Rs. 23.97 million last year. Profit for the year includes surplus on re-measurement of investments amounting to Rs. 13.95 million and share of profit from associated undertaking amounting to Rs. 30.54 million. During the year Company also benefit from the successful settlement of loan from MCB Bank Limited and has recorded income of Rs. 14.63 million on account of waiver of principal liability & accrued mark-up.

The auditors have expressed an adverse opinion in their report with respect to going concern assumption and non providing of mark-up amounting to Rs. 12.137 million. However the management considers that the going concern assumption used in preparation of these financial statements is appropriate keeping in view of settlement of major portion of bank borrowings, continuous support from directors and proposed diversification plan to run the affairs of the Company and to make it a profitable venture. Whereas negotiations with the banks regarding settlement of loans are in process and hopefully no additional mark-up will be paid on the new terms.

Future Outlook

Besides the political and law and order challenges positive economic activity is expected on the back of lowering inflation and interest rates. We might see a stable positive development in the Karachi Stock market on the back of improving economic indicators

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

Statement of Ethics & Business Practices

The Board has prepared and circulated the Statement of Ethics and Business Practices signed by every director and employee of the Company as a token of acknowledgement of his/her understanding of the standards of conduct in relation to everybody associated or dealing with the Company.

Dividend

In view of operating loss in the current year, negative cash flow and available accumulated losses, dividend can not be declared.

Book Closure

The Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from October 25, 2013 to October 31, 2013 (both days inclusive). Transfer received by our Shares Registrar, M/s THK Associates (Pvt.) Limited - Ground Floor, State Life Building No 3, Dr. Ziauddin Ahmed Road, Karachi at the close of business on October 24, 2013 will be considered to attend and vote at the meeting.

Pattern of Shareholding

The Statement of Pattern of Shareholding along with categories of shareholders of the Company as at June 30, 2013 as required under section 236 of the Companies Ordinance 1984 and Code of Corporate Governance are annexed with this report.

Operating and Financial Data

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

Number of Board Meetings Held

Six meetings of the Board of Directors were held during the year ended June 30, 2013 and the attendance of the directors is as follows.

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

Auditors

The Auditors Messrs Horwath Hussain Chaudhury & Co. - Chartered Accountants retire and being eligible offer themselves for reappointment. The Audit Committee recommends the reappointment of Messrs Horwath Hussain Chaudhury & Co - Chartered Accountants as auditors of the Company for the financial year ending June 30, 2014.

Audit Committee

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

Mr. Muhammad Khalid Khan	Chairman
Mrs. Ayesha Ahmed Mansoor	Member
Mr. Suleman Ahmed	Member

Meetings of the Audit Committee were held during the year ended June 30, 2013 as required by the Code of Corporate Governance for review of quarterly & annual accounts and other related matters. The meeting was also attended by the Chief Financial Officer, head of Internal Audit and External Auditors as and when it was required.

Statement in Compliance to the Code of Corporate Governance

The Directors 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 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 prepared by the management of the Company present its state of affairs fairly, the result of its operations, cash flows and change in equity.
- 2 Proper books of accounts of the Company have been maintained.
- 3 Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- 4 International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- 5 The system of internal control is sound in design and has been effectively implemented and monitored.
- 6 The Company earned net profit of Rs. 50.146 million during the year and has accumulated losses of Rs. 1,564.797 million as at the balance sheet date. The current liabilities of the Company exceeds its current assets by Rs. 636.548 million. These factors may cast doubt about the entity's ability to continue as going concern. However, the management has adequate plans to mitigate these factors. These plans includes diversification of operations of the Company, settlement of bank borrowings and injection of further capital by way of right issue.
- 7 There has been no material departure from the best practices of corporate governance as defined in the listing regulations.
- 8 Financial highlights for the last six years are annexed.

Acknowledgement

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

For & on behalf of the Board

Lahore
October 4, 2013

Pervez Ahmed
Chief Executive

FINANCIAL HIGHLIGHTS

Profit and Loss Account	2013	2012	2011	2010	2009	2008
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Operating revenue / (loss)	276,356	33,000	934,365	4,275,745	(909,463,263)	143,466,813
Administrative expenses	(9,109,611)	(3,297,747)	(3,306,209)	(5,571,498)	(11,488,448)	(35,114,151)
Operating (Loss) / Profit	(8,833,255)	(3,264,747)	(2,371,844)	(1,295,753)	(920,951,711)	108,352,662
- Finance cost	(8,654)	(35,737)	(20,464,413)	(29,834,005)	(134,899,272)	(20,317,963)
- Other operating charges	(125,000)	(21,885,693)	(10,150,000)	(225,000)	(200,000)	(4,117,550)
- Other operating income	14,627,861	2,283	26,952,960	162,431	11,973	262,667
	14,494,207	(21,919,147)	(3,661,453)	(29,896,574)	(135,087,299)	(24,172,846)
Surplus /(Deficit) on remeasurement of investments	13,949,547	1,312,895	(3,709,839)	(8,559,527)	(356,703,167)	(38,820,535)
(Loss) / Profit before Taxation & Share from Associated Undertaking	19,610,499	(23,870,999)	(9,743,136)	(39,751,854)	(1,412,742,177)	45,359,281
Share of loss from Associated Undertaking	30,542,834	(95,427)	(1,165,402)	(2,597,849)	-	-
(Loss) / Profit before Taxation	50,153,333	(23,966,426)	(10,908,538)	(42,349,703)	(1,412,742,177)	45,359,281
Taxation	(7,278)	(3,300)	(74,766)	-	-	(2,534,645)
(Loss) / Profit before Taxation	50,146,055	(23,969,726)	(10,983,304)	(42,349,703)	(1,412,742,177)	42,824,636
Payouts						
- Cash dividend	Nil	Nil	Nil	Nil	Nil	20%
- Stock dividend	Nil	Nil	Nil	Nil	Nil	27.50%
Balance Sheet						
Share capital	1,865,684,870	774,575,790	774,575,790	774,575,790	774,575,790	774,375,530
Share deposit money	20,622,850	293,400,120	291,500,120	299,000,120	306,000,000	870,000
Property, plant and equipment	722,996	978,177	1,334,364	1,835,412	3,959,890	5,326,602
Intangible assets	9,360,000	25,000,000	30,000,000	40,000,000	40,000,000	40,000,000
Long term investment in associate	131,664,268	85,481,434	102,337,554	103,502,956	106,100,805	106,100,805
Short term investments	26,759,208	12,809,661	11,496,766	23,286,605	47,962,734	2,076,753,276
Total assets	178,126,292	134,360,298	176,924,723	315,109,782	437,079,913	2,275,151,625
Shareholders' equity (2009:Restated)	(496,821,084)	(546,967,139)	(524,897,413)	(506,414,109)	(472,764,406)	522,749,114
Earning per share	0.56	(0.31)	(0.14)	(0.55)	(18.24)	0.55
Current ratio	0.05 : 1	0.03 : 1	0.06 : 1	0.20 : 1	0.30 : 1	1.21 : 1

