

Half Yearly Account
for the Period Ended
December 31, 2024

**PERVEZ AHMED
CONSULTANCY
SERVICES LIMITED**

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COMPANY INFORMATION

Board of Directors	Mr. Ali Pervez Ahmed Mr. Waqas Ahmad Khan Mrs. Rehana Pervez Ahmed Mrs. Ayesha Ahmed Mansoor Mr. Muntazir Mehdi Mr. Muhammad Razzaq Mian Basit Rasheed	Chief Executive Chairman
Audit Committee	Mian Basit Rasheed Mr. Muntazir Mehdi Mrs. Ayesha Ahmed Mansoor	Chairman
Chief Financial Officer	Mr. Muhammad Yousuf	
Company Secretary	Mr. Rizwan Atta	
Auditors	M/s Rizwan & Company Chartered Accountants	
Legal Advisor	Cornelius, Lane & Mufti Advocates & Solicitors	
Banks	Al Baraka Bank (Pakistan) Limited MCB Bank Limited	
Registered Office	20-K, Gulberg II, Lahore.	
Share Registrars	THK Associates (Pvt.) Limited 32-C, Jami Commercial, Street No 2, D.H.A Phase VII, Karachi - 75500	
Website	www.pervezahmed.net	

DIRECTORS' REPORT

On behalf of the Board of Directors of Pervez Ahmed Consultancy Services Limited, we feel immense pleasure to present the un-audited financial statements of the Company for the half year ended December 31, 2024.

For the six-month period ending December 31, 2024, the Company reported an operating loss of Rs. 918,293, compared to a loss of Rs. 730,118 for the same period last year. The net profit for the half-year ending December 31, 2024, stood at Rs. 9,027,051, in contrast to a net profit of Rs. 938,852 during the same period last year. The earnings per share for the six months ending December 31, 2024, were recorded at Rs. 0.048, compared to Rs. 0.005 per share for the same period last year.

Financial Results of the Company

The auditor has issued an adverse opinion in the audit report regarding the going concern assumption and ongoing litigations in various courts against the Company. However, the management is actively working to address these issues and stabilize the Company's operations.

Future Outlook


It has been observed that economic indicators have stabilized during the six months ending December 31, 2024. Pakistan's GDP growth is projected to be 3% in fiscal year 2025 and 4% in fiscal year 2026. Inflation is expected to range between 5% and 6% in fiscal year 2025. While key macroeconomic indicators, such as declining inflation and interest rates, a stable rupee, and improved fiscal discipline offer cautious optimism, challenges still persist. Nevertheless, the Government's focus on reducing energy costs and further monetary easing provides a positive outlook for cost structures. Sustained growth will, however, depend on structural and fiscal reforms aimed at boosting investor confidence, productivity, and economic resilience.

Acknowledgement

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

For & on behalf of the Board

Lahore
February 25, 2024


Ayesha Ahmed Mansoor
Director


Ali Pervez Ahmed
Chief Executive

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of PERVEZ AHMED CONSULTANCY SERVICES LIMITED
Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of PERVEZ AHMED CONSULTANCY SERVICES LIMITED as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the selected notes forming part thereof, for the six month period then ended (hereinafter referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of the condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures included in condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2024 and 2023 and the notes forming part thereof have not been reviewed by us and we do not express a conclusion on them, as we are required to review only the cumulative figures for the six months' period ended December 31, 2024.

Scope of Review

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

Basis for Adverse Conclusion

We believe that the procedures we have performed are sufficient and appropriate to provide a basis for our adverse conclusion and we report that:

- a. As referred to in note 2.2 to the condensed interim financial statements, the Company has accumulated losses of Rs. 1,621.226 million. Its current liabilities exceed current assets by Rs. 644.976 million. Further, the Company has had no notable operating activity since the Trading Rights Entitlement Certificate issued to the Company became inactive due to inadequate net capital balance and the Company has been placed on defaulters' segment by Pakistan Stock Exchange. Further, as fully explained in note 9.1.3 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 to the shareholders, and that the Company and its Directors be ordered to buy back the shares of the minority shareholders at a price to be determined in accordance with the 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. Furthermore, the consequential cumulative effect of matters pending under litigations as explained in notes 9.1.1 and 9.1.2 to the financial statements also cannot be determined with certainty at this stage. These factors indicate existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. We consider that in the absence of any favorable settlement with the providers of debt finances/creditors and its ability to obtain further financing for 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 condensed interim financial statements is not appropriate and adjustments may be required to the recorded asset amounts and classification of liabilities. The condensed interim financial statements do not disclose this fact.

