



ANNUAL REPORT 2019



PERVEZ AHMED
Consultancy Services Limited



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COMPANY INFORMATION

Board of Directors	Mr. Pervez Ahmed Mrs. Rehana Pervez Ahmed Mr. Ali Pervez Ahmed Mrs. Ayesha Ahmed Mansoor Mr. Muhammad Khalid Khan Mr. Mazhar Pervaiz Malik Mian Basit Rasheed	Chief Executive
Audit Committee	Mr. Muhammad Khalid Khan Mrs. Ayesha Ahmed Mansoor Mr. Mazhar Pervaiz Malik	Chairman
Chief Financial Officer	Mr. Muhammad Yousuf	
Company Secretary	Mr. Rizwan Atta	
Auditors	M/s Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants	
Legal Advisor	Cornelius, Lane & Mufti Advocates & Solicitors	
Banks	Al Baraka Bank (Pakistan) Limited Dubai Islamic Bank Pakistan Limited MCB Bank Limited Summit Bank Limited	
Registered Office	20-K, Gulberg II, Lahore.	
Share Registrars	THK Associates (Pvt.) Limited First Floor, 40-C, Block - 6 P.E.C.H.S. Karachi - 75400	
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 CONSULTANCY SERVICES LIMITED
(Formerly Pervez Ahmed Securities Limited)
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fourteenth Annual General Meeting of Pervez Ahmed Consultancy Services Limited (Formerly Pervez Ahmed Securities Limited) will be held at the Registered Office of the Company 20-K, Gulberg II, Lahore on Monday October 28, 2019 at 4:15 p.m. to transact the following business:

1. To confirm the minutes of the Extraordinary General Meeting held on June 18, 2019.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2019 together with Directors' and Auditors' reports thereon.
3. To appoint Auditors of the Company for the year 2019-20 and to fix their remuneration. The present Auditors M/s Rahman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants, retire and being eligible offered themselves for the re-appointment.

By the order of the Board

Lahore: October 7, 2019

Rizwan Atta
Company Secretary

NOTES

- I The share transfer books of the Company will remain close from October 23, 2019 to October 28, 2019 (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.

DIRECTORS' REPORT

The Board of Directors of Pervez Ahmed Consultancy Services Limited (Formerly Pervez Ahmed Securities Limited) is pleased to present the Annual Report for the year ended June 30, 2019 along with the audited financial statements of the Company for the year ended June 30, 2019.

Change in Memorandum & Articles of Association

During the year Company has changed in its principle line of business from Brokerage to Consultancy & advisory services. In order to align the name with principle line of business, the Company has also changed its name from Pervez Ahmed Securities Limited to Pervez Ahmed Consultancy Services Limited.

Capital Market Review

During the financial year 2018-19 the Pakistan Stock Exchange 100 index recorded a fall of almost 19 percent. The benchmark PSX-100 index which was at 41,910 points at the beginning of the year, closed at 33,902 points at the end of the financial year on June 30, 2019.

Financial Review

The Financial results of the Company for the year ended June 30, 2019 are as under

	Year Ended	
	June 30,2019 Rupees	June 30,2018 Rupees
Operating revenue	-	50,830
Operating (loss)	(1,726,526)	(8,108,381)
Surplus / (Deficit) on remeasurement of investments	84,313	(30,709,117)
Share of (loss) of associate	(14,721,085)	(12,365,029)
(Loss) before taxation	(15,816,557)	(60,182,527)
Taxation	-	(6,354)
(Loss) after taxation	(15,816,557)	(60,188,881)
(Loss) per share - Basic	(0.08)	(0.32)

Financial Results of the Company

During the year under review, the Company suffered a net loss of Rs. 15.8 million for the year ended June 30, 2019 as compared to loss of Rs. 60.2 million which is mainly due to impairment and remeasurement of investments at fair value.

The auditor has expressed a qualified opinion in audit report with respect to going concern assumption and litigations pending in different courts against the Company. However the management is making efforts for reviving the business and regularizing the matters

Future Outlook

Following the commencement of the IMF program and fiscal / monetary consolidation measures, there has been a visible improvement in the external account. Going forward, the reform process and corrective measures are expected to bring stability to the economy.

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 current losses 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 23, 2019 to October 28, 2019 (both days inclusive). Transfer received by our Shares Registrar, M/s THK Associates (Pvt.) Limited - First Floor, 40 - C, Block - 6, P.E.C.H.S. Karachi 75400 at the close of business on October 22, 2019 will be considered to attend and vote at the meeting.

Operating and Financial Data

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

Number of Board Meetings Held

Four meetings of the Board of Directors were held during the year ended June 30, 2019 and the attendance of the directors is as follows.

Mr. Pervez Ahmed	Chief Executive	6 attendance
Mrs. Rehana Pervez Ahmed	Director	6 attendance
Mr. Ali Pervez Ahmed	Director	6 attendance
Mrs. Ayesha Ahmed Mansoor	Director	6 attendance
Mr. Muhammad Khalid Khan	Director	6 attendance
Mr. Mazhar Pervaiz Malik	Director	6 attendance
Mian Basit Rasheed	Director	5 attendance

Auditors

The Auditors Messrs Rahman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants retire and being eligible offer themselves for reappointment. The Audit Committee recommends the reappointment of Messrs Rahman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants as auditors of the Company for the financial year ending June 30, 2020.

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. Mazhar Pervaiz Malik	Member

Meetings of the Audit Committee were held during the year ended June 30, 2019 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 Board of Directors and the Company remain committed to the principles of good corporate management practices. The Board and management are cognizant of their responsibilities and monitor the performance of the Company to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.. The Board is pleased to advise that the Company has complied, in all material respects, with the best practices contained in the Listed Companies (Code of Corporate Governance) Regulations 2017 as fully explained in the attached Statement of Compliance and there is no material departure from the best practices. Further, the following statements are being made:

- 1 Proper books of accounts of the Company have been maintained.
- 2 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.

- 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 suffered net loss of Rs. 15.8 million during the year and has accumulated losses of Rs. 1,625.3 million as at the balance sheet date. The current liabilities of the Company exceeds its current assets by Rs. 639.6 million. These factors may cast doubt about the entity's ability to continue as going concern. However, the management is making continuous efforts to support the Company.
- 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.

Pattern of Shareholding

The pattern of shareholding of the Company is annexed in the Annual Report

Categories of Shareholding

The categories of shareholding of the Company is annexed in the Annual Report

Acknowledgement

The Board is thankful to its valued shareholders for their confidence in the Company, the Securities & Exchange Commission of Pakistan and to the management of the Pakistan Stock Exchange Limited for their valuable support, assistance and guidance.

Lahore
October 7, 2019

For & on behalf of the Board

Pervez Ahmed
Chief Executive

Annual Report June 30, 2019

FINANCIAL HIGHLIGHTS

Profit and Loss Account	2019 Rupees	2018 Rupees	2017 Rupees	2016 Rupees	2015 Rupees	2014 Rupees
Operating revenue	-	50,830	289,074	1,173,951	9,792,657	184,547
Administrative expenses	(1,724,412)	(1,668,450)	(1,415,796)	(1,778,176)	(1,457,631)	(2,653,321)
Operating (Loss) / profit	(1,724,412)	(1,617,620)	(1,126,722)	(604,225)	8,335,026	(2,468,774)
- Finance cost	(2,117)	(3,557)	(7,083)	(1,250)	(105)	(2,148)
- Other operating charges	-	(6,487,204)	-	-	-	(3,026,969)
- Other operating income	-	-	-	-	-	-
	(2,117)	(6,490,761)	(7,083)	(1,250)	(105)	(3,029,117)
Changes in fair value of long term investments	(2,468,500)	-	-	-	-	-
Changes in fair value of short term investments	84,313	(30,709,117)	(246,546,090)	(231,332,431)	(997,136)	507,818,854
Excess liabilities written back	3,015,244					
Impairment loss on available for sale of financial assets	-	(9,000,000)	-	(3,824,350)		
(Loss) / profit before Taxation & Share from Associated Undertaking	(1,095,472)	(47,817,498)	(247,679,895)	(235,762,256)	7,337,785	502,320,963
Share of (loss)/profit from Associated Undertaking	(14,721,085)	(12,365,029)	17,707,589	(830,399)	(22,038,153)	(4,504,206)
(Loss)/profit before Taxation	(15,816,557)	(60,182,527)	(229,972,306)	(236,592,655)	(14,700,368)	497,816,757
Taxation	-	(6,354)	(24,285)	(65,116)	(965,267)	(1,845)
(Loss)/profit before Taxation	(15,816,557)	(60,188,881)	(229,996,591)	(236,657,771)	(15,665,635)	497,814,912
Payouts						
- Cash dividend	Nil	Nil	Nil	Nil	Nil	Nil
- Stock dividend	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet						
Share capital	1,865,684,870	1,865,684,870	1,865,684,870	1,865,684,870	1,865,684,870	1,865,684,870
Share deposit money	20,622,850	20,622,850	20,622,850	20,622,850	20,622,850	20,622,850
Property, plant and equipment	137,740	178,744	233,282	306,382	405,146	538,698
Intangible assets	-	-	-	-	2,000,000	7,000,000
Long term investments	81,804,485	98,994,070	159,630,115	392,971,256	624,708,434	651,447,462
Short term investments	1,762,852	1,678,539	18,255,569	13,555,385	17,759,485	19,062,512
Total assets	91,969,141	112,832,467	187,381,926	425,414,913	662,331,591	687,065,451
Shareholders' equity	(577,954,457)	(562,137,900)	(501,949,019)	(271,952,428)	(35,294,657)	(19,629,022)
(Loss) / earning per share	(0.08)	(0.32)	(1.23)	(1.27)	(0.08)	2.67
Current ratio	0.0149 : 1	0.0204 : 1	0.0408 : 1	0.046 : 1	0.05 : 1	0.04 : 1

Statement of Compliance With Best Practices of Code of Corporate Governance For The Year Ended June 30, 2019

Pervez Ahmed Securities Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2017 ("the Regulations") in the following manners.