Statement of Compliance With Best Practices of Code of Corporate Governance For The Year Ended June 30, 2013

This statement is being presented to comply with the Code of Corporate Governance (CoCG) contained in Listing Regulations of Karachi and Lahore Stock Exchanges 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 of Corporate Governance in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interest on its board of directors. At present the board includes:

Name of Director and Category

Mr. Pervez Ahmed - Executive
Mrs. Rehana Pervez Ahmed - Non Executive
Mr. Ali Pervez Ahmed - Executive
Mr. Hassan Ibrahim Ahmed - Executive
Mr. Suleman Ahmed - Non Executive
Mrs. Ayesha Ahmed Mansoor - Non executive
Mr. Muhammad Khalid Khan - Non executive

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or a NBFIs or being a member of a stock exchange has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the board during the year.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
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, other executive and non executive directors, have been taken by the board.
8. The meetings of the board were presided over by the Chairman and in his absence, by a director elected by the board for this purpose 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 during the year.

11. The directors' report for this year has been prepared in compliance with the requirements of the CoCG and 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 CoCG
15. The board has formed an Audit Committee which comprises of three members who 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 CoCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed Human Resource and Remuneration Committee and is comprises on three Non-Executive Directors including the chairman of the committee.
18. The Board has set-up an effective internal audit function.
19. 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 partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP
20. 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.
21. The "closed period" prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges
23. We confirm that all material principles contained in the CoCG been complied with.

For and on behalf of
Board of Directors

Lahore.
October 4, 2013

Pervez Ahmed
Chief Executive



Horwath Hussain Chaudhury & Co.

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REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

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

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

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

Further, Sub-Regulation (x) of Listing Regulations 35 of Karachi and Lahore Stock Exchanges requires the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

We have observed that the following mandatory clauses of the Code of Corporate Governance were not complied with during the year:

1. Independent director as required under clause (i) has not been appointed on the Board of Directors of the Company.
2. Orientation course for at least one director of the Company during the year as required under clause (xi) has not been arranged.

Based on our review, except for the matters noted in previous paragraphs (1 and 2), 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, 2013.

HORWATH HUSSAIN CHAUDHURY & CO.

Chartered Accountants

Lahore

Dated: 04.10.2013

(Engagement Partner: Muhammad Nasir Muneer)



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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, 2013 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that;

- a) as explained in note 1.2 to the financial statements, the Company has prepared these financial statements on going concern assumption. However, the Company has accumulated loss of Rs. 1,564.772 million as at the balance sheet date. The total liabilities of the Company exceed its total assets by Rs. 496.796 million and its current liabilities exceed its current assets by Rs. 636.523 million. Furthermore, as explained in notes 13.1 and 19 to the financial statements, the Company has defaulted in the repayment of its loan liabilities that may invoke potential demand of outright payment from the lending bank and one of the creditors has filed a suit for the recovery of its outstanding liabilities.

In view of the matters discussed in the preceding paragraph, we consider that in the absence of any favorable settlement with lending bank / creditors, ability to obtain further financing and revival of its operations, the Company may not be able to settle its liabilities and realize its assets in the normal course of the business. Consequently the going concern assumption used in the preparation of the annexed financial statements is not appropriate and adjustments may be required to the recorded asset amounts and classification of liabilities. The financial statements do not disclose this fact.

- b) Markup on short term finances, for the year ending June 30, 2013, amounting to Rs. 12.137 million (accumulated as of June 30, 2013: Rs. 28.916 million) has not been provided for in the financial statements. Had this markup been provided for, net profit for the year would have been decreased by Rs. 12.137 million and accumulated loss would have been increased by Rs. 28.916 million.



- c) in our opinion, except for the effect of matters described in paragraphs (a) and (b) above, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984.
- d) in our opinion, except for the effect of matters described in paragraphs (a) and (b) above:
 - i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;
 - 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;
- e) in our opinion and to the best of our information and according to explanations given to us, because of the effect of matters described in paragraphs (a) and (b) above, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof do not 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 do not give a true and fair view of the state of the Company's affairs as at June 30, 2013 and of the profit, total comprehensive profit, its cash flows and changes in equity for the year then ended; and
- f) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

A handwritten signature in black ink that reads "Horwath Hussain Chaudhury".

HORWATH HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore

Dated: 04.10.2013

(Engagement Partner: Muhammad Nasir Muneer)

BALANCE SHEET AS AT JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
Non Current Assets			
Property and equipment	5	722,996	978,177
Intangible assets	6	9,360,000	25,000,000
Long term investments	7	131,664,268	85,481,434
Long term security deposits	8	1,055,000	1,055,000
		142,802,264	112,514,611
Current Assets			
Short term investments	9	26,759,208	12,809,661
Advances and other receivables	10	6,974,072	7,030,634
Bank balances	11	1,590,748	2,005,392
		35,324,028	21,845,687
Current Liabilities			
Trade and other payables	12	(542,173,874)	(530,861,629)
Accrued mark up		(21,757,327)	(27,923,420)
Short term borrowings	13	(107,940,931)	(107,940,931)
Current and overdue portion of long term financing	14	-	(11,461,768)
Provision for taxation		-	(78,066)
		(671,872,132)	(678,265,814)
Net Current Assets		(636,548,104)	(656,420,127)
Non Current Liabilities			
Retirement benefits obligation	15	3,075,244	3,061,623
NET ASSETS		<u>(496,821,084)</u>	<u>(546,967,139)</u>
REPRESENTED BY:			
Issued, subscribed and paid up capital	16	1,865,684,870	774,575,790
Share deposit money	17	20,622,850	293,400,120
Discount on issue of shares	18	(818,331,810)	-
Accumulated losses		(1,564,796,994)	(1,614,943,049)
		(496,821,084)	(546,967,139)
Contingencies and Commitments	19	-	-
		<u>(496,821,084)</u>	<u>(546,967,139)</u>