- b. The bankers of the company have filed a suit before the Lahore High Court for the recovery of outstanding debt finances as explained in note 9.1.2 to the condensed interim financial statements. The Company has not recognized mark up on the above said debt finances. As the matter is under litigation, the resultant liability has not been provided for in these condensed interim financial statements.
- c. As referred to in note 9.1.1 to the condensed interim financial statements, one of the creditors of the Company filed a 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 made provision for late payment surcharge of Rs. 17.45 million as the legal counsel of the company is confident about the positive outcome of the case. Due to the matter under litigation the consequential cumulative effect has neither been determined nor adjusted in these condensed interim financial statements.

Adverse Conclusion

Based on our review, because of the significance of the matter described in the Basis for Adverse Conclusion paragraph above, the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Rashid Iqbal FCA.



RIZWAN AND COMPANY
Chartered Accountants

Date: FEBRUARY 25, 2025
Place: Islamabad

UDIN: RR202410101Ac7WGu3fL

PERVEZ AHMED CONSULTANCY SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 DECEMBER 2024

		Un-audited December 31, 2024	Audited June 30, 2024
		(Rupees)	
ASSETS	NOTE		
NON CURRENT ASSETS			
Property and equipment	5	14,698	16,588
Long term investments	6	91,560,921	82,108,856
Long term deposits		150,000	150,000
		91,725,619	82,275,444
CURRENT ASSETS			
Short term investments		2,372,953	1,879,674
Trade receivables & prepayments		1,787,162	600,000
Other Recievable		-	580,000
Bank balances		921,679	890,871
		5,081,794	3,950,545
CURRENT LIABILITIES			
Trade and other payables		(480,074,885)	(481,080,512)
Unclaimed dividend		(885,404)	(885,404)
Accrued interest	7	(21,757,327)	(21,757,327)
Short term borrowings	8	(89,839,551)	(89,839,551)
Due to related parties		(57,440,713)	(54,880,713)
Provision for taxation		(60,000)	(60,000)
		(650,057,880)	(648,503,507)
NET CURRENT ASSETS		(644,976,086)	(644,552,962)
NON-CURRENT LIABILITIES		-	-
NET ASSETS		(553,250,467)	(562,277,518)
SHARE CAPITAL AND RESERVES			
Authorized share capital		2,300,000,000	2,300,000,000
Issued share capital		1,865,684,870	1,865,684,870
Discount on issue of shares		(818,331,810)	(818,331,810)
Retained earnings		(1,621,226,377)	(1,630,253,428)
		(573,873,317)	(582,900,368)
Share deposit money		20,622,850	20,622,850
TOTAL EQUITY		(553,250,467)	(562,277,518)
CONTINGENCIES AND COMMITMENTS	9	-	-
		(553,250,467)	(562,277,518)

The annexed notes from 1 to 17 form an integral part of these interim financial statements.


Director


Chief Financial Officer


Chief Executive

PERVEZ AHMED CONSULTANCY SERVICES LIMITED**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**

FOR THE QUARTER AND SIX MONTH PERIOD ENDED DECEMBER 31, 2024

(UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	Un-Audited	Un-Audited	Un-Audited	Un-Audited
	01 July, 2024 to 31 Dec., 2024	01 July., 2023 to 31 Dec., 2023	01 Oct., 2024 to 31 Dec., 2024	01 Oct., 2023 to 31 Dec., 2023
NOTE	(Rupees)		(Rupees)	
Revenue from contracts with customers	-	-	-	-
Administrative expenses	(918,293)	(730,118)	(560,991)	(391,867)
Changes in fair value of short term investments	493,279	81,668	655,638	91,236
	(425,014)	(648,450)	94,647	(300,631)
Share of profit of associate	9,452,065	1,587,302	8,757,039	1,304,298
Profit before taxation	9,027,051	938,852	8,851,686	1,003,667
Provision for taxation	-	-	-	-
Profit after taxation	9,027,051	938,852	8,851,686	1,003,667
Earning per share - basic and diluted	0.05	0.005	0.047	0.005

The annexed notes from 1 to 17 form an integral part of these interim financial statements.