1. The total number of directors are seven as per the following:
Male : Five
Female : Two
2. The composition of the Board of Directors ("the Board") is as follows:

Name of Director and Category

Independent Directors

- Mr. Mazhar Pervaiz Malik
- Mian Basit Rasheed

Other Non-Executive Directors

- Mrs. Rehana Pervez Ahmed
- Mrs. Ayesha Ahmed Mansoor
- Mr. Muhammad Khalid Khan

Executive Directors

- Mr. Pervez Ahmed
- Mr. Ali Pervez Ahmed

3. The Directors have confirmed that none of them is serving as director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable)
4. 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.
5. 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.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act 2017 ("the Act") and the Regulations.
7. 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. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.
8. The Board of Directors have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and these Regulations.
9. Directors are well conversant with the Listing Regulations and legal requirements and as such are fully aware of their duties and responsibilities. However none of directors of the Company have obtained any certification in any Directors Training Program.

10. During the year, there is no replacement of Chief Financial Officer, Company Secretary and Head of Internal Audit of the Company
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below

Audit Committee

Mr. Muhammad Khalid Khan (Chairman)
Mrs. Ayesha Ahmed Mansoor
Mr. Mazhar Pervaiz Malik

HR and Remuneration Committee

Mr. Muhammad Khalid Khan (Chairman)
Mrs. Ayesha Ahmed Mansoor
Mian Basit Rasheed

13. The terms of reference of the aforesaid committees have been formed, documents and advised to the committee for compliance
14. The frequency of meeting of the committee were as per following:

Audit Committee - Quarterly
Human Resource and Remuneration Committee - Yearly
15. The Board has set-up an effective internal audit function which is considered suitably qualified & experienced for the purpose and are conversant with the policies and procedures of the Company
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, 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
17. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

on behalf of the Board

Lahore.
October 7, 2018

Pervez Ahmed
Chief Executive

INDEPENDENT AUDITOR'S REVIEW REPORT

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 ['the Regulations'] prepared by the Board of Directors of PERVEZ AHMED CONSULTANCY SERVICES LIMITED FORMERLY PERVEZ AHMED SECURITIES LIMITED for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulation.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

Further, we highlight below instances of non-compliance with the requirements of the Code as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Reference	Description
Paragraph 9	The Board has not arranged any directors training program for its directors during the year.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
Engagement Partner: ZUBAIR IRFAN MALIK

LAHORE: October 7, 2019

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of PERVEZ AHMED CONSULTANCY SERVICES LIMITED (FORMERLY PERVEZ AHMED SECURITIES LIMITED) ['the Company'], which comprise the statement of financial position as at June 30, 2019, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matter described in 'Basis for Qualified Opinion' paragraph, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2019 and of the loss, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

We conducted our audit in accordance with International Standards on Auditing ['ISAs'] as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan ['the Code'] and we have fulfilled our other ethical responsibilities in accordance with the Code.

- I. As referred to in note 2.2 to the financial statements, the Company has accumulated losses of Rs. 1,625.308 million. Its current liabilities exceed current assets by Rs. 639.6 million. Further, the Trading Rights Entitlement Certificate issued to the Company was inactive due to inadequate net capital balance and the same has been sold to another company. One of the bankers has filed a recovery suit against the Company. Further as referred to in note 22.1.3 to the financial statements, the Additional Registrar of Companies ['ARC'], Securities and Exchange Commission of Pakistan has filed a petition in the Lahore High Court against the Company and its directors whereby the ARC has prayed that the affairs of the Company be declared as being conducted in an unlawful manner which is prejudicial for the shareholders, that the Company and its Directors be ordered to buy back the shares of minority shareholders at a price to be determined in accordance with Rule Book of Pakistan Stock Exchange Limited and that the directors be held responsible for not conducting the brokerage business as envisaged in the memorandum of association of the Company. The Company also has overdue debt finances and interest/markup thereon, as referred to note 15 and note 16 to the financial statements. One of the creditors has also filed a suit against the Company for recovery of its debts. These factors indicate existence of material uncertainty that raises doubts about the Company's ability to continue as a going concern and that the company may not be able to discharge its liabilities and realize its assets in the normal course of business. We consider that in the absence of any favourable settlement with the providers of debt finances/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 business. Consequently, the use of going concern assumption in the preparation of 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.
- II. The Company has not recognized interest/markup on short term borrowings amounting to Rs. 83.528 million upto June 30, 2019. Had this interest/markup been recognized, accumulated losses as at June 30, 2019 and loss for the year then ended would have been higher by Rs. 83.528 million and Rs. 7.694 million respectively. The financial statements do not disclose this fact.

- III. As referred to note 22.1.1 to the financial statements, One of the creditors of the Company filed suit against the Company for the recovery of Rs. 36.57 million including late payment surcharge amounting to Rs. 17.45 million. The Company has not recognized provision for late payment surcharge of Rs. 17.45 million. Had the provision been recognized, accumulated losses as at June 30, 2019 and loss for the year then ended would have been higher by Rs. 17.45 million.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our

audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>1. First time adoption of IFRS 9 - Financial Instruments</p> <p>As referred to in note 3 to the financial statements, the Company has adopted IFRS 9 - 'Financial Instruments'. The new standard requires the Company to make allowance for impairment of financial assets using Expected Credit Loss ['ECL'] approach as against the Incurred Loss Model previously applied by the Company.</p> <p>Determination of ECL for financial assets requires significant judgment and assumptions including consideration of factors such as historical credit loss experience and forward-looking macro-economic information.</p> <p>We have considered the first time application of IFRS 9 requirements as a key audit matter due to significance of the change in accounting methodology and involvement of estimates and judgments in this regard.</p>	<p>Our key procedures to review the application of IFRS 9 included, amongst others, review of the methodology developed and applied by the Company to estimate the ECL in relation to financial assets. We also considered and evaluated the assumptions used in applying the ECL methodology based on historical information and qualitative factors as relevant for such estimates.</p> <p>Further, we assessed the integrity and quality of the data used for ECL computation based on the accounting records and information system of the Company as well as the related external sources as used for this purpose.</p> <p>We checked the mathematical accuracy of the ECL model by performing recalculation on test basis.</p> <p>In addition to above, we assessed the adequacy of disclosures in the financial statements of the Company regarding application of IFRS 9 as per the requirements of the above standard.</p>

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of user taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) except for the effects of matters described in 'Basis for Qualified Opinion' paragraph, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) except for the effects of matters described in 'Basis for Qualified Opinion' paragraph, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) except for the effects of matters described in 'Basis for Qualified Opinion' paragraph, investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is ZUBAIR IRFAN MALIK.

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
Engagement Partner: ZUBAIR IRFAN MALIK

LAHORE: October 7, 2018

Annual Report June 30, 2019

Balance sheet

For The Year Ended June 30, 2019

	Note	2019 Rupees	2018 Rupees
NON CURRENT ASSETS			
Property and equipment	7	137,740	178,744
Long term investments	8	81,804,485	98,994,070
Long term deposits	9	350,000	350,000
		82,292,225	99,522,814
CURRENT ASSETS			
Short term investments	10	1,762,852	1,678,539
Due from related parties	11	-	3,725,616
Current taxation	12	6,439,733	6,437,782
Bank balances	13	1,474,331	1,467,716
		9,676,916	13,309,653
CURRENT LIABILITIES			
Trade and other payables	14	(488,443,014)	(488,374,539)
Unclaimed dividend		(885,404)	(885,404)
Accrued interest/markup	15	(21,757,327)	(21,757,327)
Short term borrowings	16	(89,839,551)	(94,598,931)
Due to related parties	17	(48,375,452)	(45,616,072)
		(649,300,748)	(651,232,273)
NET CURRENT ASSETS		(639,623,832)	(637,922,620)
NON-CURRENT LIABILITIES			
Employees retirement benefits	18	-	(3,115,244)
NET ASSETS		(557,331,607)	(541,515,050)
REPRESENTED BY:			
<i>Authorized capital</i>			
230,000,000 (2018: 230,000,000) ordinary shares of Rs. 10 each		2,300,000,000	2,300,000,000
Issued, subscribed and paid up capital	19	1,865,684,870	1,865,684,870
Discount on issue of shares	20	(818,331,810)	(818,331,810)
Accumulated losses		(1,625,307,517)	(1,609,490,960)
		(577,954,457)	(562,137,900)
Advance against issue of ordinary shares	21	20,622,850	20,622,850
TOTAL EQUITY		(557,331,607)	(541,515,050)
CONTINGENCIES AND COMMITMENTS			
	22	-	-
		(557,331,607)	(541,515,050)

The annexed notes from 1 to 39 form an integral part of these financial statements.

Lahore

Date: October 7, 2019

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

Profit and loss account

for the year ended June 30, 2019

	Note	2019 Rupees	2018 Rupees
Revenue	23	-	50,830
Administrative expenses	24	(1,724,412)	(1,668,450)
Bank and other charges		(2,117)	(3,557)
Loss on disposal of long term investments		-	(3,375,900)
Loss on disposal of short term investments		-	(3,111,304)
Excess liabilities written back	18	3,015,244	-
Impairment loss on long term investments	8.1.2	-	(9,000,000)
Changes in fair value of long term investments	8.2	(2,468,500)	-
Changes in fair value of short term investments	10	84,313	(30,709,117)
		(1,095,472)	(47,817,498)
Share of loss of associate	8	(14,721,085)	(12,365,029)
Loss before taxation		(15,816,557)	(60,182,527)
Taxation	25	-	(6,354)
Loss after taxation		(15,816,557)	(60,188,881)
Loss per share - <i>basic and diluted</i>	26	(0.08)	(0.32)

The annexed notes from 1 to 39 form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income
for the year ended June 30, 2019

	2019	2018
	<i>Rupees</i>	<i>Rupees</i>
Loss after taxation	(15,816,557)	(60,188,881)
Other comprehensive income	-	-
Total comprehensive loss	(15,816,557)	(60,188,881)

The annexed notes from 1 to 39 form an integral part of these financial statements.