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

CHIEF EXECUTIVE

DIRECTOR

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 Rupees	2012 Rupees
Profit on sale of investments - Net		61,326	-
Dividend income		<u>215,030</u>	<u>33,000</u>
		276,356	33,000
Administrative expenses	20	<u>(9,109,611)</u>	<u>(3,297,747)</u>
Operating Loss		(8,833,255)	(3,264,747)
Other operating expenses	21	(125,000)	(21,885,693)
Finance cost	22	(8,654)	(35,737)
Other income	23	<u>14,627,861</u>	<u>2,283</u>
		5,660,952	(25,183,894)
Surplus on remeasurement of investments at fair value through profit or loss - Net	9	<u>13,949,547</u>	<u>1,312,895</u>
Profit / (Loss) before Taxation and Share from Associated Undertaking		19,610,499	(23,870,999)
Share of profit / (loss) from associated undertaking	7	<u>30,542,834</u>	<u>(95,427)</u>
Profit / (Loss) before Taxation		50,153,333	(23,966,426)
Taxation		(7,278)	(3,300)
Net Profit / (Loss) for the Year		<u><u>50,146,055</u></u>	<u><u>(23,969,726)</u></u>
Earning / (Loss) per Share - Basic	24	<u><u>0.56</u></u>	<u><u>(0.31)</u></u>

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

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2013

	2013	2012
	Rupees	Rupees
Net Profit / (Loss) for the Year	50,146,055	(23,969,726)
Other comprehensive income for the year	-	-
Total Comprehensive Income / (Loss) for the Year	50,146,055	(23,969,726)

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

CHIEF EXECUTIVE

DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2013

	2013 Rupees	2012 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	50,153,333	(23,966,426)
Adjustments for:		
- Surplus on remeasurement of investments at fair value through profit or loss - Net	(13,949,547)	(1,312,895)
- Dividend income	(215,030)	(33,000)
- Provision for gratuity	13,621	101,968
- Impairment loss of Lahore Stock Exchange membership	-	5,000,000
- Impairment loss on investment in associate	-	16,760,693
- Waiver of bank liabilities on settlement	(14,627,861)	-
- Share of (profit) / loss from investment in associate	(30,542,834)	95,427
- Depreciation	255,181	356,187
- Finance cost	8,654	35,737
	<u>(59,057,816)</u>	<u>21,004,117</u>
Operating Loss before working capital changes	(8,904,483)	(2,962,309)
Increase / (decrease) in current liabilities:		
- Trade and other payables	11,312,245	(20,599,967)
	<u>2,407,762</u>	<u>(23,562,276)</u>
Cash generated from operations	2,407,762	(23,562,276)
Taxes paid	(28,782)	(8,561)
Finance costs paid	(8,654)	(35,737)
	<u>2,370,326</u>	<u>(23,606,574)</u>
Net Cash generated from / (used in) Operating Activities	2,370,326	(23,606,574)
CASH FLOWS FROM INVESTING ACTIVITIES		
Assets held for sale	-	19,000,000
Long term security deposits	-	3,000,000
Dividend income received	215,030	33,000
	<u>215,030</u>	<u>22,033,000</u>
Net Cash generated from Investing Activities	215,030	22,033,000
CASH FLOW FROM FINANCING ACTIVITIES		
Share deposit money received	-	1,900,000
Repayment of long term financing	(3,000,000)	-
	<u>(3,000,000)</u>	<u>1,900,000</u>
Net Cash (used in) / generated from Financing Activities	(3,000,000)	1,900,000
Net (Decrease) / Increase in Cash and Cash Equivalents	(414,644)	326,426
Cash and cash equivalents at the beginning of the year	2,005,392	1,678,966
Cash and Cash Equivalents at the End of the Year	<u><u>1,590,748</u></u>	<u><u>2,005,392</u></u>

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

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2013

	Share Capital	Share Deposit Money	Discount on Issue of Shares	Accumulated Loss	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2011	774,575,790	291,500,120	-	(1,590,973,323)	(524,897,413)
Total comprehensive loss for the year	-	-	-	(23,969,726)	(23,969,726)
Share deposit money received during the year	-	1,900,000	-	-	1,900,000
Balance as at June 30, 2012	<u>774,575,790</u>	<u>293,400,120</u>	<u>-</u>	<u>(1,614,943,049)</u>	<u>(546,967,139)</u>
Total comprehensive income for the year	-	-	-	50,146,055	50,146,055
Shares issued at discount during the year	1,091,109,080	(272,777,270)	(818,331,810)	-	-
Balance as at June 30, 2013	<u>1,865,684,870</u>	<u>20,622,850</u>	<u>(818,331,810)</u>	<u>(1,564,796,994)</u>	<u>(496,821,084)</u>

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

CHIEF EXECUTIVE

DIRECTOR

NOTES TO AND FORMING THE PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Note 1

The Company and its Operations

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

1.2 Going concern assumption

The Company has accumulated losses of Rs. 1,564.797 million (2012: Rs. 1,614.943 million). The current liabilities of the Company exceed its current assets by Rs. 636.548 million (2012: Rs. 656.420 million) and its total liabilities exceed its total assets by Rs. 496.821 million (2012: Rs. 546.967 million) as at the balance sheet date. Furthermore, the Trading Rights Entitlement Certificate issued to the Company is inactive due to inadequate net capital balance. These factors raise doubts about the Company being a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

However, the management considers that the going concern assumption used in the preparation of these financial statements is appropriate and has following plans / arrangements to mitigate the uncertainties disclosed as under:

- The Company intends to review its operations and various options are under consideration in this regard.
- The Company successfully reached settlement agreement with one of the lenders during the year.

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

Note 2

Basis of Preparation

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

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

Investment in quoted companies	Note 9	Fair value
Retirement benefits obligation	Note 15	Present value

2.3 Functional and presentation currency

These financial statements are prepared and presented in Pak Rupees which is the Company's functional and presentation currency. All the figures have been presented in Pak Rupees, unless otherwise stated.

2.4 Use of estimation and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies reported amounts of assets, 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 on-going basis. Accounting estimates are revised in the period in which such revisions are made.

Significant management estimates in these financial statements relate to the useful life of property and equipment, valuation of intangible asset and short term investments. 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.

Note 3

Amendments to Existing Standards and Forthcoming New Standards and Interpretations

Since June 30, 2012, International Accounting Board (IASB) has made certain amendments into the existing standards and introduced one new interpretation (IFRIC 20). These amendments seek to enhance the disclosure requirements in the financial statements and do not have any significant effect on the Company's financial statements other than presentation / disclosures. These amendments are as under:

Revision / improvements / amendments to IFRS and interpretations	Effective Date (Period beginning on or after)
- IAS 32: Financial instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	January 1, 2014
- IFRS 1: First-time Adoption of International Financial Reporting Standards - Government Loans	January 1, 2013
- IFRS 7: Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities	January 1, 2013
- IFRS 9: Financial Instruments - Mandatory Effective Date and Transition Disclosures	January 1, 2015
- IFRS 10: Consolidated Financial Statements - Transition Guidance	January 1, 2013
- IFRS 11: Joint Arrangements - Transition Guidance	January 1, 2013
- IFRS 12: Disclosures of Interest in Other Entities - Transition Guidance	January 1, 2013
- Annual Improvements 2009-2011 Cycle	January 1, 2013
- IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013

Note 4

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.