Director



Chief Financial Officer

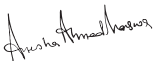


Chief Executive

PERVEZ AHMED CONSULTANCY SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND SIX MONTH PERIOD ENDED DECEMBER 31, 2024
(UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	Un-Audited	Un-Audited	Un-Audited	Un-Audited
	01 Jul., 2024 to 31 Dec., 2024	01 Jul., 2023 to 31 Dec., 2023	01 Oct., 2024 to 31 Dec., 2024	01 Oct., 2023 to 31 Dec., 2023
	(Rupees)		(Rupees)	
Profit after taxation	9,027,051	938,852	8,851,686	1,003,667
Other comprehensive income	-	-	-	-
Total comprehensive income	9,027,051	938,852	8,851,686	1,003,667

The annexed notes from 1 to 17 form an integral part of these interim financial statements.



Director



Chief Financial Officer



Chief Executive

PERVEZ AHMED CONSULTANCY SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2024 (UN-AUDITED)

	SHARE CAPITAL	Share Deposit Money	CAPITAL RESERVES Discount on Issue of Shares	Accumulated Losses	TOTAL EQUITY
	(Rupees)				
Balance as at 30 June 2023 (Audited)	1,865,684,870	20,622,850	(818,331,810)	(1,631,411,983)	(563,436,073)
Comprehensive income					
Profit after taxation	-	-	-	938,852	938,852
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	938,852	938,852
Transaction with owners	-	-	-	-	-
Balance as at 31 December 2023 (Un-audited)	1,865,684,870	20,622,850	(818,331,810)	(1,630,473,131)	(562,497,221)
Comprehensive income					
Profit after taxation	-	-	-	219,703	219,703
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	219,703	219,703
Transaction with owners	-	-	-	-	-
Balance as at 30 June 2024 (Audited)	1,865,684,870	20,622,850	(818,331,810)	(1,630,253,428)	(562,277,518)
Comprehensive income					
Profit after taxation	-	-	-	9,027,051	9,027,051
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	9,027,051	9,027,051
Transaction with owners	-	-	-	-	-
Balance as at 31 December 2024 (Un-audited)	1,865,684,870	20,622,850	(818,331,810)	(1,621,226,377)	(553,250,467)

The annexed notes from 1 to 17 form an integral part of these interim financial statements.



Director



Chief Financial Officer



Chief Executive

PERVEZ AHMED CONSULTANCY SERVICES LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2024 (UN-AUDITED)

Six-months period ended	
01 July, 2024 to 31 Dec., 2024	01 Jul., 2023 to 31 Dec., 2023
(Rupees)	

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	9,027,051	938,852
Adjustments for non-cash and other items		
Changes in fair value of investments at fair value through profit or loss	(493,279)	(81,668)
Share of (Profit) of associate	(9,452,065)	(1,587,302)
Depreciation	1,890	2,506
	(9,943,454)	(1,666,464)
Operating loss before working capital changes	(916,403)	(727,612)
Changes in working capital		
Trade and other payables	(1,005,627)	(263,315)
Other receivables	(607,162)	(541,555)
	(1,612,789)	(804,870)
Cash used in operations	(2,529,192)	(1,532,482)

CASH FLOWS FROM INVESTING ACTIVITIES

- -

CASH FLOWS FROM FINANCING ACTIVITIES

Borrowings from related parties	2,560,000	1,470,000
Net cash generated from financing activities	2,560,000	1,470,000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	30,808	(62,482)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	890,871	1,542,766
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	921,679	1,480,284

The annexed notes from 1 to 17 form an integral part of these interim financial statements.