Cash flow statement

for the year ended June 30, 2019

	Note	2019 Rupees	2018 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(15,816,557)	(60,182,527)
Adjustments for non-cash and other items			
Changes in fair value of investments at fair value through profit or loss		2,384,187	30,709,117
Excess liabilities written back		(3,015,244)	-
Impairment loss on long term investments		-	9,000,000
Loss on disposal of long term investments		-	3,375,900
Loss on disposal of short term investments		-	3,111,304
Dividend income		-	(50,830)
Provision for employees retirement benefits		-	8,000
Share of loss of associate		14,721,085	12,365,029
Depreciation		41,004	54,538
		14,131,032	58,573,058
Changes in working capital			
Trade and other payables		68,475	(1,069,553)
Due from related parties		3,725,616	(3,725,616)
Cash generated from/(used in) operations		2,108,566	(6,404,638)
Payments for:			
Income tax		(1,951)	879,441
Employee retirement benefits		(100,000)	-
Net cash generated from/(used in) from operating activities		2,006,615	(5,525,197)
CASH FLOW FROM INVESTING ACTIVITIES			
Dividend income		-	50,830
Proceeds from sale of long term investments		-	2,745,875
Proceeds from sale of short term investments		-	5,063,850
Net cash generated from investing activities		-	7,860,555
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings from related parties		(2,000,000)	(2,457,025)
Net cash used in from financing activities		(2,000,000)	(2,457,025)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		6,615	(121,667)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR		1,467,716	1,589,383
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	27	1,474,331	1,467,716

The annexed notes from 1 to 39 form an integral part of these financial statements.

Lahore

Date: October 7, 2019

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

Statement of Changes in Equity for the year ended June 30, 2019

	Share capital	Capital reserves		Revenue reserves	
	Issued subscribed and paid-up capital	Advance against issue of ordinary shares	Discount on issue of shares	Accumulated profit	Total equity
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
As at July 01, 2017	1,865,684,870	20,622,850	(818,331,810)	(1,549,302,079)	(481,326,169)
Comprehensive loss					
Loss after taxation	-	-	-	(60,188,881)	(60,188,881)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	-	(60,188,881)	(60,188,881)
Transaction with owners	-	-	-	-	-
As at June 30, 2018	1,865,684,870	20,622,850	(818,331,810)	(1,609,490,960)	(541,515,050)
As at July 01, 2018	1,865,684,870	20,622,850	(818,331,810)	(1,609,490,960)	(541,515,050)
Comprehensive loss					
Loss after taxation	-	-	-	(15,816,557)	(15,816,557)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	-	(15,816,557)	(15,816,557)
Transaction with owners	-	-	-	-	-
As at June 30, 2019	1,865,684,870	20,622,850	(818,331,810)	(1,625,307,517)	(557,331,607)

The annexed notes from 1 to 39 form an integral part of these financial statements.

Notes to and forming part of financial statements for the year ended June 30, 2019

1 LEGAL STATUS AND OPERATIONS

Pervez Ahmed Consultancy Services Limited (formerly Pervez Ahmed Securities Limited) ['the Company'] was incorporated in Pakistan on June 08, 2005 as a Single Member Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and was later converted to Public Limited Company and listed on Pakistan Stock Exchanges Limited. The Company was primarily a brokerage house engaged in the shares brokerage and trading, consultancy services and underwriting. However, the Company has amended its memorandum of association to change its principal activity to act as consultants and advisors to individual, corporations, financial institutions, Government bodies and departments, Companies, corporations and other entities. The registered office of the Company is situated at 20-K Gulberg II, Lahore.

The Company was placed on defaulter segment by Pakistan Stock Exchange with effect from February 27, 2019. The Company obtained a stay order against the said placement from the Civil Court thereafter and was shifted back to the normal counter subsequent to the reporting period.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards ['IFRS'] issued by the International Accounting Standards Board ['IASB'] as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Going concern assumption

The Company has accumulated losses of Rs. 1,625.308 million. Its current liabilities exceed current assets by Rs. 639.6 million. Further, the Trading Rights Entitlement Certificate issued to the Company was inactive due to inadequate net capital balance and the same has been transferred to third party. These factors indicate existence of material uncertainty that raise doubts about the Company's ability to continue as a going concern and that the Company may not be able to discharge its liabilities and realize its assets in the normal course of business. However, these financial statements have been prepared on a going concern basis based on the following:

- The Company has amended its memorandum of association and changed its principal activity to act as consultants and advisors to individual, corporations, financial institutions, Government bodies and departments, Companies, corporations and other entities.
- Negotiations with lenders regarding settlement of overdue debt finances.
- The Company has continued financial support of its sponsors and associated companies in the form of interest free

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments at fair value/amortized cost. In these financial statements, except for the statement of cash flows, all transactions have been accounted for on accrual basis.

2.4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.4.1 Critical accounting judgements

Judgments made by management in the application of accounting and reporting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

(a) Business model assessment (see note 6.4.2)

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are

(b) Depreciation method, rates and useful lives of property and equipment (see note 6.1)

The Company reassesses useful lives, depreciation method and rates for each item of property and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item.

(c) Recoverable amount and impairment (see note 6.17)

The management of the Company reviews carrying amounts of its assets for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

(d) Obligation under defined benefit plan (see note 6.3)

The Company's obligation under the defined benefit plan is based on assumptions of future outcomes, the principal ones being in respect of increases in remuneration, remaining working lives of employees and discount rates to be used to determine present value of defined benefit obligation. These assumptions are determined periodically by

(e) Taxation (see note 6.14)

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provision for current tax. Provision for deferred tax is estimated after taking into account historical and expected future turnover and profit trends and their taxability under the current tax law.

(f) Provisions (see note 6.18)

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to

(g) Fair value of investments in unquoted equity securities

Fair value of investments in unquoted equity securities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis based on inputs from other than observable market.

2.4.2 Key sources of estimation uncertainty

There are no sources of estimation uncertainty.

2.5 Functional currency

These financial statements have been prepared in Pak Rupees which is the Company's functional currency.

2.6 Date of authorization for issue

These financial statements were authorized for issue on October 07, 2019 by the Board of Directors of the Company.

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE

The following new and revised standards, interpretations and amendments are effective in the current year but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures, except as stated otherwise.

3.1 IFRS 9 - Financial Instruments

IFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment of financial assets and general hedge accounting. The Company has applied IFRS 9 in accordance with the provisions set out in the standard.

The date of initial application of IFRS 9 (the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is June 30, 2019. Accordingly, the Company has applied the requirements of IFRS 9 to instruments that continue to be recognized as at June 30, 2019. Comparative amounts in relation to instruments that continue to be recognized as at June 30, 2019 have not been restated as allowed by IFRS 9.

Classification and measurement

The classification and measurement requirements for financial liabilities have been substantially carried forward from IAS 39. All recognized financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:

- Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortized cost and accordingly classified as 'financial assets at amortized cost'
- Financial assets that are held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding subsequently measured at fair value through other comprehensive income and accordingly classified as 'financial assets at fair value through other comprehensive income [FVTOCI]'
- All other financial instruments are subsequently measured at fair value through profit or loss and accordingly classified as 'financial assets at fair value through profit or loss [FVTPL]'

Despite the foregoing, the Company may make an irrevocable election/designation at initial recognition of financial asset:

- To present subsequent changes in fair value of an equity instrument that is not held for trading nor contingent consideration recognized by an acquirer in a business combination in other comprehensive income and classify it as
- To designate a debt instrument that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

When a financial asset measured at FVTOCI is derecognized, the cumulative gain or loss recognized in other comprehensive income is reclassified to profit or loss as a reclassification adjustment except for equity instruments measured at FVTOCI, where the cumulative gain or loss previously recognized in other comprehensive income is subsequently transferred to accumulated profits.

The Company has reviewed and assessed the existing financial assets as at June 30, 2019 based on facts and circumstances that existed at that date and concluded that initial application of IFRS 9 has had the following impact on the Company's financial assets as regards their classification and measurement.

	IAS 39	IFRS 9
Short term borrowings	Financial liabilities at amortized cost	Financial liabilities at amortized cost
Accrued interest/markup	Financial liabilities at amortized cost	Financial liabilities at amortized cost
Trade creditors	Financial liabilities at amortized cost	Financial liabilities at amortized cost
Accrued liabilities	Financial liabilities at amortized cost	Financial liabilities at amortized cost
Payable against purchase of investment	Financial liabilities at amortized cost	Financial liabilities at amortized cost
Other payables	Financial liabilities at amortized cost	Financial liabilities at amortized cost
Cash at banks	Loans and receivables	Financial assets at amortized cost
Long term investments	Financial assets at FVTPL	Financial assets at FVTPL
Short term investments	Financial assets at FVTPL	Financial assets at FVTPL
Long term investments	Available for sale financial assets	Financial assets at FVTPL

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Therefore, it is no longer necessary for a credit loss to have occurred before the same

IFRS 9 requires the Company to measure the loss allowance for financial instrument at an amount equal to lifetime expected credit losses if the credit risk has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, except for a purchased or originated credit-impaired financial asset, the Company is required to measure the loss allowance for that financial asset at an amount equal to 12-months expected credit loss. IFRS also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets and lease receivables in certain circumstances.

3.2 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 - Revenue from Contracts with Customers' supersedes IAS 11 - Construction Contracts, IAS 18 - Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Company has reviewed its existing accounting policy for revenue recognition in light of the requirements of IFRS 15 and has concluded that it is already in line with the requirements of the new standard and thus no change in accounting policy or to the amounts reported in these financial statements is required.

3.3 Clarifications to IFRS 15 - Revenue from Contracts with Customers

IFRS 15 - Revenue from Contracts with Customers have been amended to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

3.4 IFRIC 22 - Foreign Currency Transactions and Advances Consideration

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively
- Assumptions for taxation authorities' examinations
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- The effect of changes in facts and circumstances

3.5 Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 - Share-

IFRS 2 - Share-based Payment have been amended to clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from

3.6 Applying IFRS 9 - Financial Instruments with IFRS 4 - Insurance Contracts (Amendments to IFRS 4 -

IFRS 4 Insurance Contracts have been amended to provide two options for entities that issue insurance contracts within the scope of IFRS 4:

- an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;
- an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

3.7 Transfers of Investment Property (Amendments to IAS 40 - Investment Property)

IAS 40 - Investment Property have following amendments:

- Paragraph 57 have been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.
- The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.

5.4.2 Classification and measurement

The Company classifies its financial instruments into following classes depending on the purpose for which the financial assets and liabilities are acquired or incurred. The Company determines the classification of its financial assets and

(a) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Assets in this category are presented as current assets except for maturities greater than twelve months from the reporting date, where these are presented as non-current assets.

(b) *Financial liabilities at amortized cost*

Non-derivative financial liabilities that are not financial liabilities at fair value through profit or loss are classified as financial liabilities at amortized cost. Financial liabilities in this category are presented as current liabilities except for maturities greater than twelve months from the reporting date where these are presented as non-current liabilities.