4.1 Property and equipment

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

Depreciation is charged to income on reducing balance method at the rates specified in Note 5. Full month's depreciation is charged on additions during the month of addition whereas, no depreciation is charged on assets disposed off during the month of deletion. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

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

4.2 Intangible assets

These are stated at cost less impairment, if any. Carrying amounts of assets are reviewed at each balance sheet date to assess whether these are in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

Note 4, Significant Accounting Policies - Continued...

4.3 Impairment

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

4.4 Investments

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

4.4.1 Investment in associates

The Company considers its associates to be such enterprise in which the Company has ownership of at least twenty percent but not more than fifty percent of the voting power and / or has significant influence but not control.

Investments in associates are accounted for 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 of the Company. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions 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'.

4.5 Cash and cash equivalents

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

4.6 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.

4.7 Sale and repurchase agreements

Securities purchased under agreements to resell ('reverse repo') are shown as receivable against continuous funding system. Securities sold subject to a linked repurchase agreement ('repo') are retained in the financial statement as trading or investment securities and the counter party's 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.

4.8 Staff retirement benefits

The Company operates an unfunded gratuity scheme covering its permanent employees. Under this scheme employees are eligible for benefits after the completion of a prescribed qualifying period of service and gratuity is paid to outgoing employees on the basis of their last drawn gross salary for each completed year of services, calculated from the start of service to the date of retirement. Company's obligation under the scheme is determined through actuarial valuations carried out under the "Projected Unit Credit Method". Latest actuarial valuation was carried out as at June 30, 2012.

The policy for the recognition of actuarial gains / losses used in this report is based on the "minimum 10% corridor" approach mentioned under paragraph 92 of IAS-19.

Note 4, Significant Accounting Policies - Continued...

4.9 Taxation

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

Current

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

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets, are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized. There are no significant temporary differences as at the balance sheet date, therefore, no deferred tax liability / asset arises. The Company, being prudent, has not accounted for deferred tax asset on tax losses amounting to Rs. 235.880 million (2012: 241.541 million).

4.10 Trade and other payables

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

4.11 Contingent liabilities

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits would be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.12 Provisions

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

4.13 Financial instruments

4.13.1 Financial assets

The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at the time of initial recognition. The Company classifies its financial assets in the following categories:

At fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Note 4, Significant Accounting Policies - Continued...

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise advances, deposits and other receivables in the balance sheet.

Held to maturity

Held to maturity are financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are carried at amortised cost.

Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the management intends to dispose off the investments within twelve months from the balance sheet date, in which case these financial assets are classified as short term investments in the balance sheet.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised directly in equity are included in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for sale equity instruments are recognised in the profit and loss account when the Company's right to receive payments is established.

Measurement criteria

All financial assets are recognised at the time when the company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised at trade date that is the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. 'Loans and receivables' and 'held to maturity' investments are carried at amortised cost using effective interest rate method.

Fair values of quoted investments are based on current prices. If the market for a financial asset is not active (for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

Financial assets are derecognised when rights to receive cash flows from assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

4.13.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in respective carrying amounts is recognised in the profit and loss account.

4.13.3 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Note 4, Significant Accounting Policies - Continued...

4.14 Borrowing costs

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

4.15 Related party transactions

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

4.16 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.

4.17 Dividends

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

Note 5
Property and Equipment

Description	Cost			Depreciation				Net Book Value as at June 30, 2013 Rupees
	As at July 1, 2012 Rupees	Addition / (Disposal) during the year Rupees	As at June 30, 2013 Rupees	Rate %	As at July 1, 2012 Rupees	For the year Rupees	As at June 30, 2013 Rupees	
Year Ending June 30, 2013								
Owned								
Furniture and fittings	416,000	-	416,000	20	277,451	27,710	305,161	110,839
Vehicles	1,090,270	-	1,090,270	20	697,349	78,584	775,933	314,337
Office equipment	2,613,334	-	2,613,334	33.33	2,166,627	148,887	2,315,514	297,820
Total Rupees 2013	4,119,604	-	4,119,604		3,141,427	255,181	3,396,608	722,996

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

Description	Cost			Depreciation				Net Book Value as at June 30, 2012 Rupees
	As at July 1, 2011 Rupees	Addition / (Disposal) during the year Rupees	As at June 30, 2012 Rupees	Rate %	As at July 1, 2011 Rupees	For the year Rupees	As at June 30, 2012 Rupees	
Year Ending June 30, 2012								
Owned								
Furniture and fittings	416,000	-	416,000	20	242,814	34,637	277,451	138,549
Vehicles	1,090,270	-	1,090,270	20	599,119	98,230	697,349	392,921
Office equipment	2,613,334	-	2,613,334	33.33	1,943,307	223,320	2,166,627	446,707
Total Rupees 2012	4,119,604	-	4,119,604		2,785,240	356,187	3,141,427	978,177

Note 6
Intangible Assets

	Note	2013 Rupees	2012 Rupees
Trading Rights Entitlement Certificate	6.1	7,360,000	28,000,000
Less: Impairment of membership card		-	(5,000,000)
		<u>7,360,000</u>	<u>23,000,000</u>
Room at Lahore Stock Exchange		2,000,000	2,000,000
		<u>9,360,000</u>	<u>25,000,000</u>

6.1 This represents Trading Right Entitlement Certificate (TREC) received from Lahore Stock Exchange Limited (LSE) in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012 (The Act). The Company has also received shares of LSE after completion of the demutualisation process. The carrying value of membership card of Rs. 23 million has been apportioned between TREC and shares received from LSE as explained in note 7.2.

Note 7
Long Term Investments

	Note	2013 Rupees	2012 Rupees
Related Parties (Associates)			
Unquoted - Measured using the Equity Method			
Pervez Ahmed Capital (Private) Limited	7.1		
- Cost of investment		84,983,000	84,983,000
- Post acquisition profit brought forward - net		498,434	17,354,554
		<u>85,481,434</u>	<u>102,337,554</u>
- Share of net profit / (loss) for the year		30,542,834	(95,427)
- Impairment loss		-	(16,760,693)
		<u>116,024,268</u>	<u>85,481,434</u>
Available-for-Sale			
Lahore Stock Exchange Limited	7.2	15,640,000	-
		<u>131,664,268</u>	<u>85,481,434</u>

Note 7, Long Term Investments - Continued...