Director

Chief Financial Officer

Chief Executive

PERVEZ AHMED CONSULTANCY SERVICES LIMITED**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2024 (UN-AUDITED)

1 LEGAL STATUS AND OPERATIONS

Pervez Ahmed Consultancy Services Limited [‘the Company’] was incorporated in Pakistan on 08 June 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.

1.1 Placement on Non Compliant Segment

The Company has been placed on non compliant segment by Pakistan Stock Exchange

2 BASIS OF PREPARATION

The interim financial statements are un-audited and has been presented in condensed form and do not include all the information as is required to be provided in a full set of annual financial statements. These condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 30 June. These condensed interim financial statements have been subjected to limited scope review by the auditors of the company, as required by the Companies Act, 2017 under section 237. The comparative condensed interim statement of financial position as at 30 June 2024 and the related notes to the condensed interim financial statements are based on audited financial statements. The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and related notes to the condensed interim financial statements for the six month period ended 31 December 2023 are based on unaudited, reviewed condensed interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2024 and 31 December 2023 are neither audited nor reviewed.

2.1 Statement of compliance

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

- International Accounting Standard 34 - Interim Financial Reporting, issued by International Accounting Standards Board [IASB] as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, 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. 1,621.226 million. Its current liabilities exceed current assets by Rs. 644.976 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 indicates existense 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 bussiness. However, these condensed interim 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 advances

2.3 Basis of measurement

These condensed interim financial statements financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Financial assets	Fair value/amortized cost

2.4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of condensed interim 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.

2.5 Functional currency

These condensed interim financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these interim financial statements have been rounded to the nearest Rupees unless specified otherwise.

3 Material accounting policy information

- 3.1 The material accounting policy information and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2024.
- 3.2 There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 01, 2024. These are considered not to be relevant nor have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

4 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended 30 June 2024.

	(Un-audited) December 31, 2024	(Audited) June 30, 2024
	(Rupees)	

5 PROPERTY AND EQUIPMENT

NOTE		
	Net book value at the beginning of the period/year	16,588 21,600
	Depreciation for the period/year	(1,890) (5,012)
	Net book value at end of the period/year	14,698 16,588

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
	NOTE	(Rupees)	
6 LONG TERM INVESTMENTS			
Investment in related parties	6.1	87,592,421	78,140,356
Other investments	6.2	3,968,500	3,968,500
		91,560,921	82,108,856

6.1 Investment in related parties

Pervez Ahmed Capital (Private) Limited	6.1.1	87,592,421	78,140,356
Origins Fabrics (Private) Limited	6.1.2	-	-

6.1.1 Pervez Ahmed Capital (Private) Limited

This represents investment in ordinary shares of Pervez Ahmed Capital (Private) Limited ['PACL'], an associate. PACL is incorporated in Pakistan as a Private Limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the Company is to carry on the business of stock brokerage, underwriting and investments. The registered office of the Company is situated at 1-A/565, Block – 3, Gulshan Iqbal, Karachi.

The investment has been accounted for using the equity method. Particulars of investment are as follows:

	(Un-audited) December 31, 2024	(Audited) June 30, 2024
	(Rupees)	
Cost of investment		
8,498,300 (30 June 2024: 8,498,300) fully paid ordinary shares of Rs. 10 each	84,983,000	84,983,000
Share of post acquisition profit / (losses)	2,609,421	(6,842,644)
	87,592,421	78,140,356
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 profit based on the associate's un-audited financial statements for the reporting period are as follows:

	(Un-audited) December 31, 2024	(Audited) June 30, 2024
	(Rupees)	
Non-current assets	38,705,946	20,733,828
Current assets	138,726,464	137,624,342
Non-current liabilities	-	-
Current liabilities	36,129	51,129
Profit for the period/year	19,149,240	6,381,527
Share of profit	9,452,065	3,149,922

6.1.2 Origins Fabrics (Private) Limited

Cost of investment	9,000,000	9,000,000
Changes in fair value	(9,000,000)	(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 ORIGINS LAWN, an extension of an already established and renowned retail brand ORIGINS READY 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 IFRS 9 - '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.