(c) *Available for sale financial assets*

Available for sale financial assets are non-derivative financial assets that are designated as such on initial recognition or are not classified as any other class. Assets in this category are presented as non-current assets unless management intends to dispose of the asset within twelve months from the reporting date.

(d) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets that are either held for trading or are designated as such on initial recognition. Assets in this category are presented as current assets unless management intends to hold the investment for more than twelve months from the reporting date in which case these are presented

5.4.3 Measurement

The particular measurement methods adopted are disclosed in the individual policy statements associated with each

5.4.4 De-recognition

Financial assets are de-recognized if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are de-recognized if the Company's obligations specified in the contract expire or are discharged or cancelled. Any gain or loss on de-recognition of financial assets and financial liabilities is recognized in

5.4.5 Off-setting

A financial asset and a financial liability is offset and the net amount reported in the statement of financial position if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.5 Loans and borrowings

Interest bearing loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis.

5.6 Trade and other payables

5.6.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being their fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.6.2 Non-financial liabilities

These, on initial recognition and subsequently, are measured at cost.

5.7 Trade and other receivables

5.7.1 Financial assets

These are classified as 'loans and receivables'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

3.8 Annual Improvements to IFRS Standards 2014–2016 Cycle (IFRS 1 - First-time Adoption of International Financial Reporting Standards and IAS 28 - Investments in Associates and Joint Ventures)

Annual improvements makes amendments to the following standards:

- IFRS 1 - Deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.
- IAS 28 - Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
IFRS 16 - Leases (2016)	January 01, 2019
IFRS 17 - Insurance contracts (2017)	January 01, 2021
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019
Prepayment Features with Negative Compensation (Amendments to IFRS 9 - Financial Instruments)	January 01, 2019
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28 - Investments in Associates and Joint Ventures)	January 01, 2019
Annual Improvements to IFRS Standards 2015 – 2017 Cycle	January 01, 2019
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19 - Employee Benefits)	January 01, 2019
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Definition of a Business (Amendments to IFRS 3 - Business Combinations)	January 01, 2020
Definition of Material (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)	January 01, 2020

Other than afore mentioned standards, interpretations and amendments, IABS has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ['SECP']:

IFRS 1 - First Time Adoption of International Financial Reporting Standards
 IFRS 14 - Regulatory Deferral Accounts
 IFRS 17 – Insurance contracts (2017)

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the Company's financial statements other

5 CHANGES IN ACCOUNTING POLICIES

The adoption of new and revised standards, interpretations and amendments effective during the year has resulted in changes to accounting policies as follows:

Previous accounting policy	New accounting policy
<p>Impairment of financial assets</p> <p>A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.</p> <p>An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.</p>	<p>The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset.</p> <p>Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to twelve months' expected credit losses, with the exception of trade debts, for which the Company recognises lifetime expected credit losses estimated using internal credit risk grading based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions, and an assessment for both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.</p> <p>All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.</p> <p>The Company writes off a financial asset when there is</p>

6 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except for the changes referred to in note 5.

6.1 Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition.

Parts of an item of property, plant and equipment having different useful lives are recognized as separate items.

Major renewals and improvements to operating fixed assets are recognized in the carrying amount if it is probable that the embodied future economic benefits will flow to the Company and the cost of renewal or improvement can be measured reliably. The cost of the day-to-day servicing of operating fixed assets are recognized in profit or loss as incurred.

Depreciation is recognized in profit or loss by reducing balance method over the useful life of each item of property and equipment using the rates specified in note 7 to the financial statements.

Depreciation on additions to property and equipment is charged from the month in which the item becomes available for use. Depreciation is discontinued from the month in which it is disposed or classified as held for disposal.

Depreciation method, useful lives and residual values are reviewed at each reporting date.

An item of property and equipment is de-recognized when permanently retired from use. Any gain or loss on disposal of property and equipment is recognized in profit or loss.

6.2 Ordinary share capital

Ordinary share capital is recognized as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized in profit or loss.

6.3 Employees retirement benefits

6.3.1 *Short-term employee benefits*

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the approved accounting and reporting standards as applicable in Pakistan. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash

6.3.2 *Post-employment benefits*

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss with the exception of rereasurements which are recognized in other comprehensive income. The amount recognized on statement of financial position represents the present value of defined benefit obligation. The details of the scheme are referred to in note 18 to the financial statements.

6.4 Financial instruments

6.4.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

6.4.2 Classification

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in accordance with the substance of contractual provisions. The Company determines the classification of its financial instruments at

(a) Financial assets at amortized cost

These are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through profit or loss

These are financial assets which have not been classified as 'financial assets at amortized cost' or as 'financial assets at fair value through other comprehensive income', are mandatorily measured at fair value through profit or loss or for which the Company makes an irrevocable election at initial recognition to designate as 'financial asset at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition

(c) Financial liabilities at amortized cost

These are financial liabilities which are not derivatives, financial guarantee contracts, commitments to provide loans at below-market interest rate, contingent consideration payable to an acquirer in a business combination or financial liabilities that arise when transfer of a financial asset does not qualify for derecognition.

6.4.3 Measurement

The particular measurement methods adopted are disclosed in individual policy statements associated with each financial instrument.

6.4.4 Derecognition

A financial asset is derecognized when the Company's contractual rights to the cash flows from the financial assets expire or when the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the financial asset. A financial liability is derecognized when the Company's obligations specified in the contract expire or are discharged or cancelled.

6.4.5 Off-setting

A financial asset and financial liability is offset and the net amount reported in the statement of financial position if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

6.4.6 Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

6.5 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis.

6.6 Trade and other payables

6.6.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

6.6.2 Non-financial liabilities

These, on initial recognition and subsequently, are measured at cost.

6.7 Trade and other receivables

6.7.1 Financial assets

These are classified as 'loans and receivables'. On initial recognition, these are measured at cost, being their fair value at the date of transaction, plus attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

6.7.2 Non-financial assets

These, on initial recognition and subsequently, are measured at cost.

6.8 'Regular Way' sales and purchases of financial assets

'Regular Way' sales and purchases of financial assets are recognized at trade dates, which is the date that the Company commits to purchase or sell the investments.

6.9 Investments in equity securities

Investments in equity securities are mandatorily classified as 'financial assets at fair value through profit or loss'. On initial recognition, these are measured at fair value on the date of acquisition. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized in other comprehensive. Cumulative gains and losses from changes in fair value recognized in profit or loss. Dividend income is recognized in profit or loss when right to receive

6.10 Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of the associates have been incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried at cost as adjusted for post acquisition changes in the Company's share of net assets of the associates, less any impairment in the investment. Losses of an associate in excess of the Company's interest in that associate are recognized only to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the associate.

6.11 Revenue

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of revenue and the associated costs incurred or to be incurred can be measured.

The Company recognizes revenue primarily from contracts with customers for provision of services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with customer. The Company recognizes revenue over a period of time as services rendered.

6.12 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by accounting and reporting standards as applicable in Pakistan, and is presented in 'statement of comprehensive income'.

6.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the profit or loss as incurred.

6.14 Taxation

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

6.14.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

6.14.2 Deferred taxation

Deferred tax is accounted for using the balance sheet approach providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date.

6.15 Earnings per share ['EPS']

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary

6.16 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and in current accounts with various banks after deducting balances under lien, if any. Cash and cash equivalents are carried at cost.

6.17 Impairment**6.17.1 Financial assets**

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset.

Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to twelve months' expected credit losses, with the exception of trade debts, for which the Company recognises lifetime expected credit losses estimated using internal credit risk grading based on the Company's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions, and an assessment for both the current as well as the forecast direction of conditions at the reporting date, including time value of money.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery. Any recoveries made post write-off are recognized in profit or

6.17.2 Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no

6.18 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

7 PROPERTY AND EQUIPMENT

2019									
COST					DEPRECIATION				
As at July 01, 2018 Rupees	Additions Rupees	Disposals Rupees	As at June 30, 2019 Rupees	Rate %	July 01, 2018 Rupees	For the year Rupees	Adjustment Rupees	As at June 30, 2019 Rupees	Net book value as at June 30, 2019 Rupees
416,000	-	-	416,000	20	379,682	7,264	-	386,946	29,054
1,090,270	-	-	1,090,270	20	987,268	20,600	-	1,007,868	82,402
2,613,334	-	-	2,613,334	33.33	2,573,910	13,140	-	2,587,050	26,284
4,119,604	-	-	4,119,604		3,940,860	41,004	-	3,981,864	137,740

Assets owned by the Company

Furniture and fittings									
Vehicles									
Office equipment									

2018									
COST					DEPRECIATION				
As at July 01, 2017 Rupees	Additions Rupees	Disposals Rupees	As at June 30, 2018 Rupees	Rate %	July 01, 2017 Rupees	For the year Rupees	Adjustment Rupees	As at June 30, 2018 Rupees	Net book value as at June 30, 2018 Rupees
416,000	-	-	416,000	20	370,603	9,079	-	379,682	36,318
1,090,270	-	-	1,090,270	20	961,518	25,750	-	987,268	103,002
2,613,334	-	-	2,613,334	33.33	2,554,201	19,709	-	2,573,910	39,424
4,119,604	-	-	4,119,604		3,886,322	54,538	-	3,940,860	178,744

Assets owned by the Company

Furniture and fittings									
Vehicles									
Office equipment									

	<i>Note</i>	2019 <i>Rupees</i>	2018 <i>Rupees</i>
8 LONG TERM INVESTMENTS			
Investment in related parties	8.1	79,272,985	93,994,070
Other investments	8.2	2,531,500	5,000,000
		81,804,485	98,994,070

8.1 Investment in related parties

Pervez Ahmed Capital (Private) Limited	8.1.1	79,272,985	93,994,070
Origins Fabrics (Private) Limited	8.1.2	-	-
		79,272,985	93,994,070

8.1.1 Pervez Ahmed Capital (Private) Limited

This represents investment in ordinary shares of Pervez Ahmed Capital(Private) Limited,an associate within the definition of 'Associate' under International Accounting Standard 28 - Investment in Associates and Joint Ventures. Accordingly, the investment Pervez Ahmed Capital (Private) Limited has been accounted for using the equity method. Particulars of investment are as follows:

	2019 <i>Rupees</i>	2018 <i>Rupees</i>
Cost of investment		
8,498,300 (2018: 8,498,300) fully paid ordinary shares of Rs. 10 each	84,983,000	84,983,000
Share of post acquisition (losses)/profits	(5,710,015)	9,011,070
	79,272,985	93,994,070
Percentage of ownership interest	49.36%	49.36%

Extracts of financial statements of associate

The assets and liabilities of Pervez Ahmed Capital (Private) Limited as at the reporting date and related revenue and loss based on the associate's audited financial statements for the reporting period are as follows:

	2019 <i>Rupees</i>	2018 <i>Rupees</i>
Assets	160,931,736	194,359,920
Liabilities	326,455	3,930,464
Loss for the year	29,824,175	25,051,177
Share of loss	14,721,085	12,365,029

8.1.2 Origins Fabrics (Private) Limited

Cost of investment	9,000,000	9,000,000
Changes in fair value	(9,000,000)	-
Accumulated Impairment	-	(9,000,000)
	-	-

This represents investment in 900,000 ordinary shares of Origins Fabric (Private) Limited['OFPL']. OFPL was incorporated for the purpose of acquiring exclusive rights of ORIGINSLAWN, an extension of an already established and renowned retail brand ORIGINSREADY TO WEAR. The Company's shareholding in OFPL comprises 10,000 voting ordinary shares of Rs. 10 each and 890,000 non-voting ordinary shares of Rs. 10 each. The voting power held by the Company does not constitute control or significant influence. Therefore the investment has been accounted for under IFRS9 - 'Financial Instruments' and mandatorily classified as 'financial asset at fair value through profit or loss'.