- 7.1** The investment is accounted for by using the equity method in accordance with IAS-28: 'Investment in Associate'. Relevant disclosures from summarized audited financial statements of Pervez Ahmed Capital (Private) Limited are as follows:

	2013	2012
	Rupees	Rupees
Total assets	235,117,095	173,238,989
Total liability	94,903	94,500
Revenue	31,444	50,968
Net profit / (loss) for the year	61,877,703	(193,289)
Equity held	49.36%	49.36%

- 7.2** Pursuant to the promulgation of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012, the ownership rights in a Stock Exchange were segregated from the right to trade on an exchange. As a result, the above arrangement has resulted in allocation of 843,975 shares at Rs. 10 each with a total face value of Rs. 8.4 million and Trading Rights Entitlement Certificate (TREC) to the Company by the LSE. Out of total shares of 843,975 allocated to the Company, 506,385 shares are transferred to CDC sub-account in the Company's name under the LSE's participant IDs with the CDC which will remain blocked until these are divested / sold to strategic investor(s), general public and financial institutions and proceeds are paid to the Company. Under the current circumstances, where active market is not available for such shares, this net asset value based valuation has been considered as the closest estimate of the fair value of the shares.

Further, the LSE has introduced a minimum capital requirement of Rs. 4 million and in the absence of an active market for TREC, this assigned value has been considered as the closest estimate of the fair value of the TREC. Therefore, based on the above estimates of fair values of LSE shares (Rs. 8.44 million) and TREC (Rs. 4 million), the Company has allocated its carrying value of the membership card (Rs. 23 million) in the ratio of 0.68 to shares and 0.32 to TREC. Consequently, the investments in LSE shares have been recognized at Rs. 15.64 million and TREC at Rs. 7.36 million.

Note 8

Long Term Security Deposits

	2013	2012
	Rupees	Rupees
Deposits with:		
- Central Depository Company of Pakistan	150,000	150,000
- Lahore Stock Exchange Limited	705,000	705,000
- National Clearing Company of Pakistan Limited	200,000	200,000
	<u>1,055,000</u>	<u>1,055,000</u>

Note 9

Short Term Investments

		2013	2012
	Note	Rupees	Rupees
Available for sale	9.1	5,000,000	5,000,000
At fair value through profit or loss	9.2	21,759,208	7,809,661
		<u>26,759,208</u>	<u>12,809,661</u>

9.1 Available for sale

Dawood Family Takaful Limited
(Unquoted equity securities)

2013		2012	
Carrying Value	Fair Value	Carrying Value	Fair Value
Rupees	Rupees	Rupees	Rupees
5,000,000	5,000,000	5,000,000	5,000,000

- 9.1.1** This represents 500,000 shares (2012: 500,000) of Rs. 10 each.

9.2 At fair value through profit or loss

	2013	2012	Name of Investee Company	2013		2012	
				Carrying Value	Fair Value	Carrying Value	Fair Value
	Number of Shares			Rupees	Rupees	Rupees	Rupees
Associated Undertaking							
	3,659,000	3,659,000	D.S. Industries Limited	5,525,090	18,551,130	4,024,900	5,525,090
Others							
	1,500	1,500	Reliance Cotton Mills Limited	34,350	78,465	41,040	34,350
	2,600	2,600	Engro Corporation Limited	264,784	316,862	326,500	264,784
	48	48	Jahangir Siddiqui and Company Limited	596	555	311	596
	399	399	KASB Bank Limited	838	858	555	838
	50,000	50,000	Lotte Chemical Pakistan Limited	351,500	381,000	691,500	351,500
	22,264	19,836	UBL Shariah Stock Fund	1,632,503	2,430,338	1,411,960	1,632,503
	<u>3,735,811</u>	<u>3,733,383</u>		<u>7,809,661</u>	<u>21,759,208</u>	<u>6,496,766</u>	<u>7,809,661</u>
			Surplus on remeasurement to fair value - Net	13,949,547		1,312,895	
				<u>21,759,208</u>		<u>7,809,661</u>	

Note 10

Advances and Other Receivables

		2013	2012
	Note	Rupees	Rupees
Advances with stock brokers		230,398	180,258
Advance income tax		6,307,103	6,363,665
Advance to employees	10.1	305,000	305,000
Other receivables		131,571	181,711
		<u>6,974,072</u>	<u>7,030,634</u>

10.1 Advances to employees do not include any amount due from directors and executives (2012: Nil).

Note 11

Bank Balances

		2013	2012
		Rupees	Rupees
Cash at bank			
- Current accounts		1,549,035	1,963,679
- Saving accounts		41,713	41,713
		<u>1,590,748</u>	<u>2,005,392</u>

Note 12

Trade and Other Payables

		2013	2012
	Note	Rupees	Rupees
Trade creditors	12.1	473,217,365	478,270,913
Accrued expenses		2,675,331	2,648,331
Income tax payable		8,986,952	8,991,952
Unclaimed dividend		885,404	885,404
Due to associated companies		18,933,135	18,958,135
Due to directors		37,215,672	20,343,975
Other payables		260,015	762,919
		<u>542,173,874</u>	<u>530,861,629</u>

12.1 Trade creditors do not include any amount due from related parties (2012: Nil).

Note 13

Short Term Borrowings - Secured

		2013	2012
	Note	Rupees	Rupees
Murabaha finance - Burj Bank Limited	13.1	105,239,151	105,239,151
Running finance - Summit Bank Limited	13.2	2,701,780	2,701,780
		<u>107,940,931</u>	<u>107,940,931</u>

13.1 This represents murabaha finance facility of Rs. 150 million obtained from Burj Bank Limited (2012: Rs. 150 million) for trading in Shariah compliant shares. The profit is to be charged at matching KIBOR plus 1.30% (2012: matching KIBOR plus 1.30%). The facility is secured against pledge of shares of blue chip listed companies approved by bank's Shariah Board with 40% margin. This facility has not been renewed as at the balance sheet date.

13.2 During the year ended June 30, 2011, the Company settled its outstanding liability of Summit Bank Limited in the following manner:

- The bank accepted properties valuing Rs. 106 million for Rs. 104 million.
- The bank sold 298,778 shares of listed entity and adjusted against the outstanding liability.
- Accrued mark-up amounting to Rs. 24.265 million was waived off and the remaining principal liability of Rs. 2.702 million shall be waived off after the transfer of aforementioned properties in the name of the bank.

Note 14

Long Term Financing

	Note	2013 Rupees	2012 Rupees
Loan from banking company - Secured			
MCB Bank Limited	14.1	-	3,820,589
Less: Overdue and current portion		-	(3,820,589)
		-	-

14.1 During the year, the Company settled its outstanding liability of MCB Bank Limited in the following manner:

- The bank has settled loan of Rs. 11.462 million upon full and final payment of Rs. 3 million and waived-off remaining principal liability of Rs. 8.462 million and accrued mark-up of Rs. 6.166 million.