The investment was made by the Company with a view to profit from total return of the investee in the form of dividends and changes in fair value. However, as the Company lacks future prospects, the management believes that the fair value of the investment is nil.

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8.2 Other investments

These represent investments in the following un-quoted equity securities.

	<i>Note</i>	2019	2018
		<i>Rupees</i>	<i>Rupees</i>
Dawood Family Takaful Limited	8.2.1	5,000,000	5,000,000
Changes in fair value		(2,468,500)	-
		2,531,500	5,000,000

- 8.2.1 These represent 500,000 (June 30, 2018: 500,000) ordinary shares of Rs. 10 each. The investment is held for an indefinite period and has been mandatorily classified as 'financial asset at fair value through profit or loss'. The fair value of investment has been determined on the basis of break-up value per share based on most recent audited financial statements available of the investee for the year ended December 31, 2018.

	2019	2018
	<i>Rupees</i>	<i>Rupees</i>

9 LONG TERM DEPOSITS

Central Depository Company of Pakistan Limited	50,000	50,000
Lahore Stock Exchange	100,000	100,000
National Clearing Company of Pakistan Limited	200,000	200,000
	350,000	350,000

These are classified as 'financial assets at amortized cost' under IFRS9 which are required to be carried at amortized cost. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

10 SHORT TERM INVESTMENTS

This represents investment in listed equity securities mandatorily classified as "financial assets at fair value through profit or loss". Particulars of investments are as follows:

	2019		2018	
<i>Note</i>	Carrying value	Fair value	Carrying value	Fair value
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Other investments				
Reliance Cotton Spinning Mills Limited 1,500 (2018: 1500) ordinary shares of Rs. 10 each.	239,385	219,000	196,665	239,385
Engro Corporation Limited 2,860 (2018: 2,600) ordinary shares of Rs. 10 each.	816,036	759,616	847,366	816,036
Engro Fertilizers Limited 260 (2018: 260) ordinary shares of Rs. 10 each.	19,476	16,632	14,362	19,476
Jahangir Siddiqui and Company Limited 48 (2018: 48) ordinary shares of Rs. 10 each.	874	519	1,096	874
BankIslami Pakistan Limited 399 (2018: 399) ordinary shares of Rs. 10 each.	4,768	4,585	4,401	4,768
Lotte Chemical Pakistan Limited 50,000 (2018: 50,000) ordinary shares of Rs. 10 each.	598,000	762,500	492,500	598,000
	1,678,539	1,762,852	1,556,390	1,678,539

11 DUE FROM RELATED PARTIES

11.1 This represents receivable from Pervez Ahmed Capital(Private) Limited,a related party against sale of investment. The ageing analysis is as follows:

	2019	2018
	<i>Rupees</i>	<i>Rupees</i>
Past due by less than one year	-	3,725,616
Past due by one year or more	-	-
	-	3,725,616

12 CURRENT TAXATION

Advance income tax/income tax refundable	6,439,733	6,444,136
Provision for taxation	-	(6,354)
	6,439,733	6,437,782

13 BANK BALANCES

Cash at banks		
current accounts	1,474,251	1,467,636
saving accounts	80	80
	1,474,331	1,467,716

14 TRADE AND OTHER PAYABLES

Trade creditors	473,017,644	473,017,644
Accrued expenses	2,131,081	2,052,331
Withholding tax payable	9,002,438	9,025,128
Payable against purchase of investment	4,086,600	4,086,600
Other payables	205,251	192,836
	488,443,014	488,374,539

14.1 This represents consideration for purchase of ordinary shares in Origins Fabrics (Private) Limited payable to an Ex-Director of the Company.

15 ACCRUED INTEREST/MARKUP

This represents over-due interest/markup on borrowings.

	Note	2019	2018
		<i>Rupees</i>	<i>Rupees</i>

16 SHORT TERM BORROWINGS - SECURED

These represent short term finances utilized under interest/markup arrangements from banking companies

Murabaha finance	16.1	87,137,771	91,897,151
Running finance	16.2	2,701,780	2,701,780
		89,839,551	94,598,931

16.1 This facility was obtained from Al Baraka Bank (Pakistan) Limited (formerly known as Burj Bank Limited) for trading in shariah compliant securities. These are secured against pledge of equity securities approved by the bank's Shariah Board with 40% margin. The facility carried profit at matching KIBORplus 1.30% (2018: matching KIBORplus 1.30%) per annum. The facility has expired and has not been renewed at the reporting date. Hence the entire amount outstanding is overdue. The management is in negotiations with the lender regarding settlement of this facility, however, no major terms have been agreed so far. During the year, bank has disposed off shares of D.S. Industries Limited pledged with it and secured principle payment against it.

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- 16.2 This facility was obtained from SummitBank Limited. During the year ended June 30, 2011, the bank accepted properties valued at Rs. 104 million and certain listed securities against settlement of outstanding liability with the remaining amount of Rs. 2.702 million to be waived off once the transfer of the above mentioned properties is completed.

	Note	2019 Rupees	2018 Rupees
17 DUE TO RELATED PARTIES			
Associated companies	17.1	13,400,000	15,400,000
Directors	17.2	34,975,452	30,216,072
		48,375,452	45,616,072

- 17.1 This represents interest free advance obtained from D.S. Textiles Limited, a related party. This is unsecured and payable on demand.

- 17.2 These represent interest free advances obtained from Directors of the Company. These are unsecured and payable on demand.

18 EMPLOYEES RETIREMENT BENEFITS

The Company operated an unfunded gratuity scheme, a defined benefit plan, for all its employees who completed the minimum qualifying service period. Under the scheme, the Company paid a lump-sum benefit equal to last drawn monthly gross salary for each year of service to scheme members whereas the members of the scheme were not required to make any contributions to the scheme. The scheme was administered by the management of the Company under the supervision and directions of the Board of Directors of the Company.

The Company has only no employees as at the reporting date. The outstanding obligation pertains to the key management personnel of the Company, who had voluntarily opted out of the scheme in the previous years in view of the financial position of the Company and have, during the year, waived the entire outstanding obligation at their sole discretion.

	2019 Rupees	2018 Rupees
The movement in defined benefit obligation is as follows:		
As at beginning of the year	3,115,244	3,107,244
Charged to profit or loss for the year	-	8,000
Benefits paid during the year	(100,000)	-
Obligation written back on waiver	(3,015,244)	-
As at end of the year	-	3,115,244

19 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2019 No. of shares	2018 No. of shares	Note	2019 Rupees	2018 Rupees
Ordinary shares of Rs. 10 each				
59,928,500	59,928,500	Issued for cash	599,285,000	599,285,000
17,529,079	17,529,079	Issued as fully paid bonus shares	175,290,790	175,290,790
29,390,860	29,390,860	Issued at discount for cash	293,908,600	293,908,600
79,720,048	79,720,048	Issued at discount for other than cash	797,200,480	797,200,480
186,568,487	186,568,487		1,865,684,870	1,865,684,870

- 19.1 These were issued to directors of the Company against acquisition of properties by the Company for onward transfer to banking companies against settlement of debt finances.

20 DISCOUNT ON ISSUE OF ORDINARY SHARES

This represents discount on issue of ordinary shares under section 84 of the repealed Companies Ordinance, 1984.

21 ADVANCE AGAINST ISSUE OF ORDINARY SHARES

These represent advances against issue of ordinary shares received from Pervez Ahmed Capital (Private) Limited. Shares will be issued against these advances when the Boards of Directors of the Company and Pervez Ahmed Capital (Private) Limited decide. Accordingly, no interest has been charged on these advances.

22 CONTINGENCIES AND COMMITMENTS**22.1 Contingencies**

22.1.1 One of the creditors of the Company filed suit against the Company for the recovery of Rs. 36.57 million including late payment surcharge amounting to Rs. 17.45 million. The Company has filed a counter claim of Rs. 18.86 million against the creditor. No provision has been made in this regard as the management of the Company expects favourable outcome of the suit.

22.1.2 Al Baraka Bank (Pakistan) Limited has filed a suit before the Lahore High Court against the Company for recovery of outstanding debts finances and interest/mark-up thereon.

22.1.3 The Additional Registrar of Companies [ARC] Securities and Exchange Commission of Pakistan has filed a petition in the Lahore High Court against the Company and its directors whereby the ARC has prayed that the affairs of the Company be declared as being conducted in an unlawful manner which is prejudicial for the shareholders, that the Company and its Directors be ordered to buy back the shares of minority shareholders at a price to be determined in accordance with Rule Book of Pakistan Stock Exchange Limited and that the directors be held responsible for not conducting the brokerage business as envisaged in the memorandum of association of the Company. The prayer has been made on the following grounds:

- The Company is not being run in accordance with the law and the state of affairs of the Company are prejudicial to the interest of the minority shareholders as some minority shareholders have filed a complaint to that effect.
- The Company has not declared any dividends 2008-09 and it does not have a bright future outlook as the directors have no concrete plan for the revival of business of the Company.
- The Company is principally a brokerage house and has sold its Trading Rights Entitlement Certificate [TREC] of Lahore Stock Exchange, without which the Company cannot operate as a brokerage house. (The TREC was sold without the authority of shareholders in general meeting for which the directors of the Company have already been fined Rs. 700,000 vide Securities and Exchange Commission of Pakistan's order dated June 14, 2016).
- The Company has not recognized any provision against debt owed to a creditor of Rs. 36.57 million including late payment surcharge amounting to Rs. 17.45 million.
- The Company has not recognized interest/markup on short term borrowings amounting to Rs. 83.528 upto June 30, 2019.
- The Company has failed to comply with the best practices of the Code of Corporate Governance.

The petition is pending adjudication. The outcome of the petition cannot be ascertained as at the reporting date with certainty.

22.2 Commitments

There are no material commitments as at the reporting date.

	<i>Note</i>	<i>2019</i>	<i>2018</i>
		<i>Rupees</i>	<i>Rupees</i>
23 REVENUE			
Dividend income		-	50,830
		-	50,830
24 ADMINISTRATIVE EXPENSES			
Salaries and benefits	24.1	-	8,000
Postage and communication		23,546	20,171
Traveling, conveyance and entertainment		41,500	68,452
Legal and professional		287,137	406,361
Rent, rates and taxes		105,100	104,320
Printing and stationery		44,989	87,001
Fees and subscription		808,250	773,042
Auditor's remuneration	24.2	75,000	75,000
Advertisement		245,160	35,280
Depreciation	7	41,004	54,538
Others		52,726	36,285
		1,724,412	1,668,450
24.1 These include charge in respect of employees retirement benefits amounting to nil (2018: Rs. 8,000).			
	<i>Note</i>	<i>2019</i>	<i>2018</i>
		<i>Rupees</i>	<i>Rupees</i>
24.2 Auditor's remuneration			
Annual statutory audit		50,000	50,000
Limited scope reviews and certifications		25,000	25,000
		75,000	75,000

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25 TAXATION

Current tax			
current year	25.1	-	6,354
prior year		-	-
		-	6,354
Deferred tax	25.3	-	-
		-	6,354

- 25.1 No provision for current tax has been made for the current year due to losses. Provision for taxation for previous year was made in accordance with Section 5 of the Income Tax Ordinance, 2001. There is no relationship between tax expense and accounting profit. Accordingly no numerical reconciliation has been presented.
- 25.2 Assessments for and upto the tax years 2018 are deemed assessments in terms of Section 120 (1) of the Ordinance, as per returns filled by the Company.
- 25.3 The Company has deferred tax asset of Rs. 347.996 million (2018: Rs. 347.47 million) which has not been recognized as future taxable profits are not expected to be available against which the asset could be utilized.

	Unit	2019	2018
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26 LOSS PER SHARE - BASIC AND DILUTED

Loss attributable to ordinary shareholders	Rupees	(15,816,557)	(60,188,881)
Weighted average number of ordinary shares outstanding during the year	No. of shares	186,568,487	186,568,487
Loss per share - Basic	Rupees	(0.08)	(0.32)

There is no anti-dilutive effect on the basic loss per share of the Company.

	2018	2017
	Rupees	Rupees

27 CASH AND CASH EQUIVALENTS

Bank balances	1,474,331	1,467,716
	1,474,331	1,467,716

28 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies, sponsors and directors, and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. Key management personnel do not draw any compensation from the Company. Transactions with sponsors, directors and associated companies are limited to provision of temporary interest free loans to the Company. The details of Company's related parties, with whom the Company had transactions during the year or has balances outstanding as at the reporting date are as follows:

Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding in
D.S. Textile Limited	Associated company	Common directorship	0.60%
Pervez Ahmed	Key management personnel	Chief executive officer	1.588%
Ali Pervez	Key management personnel	Director	0.00%
Ayesha Ahmed Mansoor	Key management personnel	Director	0.00%
Pervez Ahmed Capital (Private) Limited	Associated company	Associated company	N/A

Details of transactions and balances with related parties is as follows:

		2019 <i>Rupees</i>	2018 <i>Rupees</i>
28.1 Transactions with related parties			
Nature of relationship	Nature of transactions		
Associated companies and undertakings	Temporary loan repaid	(2,000,000)	(2,257,025)
	Sale of investment	-	8,439,750
Sponsors and directors	Temporary loan obtained/(repaid)	4,759,380	(200,000)
28.2 Balances with related parties			
Nature of relationship	Nature of balance		
Associated companies and undertakings	Borrowings	13,400,000	15,400,000
	Investment in equity securities	79,272,985	93,994,070
	Advance against issue of ordinary shares	20,622,850	20,622,850
	Receivable against sale of investment	-	3,725,616
Sponsors and directors	Borrowings	34,975,452	30,216,072

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS, AND EXECUTIVES

No amount was charged to profit or loss on account of remuneration of Chief Executive, Directors and Executives.

30 CAPITAL MANAGEMENT

All the efforts of the management is towards ensuring that the Company continues as a going concern. The measures include introduction of capital by directors and sponsors of the Company and settlement of debt finances. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises total borrowings less cash and cash equivalents. Total capital comprises equity as shown in the balance sheet plus debt. Gearing ratio of the Company has not been presented as the Company has negative equity as at the reporting date.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

31 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

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	2019	2018
	<i>Rupees</i>	<i>Rupees</i>
31.1 Financial assets		
<i>Financial assets at amortized cost</i>		
Long term deposits	350,000	350,000
Bank balances	1,474,331	1,467,716
<i>Financial assets mandatorily measured at fair value through profit or loss</i>		
Long term investments	2,531,500	-
Short term investments	1,762,852	1,678,539
<i>Available for sale financial assets</i>		
Long term investments	-	5,000,000
	6,118,683	8,496,255
Financial liabilities		
<i>Financial liabilities at amortized cost</i>		
Short term borrowings	89,839,551	94,598,931
Accrued interest/markup	21,757,327	21,757,327
Trade creditors	473,017,644	473,017,644
Accrued liabilities	2,131,081	2,052,331
Payable against purchase of investment	4,086,600	4,086,600
Other payables	205,251	192,836
	591,037,454	595,705,669

32 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses and assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

32.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

32.1.1 Credit risk management practices

In order to minimise credit risk, the Company has adopted a policy of only dealing with creditworthy counterparties and limiting significant exposure to any single counterparty. The Company only transacts with counterparties that have reasonably high external credit ratings. Where an external rating is not available, the Company uses an internal credit risk grading mechanism. The ageing profile of counterparties and individually significant balances, along with collection activities are reviewed on a regular basis.

The Company reviews the recoverable amount of each financial asset on an individual basis at each reporting date to ensure that adequate loss allowance is made in accordance with the assessment of credit risk for each financial asset.

The Company considers a financial asset to have low credit risk when the asset has reasonably high external credit rating or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has no past due amounts or otherwise there is no significant increase in credit risk if the amounts are past due in the normal course of business based on history with the counterparty.

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk.

The Company considers 'default' to have occurred when the financial asset is credit-impaired. A financial asset is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery.

The Company's credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has low credit risk	Twelve month ECL
Doubtful	Credit risk has increased significantly since initial recognition	Lifetime ECL
In default	There is evidence indicating the assets is credit-impaired	Lifetime ECL
Write-off	There is no realistic prospect of recovery	Amount is written-off

32.1.2 Exposure to credit risk

Credit risk principally arises from debt instruments held by the Company as at the reporting date. The maximum exposure to credit risk as at the reporting date is as follows:

	2019	2018
	Rupees	Rupees
<i>Financial assets at amortized cost</i>		
Long term deposits	350,000	350,000
Bank balances	1,474,331	1,467,716
	1,824,331	1,817,716

32.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to internal credit risk grading. The credit quality of the Company's financial assets exposed to credit risk is as follows:

	Note	External credit rating	Internal credit risk grading	12-month or life-time ECL	Gross carrying amount	Loss allowance
Long term deposits	9	N/A	Performing	12-month ECL	350,000	-
Bank balances	13	A1+ to A3	N/A	12-month ECL	1,474,331	-
					1,824,331	-

(a) Long term deposits

Long term deposits comprise security deposits placed with various regulatory authorities. These deposits are substantially perpetual in nature and have no fixed maturity. Therefore, no credit risk has been associated with these financial assets and accordingly no loss allowance has been made.

(b) Bank balances

The bankers of the Company have reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss.

32.1.4 Concentrations of credit risk

There are no significant concentrations of credit risk.

32.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

32.2.1 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company is facing liquidity shortfall due to which its current liabilities exceed current assets by Rs. 639.62 million (2018: Rs. 637.922 million) as at the reporting date. The Company has overdue debt finances and interest/markup thereon which have not been settled. Further, the Trading Rights Entitlement Certificate issued to the Company being inactive due to inadequate net capital balance has been sold by the Company to a third party. However, the Company has continued support of its directors and associated undertakings in the form of interest free loans.

32.2.2 Exposure to liquidity risk

The following presents the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The analysis has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay and includes both interest/markup and principal cash flows. To the extent that interest/markup flows are floating rate, the undiscounted amount is derived from interest/markup rate curves at the reporting date.

	2019				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Short term borrowings	89,839,551	89,839,551	89,839,551	-	-
Accrued interest/markup	21,757,327	21,757,327	21,757,327	-	-
Trade creditors	473,017,644	473,017,644	473,017,644	-	-
Accrued liabilities	2,131,081	2,131,081	2,131,081	-	-
Payable against purchase of investment	4,086,600	4,086,600	4,086,600	-	-
Other payables	205,251	205,251	205,251	-	-
	591,037,454	591,037,454	591,037,454	-	-
	2018				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Short term borrowings	94,598,931	94,598,931	94,598,931	-	-
Accrued interest/markup	21,757,327	21,757,327	21,757,327	-	-
Trade creditors	473,017,644	473,017,644	473,017,644	-	-
Accrued liabilities	2,052,331	2,052,331	2,052,331	-	-
Payable against purchase of investment	4,086,600	4,086,600	4,086,600	-	-
Other payables	192,836	192,836	192,836	-	-
	595,705,669	595,705,669	595,705,669	-	-

32.3 Market risk

32.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency. The Company is not exposed to currency risk as at the reporting date.

32.3.2 Interest rate risk

Interest rate risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company is not exposed interest rate risk, except to the extent of risk arising from settlement overdue debt finances and interest/markup thereon.