Note 15

Retirement Benefits Obligation

	Note	2013 Rupees	2012 Rupees
Gratuity payable	15.1	3,075,244	3,061,623

15.1 As stated in note 4.8, the Company operates an approved gratuity scheme for its permanent employees subject to attainment of retirement age and minimum service of prescribed period. Latest actuarial valuation was carried out as at June 30, 2012. The disclosures made in note 15.2 are based on the information included in that actuarial report.

15.2 Significant actuarial assumptions:

Discount rate	13%	13%
Expected rate of salary increase in future years	12%	12%
Average expected remaining working life time of employees	5 years	
Actuarial valuation method	Projected Unit Credit Method	
Mortality rate	Based on EFU 61-66 mortality table	

15.3 Based upon the actuarial valuation, the Company's liability works out to be as under:

Balance sheet liability as previously reported	3,061,623	2,959,655
Expense for the year	13,621	101,968
	3,075,244	3,061,623
Benefits paid to employees	-	-
	3,075,244	3,061,623

15.4 Reconciliation of the unfunded status

Present value of defined benefit obligation	3,075,244	3,061,623
Unrecognized actuarial gain / (loss)	-	-
Liability recognized in financial statements	3,075,244	3,061,623

15.5 Charge for the year

Current service cost	8,555	99,803
Interest cost	5,066	384,755
Gain recognised during the year	-	(382,590)
	13,621	101,968

15.6 The Company does not have any plan assets covering its post-employment benefits payable. The comparative statement of present value of defined benefit obligations is as under:

	2013 Rupees	2012 Rupees	2011 Rupees	2010 Rupees	2009 Rupees
Present value of defined benefit obligation	3,075,244	3,061,623	2,959,655	2,856,655	2,126,422
Less: Plan assets	-	-	-	-	-
Deficit	3,075,244	3,061,623	2,959,655	2,856,655	2,126,422

Note 16

Share Capital

2013		2012	
Number	Number	Rupees	Rupees
16.1 Authorized capital			
<u>230,000,000</u>	<u>90,000,000</u>	Ordinary shares of Rs. 10 each	<u>2,300,000,000</u> <u>900,000,000</u>
16.2 Issued, subscribed and paid up capital			
59,928,500	59,928,500	Ordinary shares of Rs. 10 each fully paid in cash	599,285,000 599,285,000
17,529,079	17,529,079	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	175,290,790 175,290,790
29,390,860	-	Ordinary shares of Rs. 10 each issued as fully paid in cash at discount	293,908,600 -
79,720,048	-	Ordinary shares of Rs. 10 each issued as fully paid otherwise than in cash at discount	797,200,480 -
<u>186,568,487</u>	<u>77,457,579</u>		<u>1,865,684,870</u> <u>774,575,790</u>

16.3 Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	No. of shares	
Opening balance	77,457,579	77,457,579
Issued during the year	109,110,908	-
Less: Cancelled during the year	-	-
Closing balance	<u>186,568,487</u>	<u>77,457,579</u>

16.2.1 45,958,005 shares (2012: 16,567,145) are held by associates of the Company.

Note 17

Share Deposit Money

		2013	2012
	Note	Rupees	Rupees
Directors	18	-	199,300,120
Associates	17.1	<u>20,622,850</u>	<u>94,100,000</u>
		<u>20,622,850</u>	<u>293,400,120</u>

17.1 This represents share deposit money received from M/S Pervez Ahmed Capital (Private) Limited.

Note 18

Discount on Issue of Shares

This represents discount on shares issued during the year at the discount rate of Rs. 7.5 per share after obtaining necessary permission from the Securities and Exchange Commission of Pakistan. These shares were issued by way of other than right issue under section 84 and 86 of the Companies Ordinance, 1984.

Note 19

Contingencies and Commitments

Contingencies

During the previous year, JS Global Capital Limited, one of the creditors, filed a suit against the Company for recovery of Rs. 36.574 million including late payment surcharge aggregating to Rs. 17.455 million. The Company has filed a counter claim of Rs. 18.860 million against the creditor. No additional liability has been provided as the management expects favourable outcome of the litigation.

Commitments

There are no material commitments outstanding as at the balance sheet date (2012: Nil).

Note 20

Administrative Expenses

	Note	2013 Rupees	2012 Rupees
Salaries and benefits	20.1	109,621	1,337,968
Postage and communication		46,904	8,860
Rent, rates and taxes		-	105,371
Repairs and maintenance		9,050	3,000
Travelling and conveyance		6,500	116,160
Legal and professional charges		1,108,751	932,650
Stationery and office supplies		109,657	82,238
Fees and subscription		423,753	304,443
Fee / expenses for issuance of share capital		6,982,142	-
Advertisement		41,062	49,950
Entertainment		16,990	920
Depreciation	5.1	255,181	356,187
		<u>9,109,611</u>	<u>3,297,747</u>

20.1 This includes Rs. 13,621 (2012: 101,968) in respect of employee benefits.

Note 21

Other Operating Expenses

	Note	2013 Rupees	2012 Rupees
Auditors' remuneration	21.1	125,000	125,000
Impairment loss on intangible asset	6	-	5,000,000
Impairment loss on investment in associate	7	-	16,760,693
		<u>125,000</u>	<u>21,885,693</u>

21.1 Auditors' remuneration

Audit fee	100,000	100,000
Certifications and reviews	25,000	25,000
	<u>125,000</u>	<u>125,000</u>

Note 22

Finance Cost

	2013 Rupees	2012 Rupees
Bank and other charges	<u>8,654</u>	<u>35,737</u>

Note 23

Other Income

	Note	2013 Rupees	2012 Rupees
Income from financial assets			
- Profit on saving bank accounts		-	2,283
Others			
- Waiver of liability on settlement with bank	14.1	14,627,861	-
		<u>14,627,861</u>	<u>2,283</u>

Note 24

Earnings per Share

		2013	2012
Profit / (loss) after taxation attributable to ordinary shareholders	Rupees	50,146,055	(23,969,726)
Weighted average number of ordinary shares	Number	88,817,071	77,457,579
Earning / (loss) per share - Basic	Rupees	<u>0.56</u>	<u>(0.31)</u>

24.1 Diluted earnings per share

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

Note 25

Remuneration of Chief Executive, Directors' and Executive

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

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

Note 26

Transactions with Related Parties

Related parties comprise related group companies, associates, directors and key management personnel. Transactions with related parties are as follows:

	2013	2012
	Rupees	Rupees
Associated undertakings		
Share deposit money received	-	1,900,000
Issue of share capital of the Company	293,908,600	-
Directors		
Funds received from / (paid to) directors - Net	16,871,697	(19,420,177)
Issue of share capital of the Company	797,200,480	-

Note 27

Segment Reporting

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

Note 28

Financial Risk Management

28.1 Financial risk factors

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

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

(a) Market risk

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

(i) Currency risk

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

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 5%. The restriction of floor prices reduces the volatility of prices of equity securities and the chances of market crash at any moment. The Company manages price risk by monitoring the exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies. The Company is exposed to equity price risk in respect of short term investments amounting to Rs. 19.329 million (2012: 6.177 million) in quoted companies.