32.3.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of 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 instruments. The Company is exposed to price risk due to changes in active market prices of investment in listed equity securities. A ten percent increase in market prices would have increased profit for the year by Rs. 176,285 (2018: Rs. 167,854). A ten percent decrease in market prices would have had an equal but opposite effect on profit for the year.

33 FAIR VALUE MEASUREMENTS

The Company measures some of its assets at fair value at the end of each reporting period. Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements and has the following levels.

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value hierarchy of assets measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

33.1 Financial Instruments

33.1.1 Financial instruments measured at fair value

a) Recurring fair value measurements

Nature of asset	Hierarchy	Valuation technique and key	2019 <i>Rupees</i>	2018 <i>Rupees</i>
Investment in unquoted equity securities (see note 8.2)	Level 2	Break-up value	2,531,500	5,000,000
Investment in listed equity securities (see note 10)	Level 1	Quoted bid prices in active market	1,762,852	1,678,539

b) Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

33.1.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

33.2 Assets and liabilities other than financial instruments.

None of the assets and liabilities other than financial instruments are measured at fair value.

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34 SHARES IN THE COMPANY HELD BY ASSOCIATED UNDERTAKINGS AND RELATED PARTIES

Ordinary shares in the Company held by associated undertakings and related parties, other than chief executive and directors, are as follows:

	2019	2018
	<i>No. of shares</i>	<i>No. of shares</i>
D.S. Industries Limited	61,550	61,550
D.S. Textiles Limited	1,119,395	1,119,395
D.S. Apparel (Private) Limited	69,375	69,375
Infinite Securities Limited	-	80,000
	1,250,320	1,330,320

35 OPERATING SEGMENTS

The Company operates as single reportable segment only.

36 ASSETS PLEDGED AS SECURITY

Listed securities valued at Rs. 1.434 million (2018: Rs. 1.355 million) are pledged with banks as security against debt finances.

37 NUMBER OF EMPLOYEES

Total number of employees of the Company as at the reporting date are nil (2018: 1). Average number of persons employed by the Company during the period are nil (2018: 1).

38 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

39 GENERAL

Figures have been rounded off to the nearest rupee.

Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. Significant reclassifications are referred to in relevant notes to the financial statements.

**Categories of Shareholders
As At June 30, 2019**

Categories	Number	Shares Held	%age
Associated Companies & Related Parties			
D.S.Industries Limited	1	61,550	0.033
D.S.Textiles Limited	1	1,119,395	0.600
D.S.Apparel (Pvt.) Limited	1	69,375	0.037
Chief Executive & Directors			
Mr. Pervez Ahmed - Chief Executive	1	2,962,398	1.588
Mrs. Rehana Pervez Ahmed	1	735,140	0.394
Mr. Ali Pervez Ahmed	1	762	0.000
Mrs. Ayesha Ahmed Mansoor	1	735,866	0.394
Mr. Muhammad Khalid Khan	1	646	0.000
Mr. Mazhar Pervaiz Malik	1	500	0.000
Mian Basit Rasheed	1	1,000	0.001
Banks, DFI and NBFIs	3	2,947	0.002
Joint Stock Companies	26	2,872,632	1.540
General Public (Local)	7,204	172,873,926	92.660
General Public (Foreign)	105	5,080,350	2.723
Others	3	52,000	0.028
Total	7351	186,568,487	100.000

Detail of Shareholding of 5% and above.

Shares Held	Percentage
N/A	0.000

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Pattern of Shareholding As At June 30, 2019

Number of Shareholders	Shareholding		Total Number of Shares Held	%age
	From	To		
599	1	100	30,550	0.016
788	101	500	311,895	0.167
1,518	501	1,000	1,195,354	0.641
1,868	1,001	5,000	5,349,013	2.867
802	5,001	10,000	6,559,092	3.516
320	10,001	15,000	4,163,026	2.231
264	15,001	20,000	4,924,844	2.640
155	20,001	25,000	3,686,695	1.976
124	25,001	30,000	3,504,909	1.879
77	30,001	35,000	2,556,756	1.370
66	35,001	40,000	2,550,155	1.367
49	40,001	45,000	2,099,392	1.125
108	45,001	50,000	5,313,870	2.848
36	50,001	55,000	1,895,245	1.016
41	55,001	60,000	2,401,409	1.287
25	60,001	65,000	1,571,775	0.842
33	65,001	70,000	2,260,027	1.211
28	70,001	75,000	2,054,859	1.101
18	75,001	80,000	1,417,500	0.760
13	80,001	85,000	1,084,000	0.581
19	85,001	90,000	1,680,320	0.901
16	90,001	95,000	1,500,199	0.804
57	95,001	100,000	5,682,300	3.046
19	100,001	105,000	1,957,646	1.049
15	105,001	110,000	1,625,298	0.871
13	110,001	115,000	1,471,500	0.789
8	115,001	120,000	950,500	0.509
9	120,001	125,000	1,110,000	0.595
11	125,001	130,000	1,411,466	0.757
6	130,001	135,000	801,000	0.429
9	135,001	140,000	1,245,500	0.668
7	140,001	145,000	1,010,120	0.541
19	145,001	150,000	2,843,500	1.524
6	150,001	155,000	917,001	0.492
4	155,001	160,000	635,000	0.340
4	160,001	165,000	650,500	0.349
2	165,001	170,000	335,000	0.178
9	170,001	175,000	1,570,500	0.842
4	175,001	180,000	709,500	0.380
3	180,001	185,000	554,000	0.297
1	185,001	190,000	570,000	0.306
1	190,001	195,000	190,500	0.102
27	195,001	200,000	5,397,000	2.893
7	200,001	205,000	1,421,500	0.762
5	205,001	210,000	1,039,000	0.557
1	210,001	215,000	213,000	0.114
4	215,001	220,000	873,000	0.468
5	220,001	225,000	1,114,000	0.597
2	225,001	230,000	458,035	0.246
1	230,001	235,000	235,000	0.126
2	235,001	240,000	475,500	0.255
1	240,001	245,000	242,000	0.130
6	245,001	250,000	1,495,512	0.802
1	250,001	255,000	251,059	0.135
2	255,001	260,000	511,717	0.274
2	260,001	265,000	524,000	0.281
1	265,001	270,000	270,000	0.145
1	270,001	275,000	275,000	0.147
2	275,001	280,000	558,000	0.299
1	280,001	285,000	280,500	0.150
1	285,001	290,000	287,000	0.154
1	290,001	295,000	293,500	0.157
11	295,001	300,000	3,300,000	1.769
2	300,001	305,000	603,500	0.323
2	305,001	310,000	620,000	0.332
2	310,001	315,000	623,000	0.334
1	315,001	320,000	320,000	0.172
2	325,001	330,000	654,000	0.351
2	335,001	340,000	676,000	0.362
1	340,001	345,000	340,500	0.183
2	345,001	350,000	700,000	0.375
1	350,001	355,000	351,000	0.188
1	360,001	365,000	361,242	0.194
1	375,001	380,000	377,500	0.202
1	385,001	390,000	390,000	0.209
4	395,001	400,000	1,600,000	0.858
1	400,001	405,000	402,500	0.216
1	410,001	415,000	415,000	0.222
1	415,001	420,000	419,000	0.225
2	420,001	425,000	849,000	0.455
1	425,001	430,000	855,772	0.459
1	430,001	435,000	431,500	0.231
1	435,001	440,000	438,000	0.235
1	445,001	450,000	446,000	0.239
1	450,001	455,000	451,500	0.242
1	455,001	460,000	460,000	0.247
1	460,001	465,000	464,500	0.249
2	465,001	470,000	937,500	0.502
1	470,001	475,000	475,000	0.255
1	480,001	485,000	485,000	0.260
5	495,001	500,000	2,500,000	1.340
3	500,001	505,000	1,505,601	0.807
1	525,001	530,000	527,500	0.283
1	540,001	545,000	542,510	0.291
1	550,001	555,000	555,000	0.297
1	570,001	575,000	570,000	0.306
1	595,001	600,000	600,000	0.322
1	610,001	615,000	613,000	0.329
1	645,001	650,000	646,250	0.346
1	730,001	735,000	730,050	0.391
1	735,001	740,000	738,500	0.396
1	765,001	770,000	767,000	0.411
2	770,001	775,000	1,547,500	0.829
1	775,001	780,000	776,000	0.416
1	785,001	790,000	786,000	0.421
1	795,001	800,000	800,000	0.429
1	800,001	805,000	802,000	0.430
1	910,001	915,000	911,000	0.488
1	920,001	925,000	921,500	0.494
1	970,001	975,000	975,000	0.523
4	995,001	1,000,000	3,997,000	2.142
1	1,015,001	1,020,000	1,017,000	0.545
1	1,095,001	1,100,000	1,100,000	0.590
1	1,115,001	1,120,000	1,119,395	0.600
1	1,230,001	1,235,000	1,234,500	0.662
2	1,345,001	1,350,000	2,696,500	1.445
1	1,420,001	1,425,000	1,423,500	0.763
1	1,495,001	1,500,000	1,500,000	0.804
1	1,595,001	1,600,000	1,600,000	0.858
1	1,700,001	1,705,000	1,705,000	0.914
1	1,745,001	1,750,000	1,750,000	0.938
1	1,845,001	1,850,000	1,850,000	0.992
3	1,995,001	2,000,000	6,000,000	3.216
1	2,010,001	2,015,000	2,015,000	1.080
1	2,115,001	2,120,000	2,118,000	1.135
1	2,200,001	2,205,000	2,205,000	1.182
1	2,900,001	2,905,000	2,902,548	1.556
1	6,405,001	6,410,000	6,406,000	3.434
1	7,100,001	7,105,000	7,103,500	3.807
-7351				
0			186,568,487	100.000

مجلسِ نظام کی رپورٹ

پرویز احمد کنسلٹنسی سروسز لمیٹڈ (سابقہ پرویز احمد سیکورٹیز لمیٹڈ) کی مجلسِ نظام 30 جون 2019ء کو ختم ہونے والے مالی سال کے لئے کمپنی کے نظر ثانی شدہ حسابات مع سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

میورٹم اینڈ آرٹیکلز آف ایسوسی ایشن میں تبدیلی

سال کے دوران کمپنی نے اپنی اصل کاروباری لائن بروکریج سے کنسلٹنسی اینڈ ایڈوائزی سروسز میں تبدیل کر لی ہے۔ اصل کاروباری لائن کے ساتھ نام کو منسلک کرنے کے لئے کمپنی نے اپنا نام بھی پرویز احمد سیکورٹیز لمیٹڈ سے تبدیل کر کے پرویز احمد کنسلٹنسی سروسز لمیٹڈ رکھ لیا ہے۔