Detail of industrial sector analysis of the short term quoted investments are as follows:

	2013		2012	
	Rupees in thousands	Percentage	Rupees in thousands	Percentage
Textile	18,629.60	96.38%	5,559.44	90.00%
Fertilizers and food	316.86	1.63%	264.78	4.29%
Investment banking	0.56	0.01%	0.60	0.01%
Financial institutions	0.86	0.01%	0.84	0.01%
Chemicals	381.00	1.97%	351.50	5.69%
	<u>19,328.88</u>	<u>100.00%</u>	<u>6,177.16</u>	<u>100.00%</u>

Note 28, Financial Risk Management - Continued...

Sensitivity analysis

A change of 5% in the value of investments at fair value through profit or loss would have increased / decreased profit or loss by Rs. 1.088 million (2012: Rs. 0.390 million) on the basis that all other variables remain constant.

Fair value hierarchy

Financial instruments carried at fair value are categorized as follows:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

The company held following financial instruments measured at fair value:

	2013			
	Total	Level 1	Level 2	Level 3
-----Rupees in thousands-----				
Financial assets				
Available for sale	5,000	-	-	5,000
At fair value through profit and loss	21,759	19,329	2,430	-
	26,759	19,329	2,430	5,000
-----Rupees in thousands-----				
	2012			
	Total	Level 1	Level 2	Level 3
-----Rupees in thousands-----				
Financial assets				
Available for sale	5,000	-	-	5,000
At fair value through profit and loss	7,810	6,177	1,633	-
	12,810	6,177	1,633	5,000

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

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

	2013	2012
	Rupees in thousands	
Floating rate instruments		
Financial liabilities		
Short term borrowings	107,941	107,941
Financial assets		
Bank balances - saving accounts	42	42

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the balance sheet date, fluctuate by 1% higher / lower with all other variables held constant, net loss for the year would have been Rs. 1.080 million (2012: Rs. 1.080 million) higher / lower mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding as at balance sheet date were outstanding for the whole year.

(b) Credit risk

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

	2013	2012
	Rupees in thousands	
Long term deposits	1,055	1,055
Advances and other receivables	230	180
Short term investments	26,759	12,810
Bank balances	1,591	2,005

Note 28, Financial Risk Management - Continued...

The credit quality of cash and bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2013	2012
	Short term	Long term			
	Rupees in thousands				
MCB Bank Limited	A1+	AA+	PACRA	120,043	119,993
NIB Bank Limited	A1+	AA-	PACRA	129,798	544,609
Bank Alfalah Limited	A1+	AA	PACRA	881,626	881,608
United Bank Limited	A-1+	AA+	JCR-VIS	35,219	35,219
Burj Bank Limited	A-1	A	JCR-VIS	98,344	98,344
Dubai Islamic Bank Limited	A-1	A	JCR-VIS	34,005	33,905
Summit Bank Limited	A-2	A-	JCR-VIS	291,713	291,714
				1,590,748	2,005,392

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through committed credit facilities. Following are the contractual maturities of financial liabilities, including interest payments.

Contractual maturities of financial liabilities as at June 30, 2013:

	Carrying Amount	On Demand	Contractual Cash Flows	Within 1 Year	1-2 Years	2-5 Years
	-----Rupees in thousands-----					
Trade and other payables	532,302	-	532,302	532,302	-	-
Accrued markup	21,757	-	21,757	21,757	-	-
Short term borrowings	107,941	107,941	-	-	-	-
	662,000	107,941	554,059	554,059	-	-

Contractual maturities of financial liabilities as at June 30, 2012:

	Carrying Amount	On Demand	Contractual Cash Flows	Within 1 Year	1-2 Years	2-5 Years
	-----Rupees in thousands-----					
Long term finances	11,462	-	11,462	11,462	-	-
Trade and other payables	521,870	-	521,870	521,870	-	-
Accrued markup	27,923	-	27,923	27,923	-	-
Short term borrowings	107,941	107,941	-	-	-	-
	669,196	107,941	561,255	561,255	-	-

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

28.2 Financial instruments by categories

Financial instruments as at June 30, 2013

	Cash and Cash Equivalents	Loans and advances	Available for sale	Assets at fair value through profit or loss	Total
	-----Rupees in thousands-----				
Long term deposits	-	1,055	-	-	1,055
Short term investments	-	-	5,000	21,759	26,759
Advances and other receivables	-	362	-	-	362
Cash and bank balances	1,591	-	-	-	1,591
	1,591	1,417	5,000	21,759	29,767

Assets as per balance sheet

	Other
	Rupees in thousands
Trade and other payable	532,302
Accrued markup	21,757
Short term borrowings	107,941
	662,000

Note 28, Financial Risk Management - Continued...

Financial instruments as at June 30, 2012

Cash and Cash Equivalents	Loans and advances	Available for sale	Assets at fair value through profit or loss	Total
---------------------------	--------------------	--------------------	---	-------

-----Rupees in thousands-----

Assets as per balance sheet

Long term deposits	-	1,055	-	-	1,055
Short term investments	-	-	5,000	7,810	12,810
Advances and other receivables	-	182	-	-	182
Cash and bank balances	2,005	-	-	-	2,005
	<u>2,005</u>	<u>1,237</u>	<u>5,000</u>	<u>7,810</u>	<u>16,052</u>

Other

Rupees in thousands

Long term financing	11,462
Trade and other payable	521,870
Accrued markup	27,923
Short term borrowings	<u>107,941</u>
	<u>669,196</u>

28.3 Fair values of financial assets and liabilities

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

Note 29

Capital Risk Management

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

In line with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus net debt. Gearing ratio has not been worked out owing to negative equity as at the balance sheet date.

Note 30

Provident Fund Related Disclosures

The Company does not run any provident fund for its employees.

Note 31

Number of Employees

	2013 Number	2012 Number
Employees as at June 30,	<u>1</u>	<u>4</u>

Note 32

Authorization of Financial Statements

These financial statements have been authorized for issue by the Board of Directors of the Company on October 4, 2013

Note 33

General

Comparative figures have been re-arranged / reclassified, wherever necessary, to facilitate comparison. No material rearrangements have been made in these financial statements.

CHIEF EXECUTIVE**DIRECTOR**

**Categories of Shareholders
As At June 30, 2013**

Categories	Number	Shares Held	%age
Associated Companies & Related Parties			
D.S.Industries Limited	1	7,855,050	4.210
D.S.Textiles Limited	1	8,553,720	4.585
D.S.Apparel (Pvt.) Limited	1	78,375	0.042
Infinite Securities Limited	1	80,000	0.043
Pervez Ahmed Capital (Private) Limited	1	29,390,860	15.753
Chief Executive & Directors			
Mr. Pervez Ahmed - Chief Executive	1	38,178,798	20.464
Mrs. Rehana Pervez Ahmed	1	32,926,640	17.649
Mr. Ali Pervez Ahmed	1	762	0.000
Mr. Hassan Ibrahim Ahmed	1	2,000	0.001
Mr. Suleman Ahmed	1	11,315,750	6.065
Mrs. Ayesha Ahmed Mansoor	1	735,866	0.394
Mr. Muhammad Khalid Khan	1	646	0.000
NIT and ICP			0.000
Banks, DFI and NBFI	3	350,629	0.188
Modarbas and Mutual Funds			0.000
Joint Stock Companies	61	1,505,635	0.807
Foreign Companies			0.000
General Public (Local)	6,491	53,902,457	28.892
General Public (Foreign)	50	1,681,299	0.901
Others	1	10,000	0.005
Total	6618	186,568,487	100.000

Detail of Shareholding of 5% and above.

	Shares Held	Percentage
Pervez Ahmed Capital (Private) Limited	29,390,860	15.753
Mr. Pervez Ahmed - Chief Executive	38,178,798	20.464
Mrs. Rehana Pervez Ahmed	32,926,640	17.649
Mr. Suleman Ahmed	11,315,750	6.065

Pattern of Shareholding As At June 30, 2013

Number of Shareholders	Shareholding		Total Number of Shares Held	%age
	From	To		
644	1	100	33,514	0.018
956	101	500	362,696	0.194
1,835	501	1,000	1,440,795	0.772
1,880	1,001	5,000	5,066,645	2.716
538	5,001	10,000	4,314,647	2.313
207	10,001	15,000	2,616,831	1.403
137	15,001	20,000	2,531,634	1.357
76	20,001	25,000	1,794,686	0.962
51	25,001	30,000	1,455,976	0.780
30	30,001	35,000	1,012,605	0.543
27	35,001	40,000	1,036,262	0.555
13	40,001	45,000	566,177	0.303
46	45,001	50,000	2,283,142	1.224
13	50,001	55,000	688,496	0.369
12	55,001	60,000	693,029	0.371
8	60,001	65,000	498,019	0.267
10	65,001	70,000	688,721	0.369
8	70,001	75,000	581,618	0.312
5	75,001	80,000	397,000	0.213
9	80,001	85,000	748,294	0.401
4	85,001	90,000	354,982	0.190
1	90,001	95,000	91,199	0.049
17	95,001	100,000	1,696,000	0.909
3	100,001	105,000	307,600	0.165
3	105,001	110,000	327,500	0.176
6	115,001	120,000	717,501	0.385
2	120,001	125,000	247,500	0.133
3	125,001	130,000	385,466	0.207
2	130,001	135,000	266,814	0.143
2	140,001	145,000	288,120	0.154
1	145,001	150,000	150,000	0.080
3	150,001	155,000	458,872	0.246
1	155,001	160,000	155,750	0.083
1	160,001	165,000	161,500	0.087
1	165,001	170,000	170,000	0.091
2	170,001	175,000	344,353	0.185
1	175,001	180,000	177,909	0.095
2	185,001	190,000	378,233	0.203
1	190,001	195,000	194,000	0.104
4	195,001	200,000	800,000	0.429
1	200,001	205,000	200,601	0.108
1	205,001	210,000	210,000	0.113
2	215,001	220,000	432,752	0.232
1	230,001	235,000	233,334	0.125
1	235,001	240,000	237,500	0.127
2	245,001	250,000	500,000	0.268
2	255,001	260,000	511,855	0.274
5	295,001	300,000	1,498,500	0.803
2	300,001	305,000	604,350	0.324
2	345,001	350,000	697,500	0.374
1	380,001	385,000	380,500	0.204
1	395,001	400,000	400,000	0.214
1	400,001	405,000	400,225	0.215
1	415,001	420,000	420,000	0.225
1	435,001	440,000	440,000	0.236
1	465,001	470,000	468,500	0.251
3	495,001	500,000	1,500,000	0.804
1	530,001	535,000	533,731	0.286
1	535,001	540,000	538,075	0.288
1	600,001	605,000	604,000	0.324
1	630,001	635,000	635,000	0.340
1	645,001	650,000	646,250	0.346
1	695,001	700,000	700,000	0.375
1	730,001	735,000	730,050	0.391
1	795,001	800,000	800,000	0.429
1	860,001	865,000	863,500	0.463
1	895,001	900,000	900,000	0.482
1	990,001	995,000	991,800	0.532
1	995,001	1,000,000	1,000,000	0.536
1	1,145,001	1,150,000	1,150,000	0.616
1	1,290,001	1,295,000	1,292,500	0.693
1	1,345,001	1,350,000	1,346,500	0.722
1	1,410,001	1,415,000	1,413,013	0.757
1	1,795,001	1,800,000	1,798,000	0.964
1	1,930,001	1,935,000	1,931,500	1.035
1	3,075,001	3,080,000	3,075,840	1.649
1	3,560,001	3,565,000	3,564,867	1.911
1	6,860,001	6,865,000	6,863,250	3.679
1	11,155,001	11,160,000	11,160,000	5.982
1	29,390,001	29,395,000	29,390,860	15.753
1	30,895,001	30,900,000	30,900,000	16.562
1	38,120,001	38,125,000	38,120,048	20.432
6618			186,568,487	100.000

**FORM OF PROXY
Annual General Meeting**

**The Company Secretary
Pervez Ahmed Securities Limited
20-K, Gulberg II,
Lahore.**

Dear Sir,

I/We ----- of (full address) ----- being a member(s) of Pervez Ahmed Securities Limited holding ----- Ordinary Shares as per Registered Folio No. / CDC A/c No ----- hereby appoint Mr./ Mrs./ Miss -----of (full address) ----- or failing him / her Mr./ Mrs./ Miss -----of (full address) -----being member of the Company as my/our Proxy to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on 31st October 2013

Signed this day of 2013

Witnesses:

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

Affix Five Rupees Revenue Stamp

Signature should be agreed with the Specimen Signatures with the Company

NOTES:

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