کیپٹل مارکیٹ کا جائزہ

مالی سال 2018-19 کے دوران پاکستان اسٹاک ایکسچینج 100 انڈیکس نے تقریباً 19 فیصد کمی درج کی ہے۔ بیج مارک پی ایس ایکس-100 انڈیکس جو سال کے آغاز میں 41,910 پوائنٹس پر تھا، 30 جون 2019ء کو مالی سال کے اختتام پر 33,902 پوائنٹس پر بند ہوا۔

مالیاتی جائزہ

30 جون 2019ء کو ختم ہونے والے سال کے لئے کمپنی کے مالی نتائج حسبِ ذیل ہیں:

تفصیل	مختتمہ سال 30 جون 2019ء (روپے)	مختتمہ سال 30 جون 2018ء (روپے)
آپریٹنگ آمدنی	-	50,830
آپریٹنگ (نقصان)/منافع	(1,726,526)	(8,108,381)
سرمایہ کاری کی بحالی پر سرپلس/(خسارہ)	84,313	(30,709,117)
شراکت کے نقصان کا حصہ	(14,721,085)	(12,365,029)
(نقصان) ٹیکس سے پہلے	(15,816,557)	(60,182,527)
ٹیکسیشن	-	(6,354)
(نقصان) ٹیکس کے بعد	(15,816,557)	(60,188,881)
(نقصان) فی شیئر - بنیادی	(0.08)	(0.32)

کمپنی کے مالیاتی نتائج

زیرِ جائزہ سال کے دوران، 30 جون 2019ء کو ختم ہونے والے مالی سال کے لئے کمپنی نے 15.8 ملین روپے خالص نقصان برداشت کیا جبکہ گزشتہ سال 60.2 ملین روپے نقصان ہوا تھا جس کی بنیادی وجہ فیئر ویلیو پر سرمایہ کاری کی امپیئر منٹ اور پینالٹس ہے۔

آڈیٹرز نے سال کے دوران گونگ کنسرن مفروضہ، کمپنی کے خلاف قرض دہندگان کی طرف سے مختلف عدالتوں میں زیر التوا مقدمات کی بابت اپنی رپورٹ میں کو ایفائیڈ رائے کا اظہار کیا ہے۔ تاہم انتظامیہ کاروبار کی بحالی اور قرض دہندگان کے ساتھ معاملات کو باقاعدہ کرنے کے لئے کوششیں کر رہی ہے۔

مستقبل کا نقطہ نظر

آئی ایم ایف پروگرام کے آغاز اور مالی/مالیاتی استحکام کے اقدامات کے بعد، بیرونی کھاتے میں واضح طور پر بہتری ہوئی ہے۔ آگے بڑھتے ہوئے، امید ہے کہ اصطلاحات اور اصلاحی اقدامات سے معیشت میں استحکام آئے گا۔

اخلاقیات اور کاروباری طریقوں کا بیان

بورڈ نے کمپنی کے ساتھ منسلک یا کاروبار کرنے والے ہر ایک شخص سے متعلقہ ضابطہء اخلاق کے معیارات کو پیشگی سمجھنے کے اعتراف کے طور پر کمپنی کے ہر ایک ڈائریکٹر اور ملازم کی طرف سے دستخط شدہ اخلاقیات اور کاروباری طریقوں کا بیان تیار اور جاری کیا ہے۔

منافع منقسمہ

منفی نقد بہاؤ اور دستیاب مجموعی نقصانات کے باعث موجودہ سال میں حالیہ نقصانات کے مد نظر منافع منقسمہ کا اعلان نہیں کیا جا سکا ہے۔

کتابوں کی بندش

کمپنی کی حصص منتقلی کتابیں 23 اکتوبر 2019ء تا 28 اکتوبر 2019ء (بشمول دونوں ایام) بند رہیں گی اور اس دوران رجسٹریشن کے لئے حصص کی کوئی منتقلی قابل قبول نہیں ہوگی۔ 22 اکتوبر 2019ء کو کاروبار کے اختتام تک ہمارے شیئر رجسٹر، میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، چلی منزل، C-40، بلاک-6، P.E.C.H.S، کراچی کو موصول ہونے والی منتقلیاں اجلاس میں شرکت اور حق رائے دہی کے لئے قابل قبول ہوگی۔

آپریٹنگ اور مالیاتی اعداد و شمار

گزشتہ چھ سالوں کے لئے آپریٹنگ اور مالیاتی اعداد و شمار معیاری تناسب منسلک ہیں۔

بورڈ کے منعقدہ اجلاسوں کی تعداد

30 جون 2019ء کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے اور ڈائریکٹرز کی حاضری مندرجہ ذیل ہے:

نام	عہدہ	تعداد حاضری
جناب پرویز احمد	چیف ایگزیکٹو	6
محترمہ ریحانہ پرویز احمد	ڈائریکٹر	6
جناب علی پرویز احمد	ڈائریکٹر	6
محترمہ عائشہ احمد منصور	ڈائریکٹر	6
جناب محمد خالد خان	ڈائریکٹر	6
جناب مظہر پرویز ملک	ڈائریکٹر	6
میاں باسط رشید	ڈائریکٹر	5

آڈیٹرز

موجودہ آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔ بورڈ کی آڈٹ کمیٹی نے 30 جون 2020ء کو ختم ہونے والے مالی سال کے لئے بطور آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو دوبارہ مقرر کرنے کی سفارش کی ہے۔

آڈٹ کمیٹی

کارپوریٹ گورننس کے ضابطہء اخلاق کی تعمیل میں آڈٹ کمیٹی تشکیل دی گئی ہے اور مندرجہ ذیل اراکین پر مشتمل ہے:

نام	عہدہ
جناب محمد خالد خان	چیئرمین
محترمہ عائشہ احمد منصور	رکن
جناب مظہر پرویز ملک	رکن

سہ ماہی اور سالانہ حسابات کے جائزہ اور دیگر متعلقہ معاملات کے لئے کارپوریٹ ضابطہء اخلاق کے تحت درکار 30 جون 2019ء تختہ سال کے دوران آڈٹ کمیٹی کے اجلاس منعقد ہوئے۔ اجلاس میں

چیف فنانشل آفیسر، داخلی آڈٹ کے سربراہ اور جب ضرورت پیش آئی بیرونی آڈیٹرز نے بھی شرکت کی۔

کارپوریٹ گورننس کا ضابطہ اخلاق

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل میں بیان

بورڈ آف ڈائریکٹرز اور کمپنی کارپوریٹ مینجمنٹ کے اچھے طریقوں کے اصولوں پر کاربند ہیں۔ بورڈ اور انتظامیہ اپنی ذمہ داریوں سے آگاہ ہیں اور مالی اور غیر مالی معلومات کی درستگی، جامعیت اور شفافیت کو بڑھانے کے لئے کمپنی کی کارکردگی کی نگرانی کرتے ہیں۔ بورڈ، بخوشی تدریق کرتے ہیں کہ کمپنی نے ہر مادی معاملات میں، لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 میں شامل بہترین طریقوں جن کی تعمیل کے ساتھ منسلک بیان میں مکمل طور پر وضاحت کی گئی ہے کے مطابق تعمیل کی ہے اور بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔ مزید، درج ذیل بیان کرتے ہیں کہ:

- 1- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- 2- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- 3- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- 4- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کی پیروی کی گئی ہے اور کسی انحراف کا واضح انکشاف کیا گیا ہے۔
- 5- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- 6- سال کے دوران کمپنی نے 15.8 ملین روپے کا خالص نقصان اٹھایا اور بیلنس شیٹ کی تاریخ تک 1,625.3 ملین روپے کا مجموعی نقصان اٹھایا ہے۔ کمپنی کی موجودہ واجب ادائیگیاں اسکے موجودہ اثاثوں سے 639.6 ملین روپے تک تجاوز کر گئی ہیں۔ یہ عناصر کمپنی کی رواں دواں رہنے کی اہلیت کے بارے میں شکوک پیدا کر سکتے ہیں۔ تاہم انتظامیہ کمپنی کی مدد کے لئے مسلسل کوششیں کر رہی ہے۔

7- فہرستی ضابطوں میں تفصیلی کارپوریٹ گورننس کے بہترین طریقوں میں سے کسی خاطر خواہ شق سے مادی انحراف نہیں ہو رہا ہے۔

8- گزشتہ چھ سالوں کی مالیاتی جھلکیاں منسلک ہیں۔

نمونہ حصص داری

کمپنی کا نمونہ حصص داری سالانہ رپورٹ سے منسلک ہے۔

حصص داری کی اقسام

کمپنی کے شیئرز ہولڈنگ کی اقسام سالانہ رپورٹ سے منسلک ہیں۔

اظہار تشکر

بورڈ کمپنی میں اپنے قابل قدر حصص یافتگان کے اعتماد، بھرپور حمایت، مدد اور رہنمائی کے لئے سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی انتظامیہ کی شکر گزار ہے۔ بورڈ کمپنی کے ملازمین کی لگن اور سخت محنت کا بھی شکریہ ادا کرتا ہے۔

منجانب بورڈ
 پرویز احمد
 چیف ایگزیکٹو

لاہور، تاریخ: 7 اکتوبر 2019ء

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 28th October 2018

Signed this ----- day of -----2019

Witnesses:

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

Five
Rupees
Revenue
Stamp

Signature should be agreed with the
Specimen Signatures with the
Company

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint a proxy to attend and vote instead of him/her.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his constituted attorney or if such appointer is a corporation or company under the common seal of such corporation or company.
3. In case of individual, the account holder or sub-account holder and / or the person whose securities are in group account shall submit the Proxy form along with following documents:
 - a. The Proxy form shall be witnessed by the two persons whose names, addresses and CNIC number shall be mentioned on the form.
 - b. Attested copies of CNIC or the passport of the beneficial owners and the Proxy shall be furnished with the Proxy form.
 - c. The Proxy shall produce his / her original CNIC or original passport at the time of the meeting. 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.

Registered Office: | 20-K Gulberg II, Lahore.
| Ph: (042) 3575 9621, 3575 9464, 3571 4810
| Fax: (042) 3571 0312