6.2 Other investments

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

		(Un-audited) December 31, 2024	(Audited) June 30, 2024
		(Rupees)	
Dawood Family Takaful Limited	6.2.1	5,000,000	5,000,000
Changes in fair value		(1,031,500)	(1,031,500)
		<u>3,968,500</u>	<u>3,968,500</u>

- 6.2.1 These represent 500,000 (30 June 2024: 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 30-June-2024

7 ACCRUED INTEREST

This represents over-due interest on borrowings.

8 SHORT TERM BORROWINGS

The represents overdue borrowings. The Company does not have any lines of credit arrangements as the reporting date.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

- 9.1.1 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.
- 9.1.2 Al Baraka Bank (Pakistan) Limited in 2019 has filed a suit before the High Court of Lahore as per writ petition C.O.S No. 2221/19 against the Company for recovery of outstanding Murabaha Finance of Rs 87,137,771/- along with the relevant cost. Therefore, since 2019 the Company has not recognized interest on short term borrowings as the outcome of the matter cannot be determined at this stage. The legal counsel of the company is confident for the favorable decision of the case.

9.1.3 The Additional Registrar of Companies [ARC] Securities and Exchange Commission of Pakistan has filed a petition number 9/2016 in the High Court of Lahore 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:

- a) 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 the some minority shareholders have filed a complaint to that effect.
- b) The Company has not declared any dividends 2008-09 and its does not have a bright future outlook as the directors have no concrete plan for the revival of business of the Company.
- c) 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 14 June 2016).
- d) 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.
- e) The Company has not recognized interest on short term borrowings since 30 June 2015.
- f) 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.

9.2 Commitments

There are no material commitments as at the reporting date.

10 PROVISION FOR TAXATION

Provision for taxation has been calculated by taking into account higher of normal tax or ACT under section 113 of Income Tax Ordinance, 2001. However, due to taxable loss, no tax provision has been made for the period.

11 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associates and associated undertakings, 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, associates and associated undertakings are limited to provision of temporary interest free loans to the Details of transactions with related parties are as follows:

(UN-AUDITED)	
HALF YEAR ENDED	
December 31, 2024	December 31, 2023
Rupees	

11.1 Transactions with related parties

Nature of relationship	Nature of transactions		
Associated companies and undertakings	Borrowings obtained - net	2,560,000	1,470,000

11.2 Balances with related parties

Nature of relationship	Nature of balance		
Associated companies and undertakings	Borrowings	20,412,931	17,792,931
	Advance against issue of ordinary shares	20,622,850	20,622,850
Sponsors and directors	Borrowings	37,027,782	37,027,782

12 FINANCIAL INSTRUMENTS

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

(Un-audited)	(Audited)
December 31, 2024	June 30, 2024
Rupees	

12.1 Financial assets

<i>Financial assets at amortized cost</i>			
Long term deposits		150,000	150,000
Cash at banks		921,679	890,871

Financial assets mandatorily measured at fair value through profit or loss

Long term investments	3,968,500	3,968,500
Short term investments	2,372,953	1,879,674
	7,413,132	6,889,045

12.2 Financial liabilities

<i>Financial liabilities at amortized cost</i>			
Short term borrowings		89,839,551	89,839,551
Accrued interest		21,757,327	21,757,327
Trade creditors		472,430,986	472,430,986
Payable against purchase of investment		4,086,600	4,086,600
Other payables		1,015,794	1,835,471
		589,130,258	589,949,935

13 FAIR VALUE MEASUREMENTS

13.1 Financial Instruments

13.1.1 Financial instruments measured at fair value

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

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:

			(Un-audited) December 31, 2024	(Audited) June 30, 2024
a) Recurring fair value measurements				

Nature of asset	Hierarchy	Valuation technique and key inputs	Rupees	
Investment in unquoted securities (Long term investment)	Level 2	Break-up value	3,968,500	3,968,500
Investment in listed securities (Short term investments)	Level 1	Quoted bid prices in active	2,372,953	1,879,674

14 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require adjustment of and/or disclosure in these condensed interim financial statements.

15 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 condensed interim financial

16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on February 25, 2025.

17 GENERAL

- 17.1 There are no other significant activities since 30 June 2024 affecting the condensed interim
- 17.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.



Director



Chief Financial Officer



Chief Executive

Registered Office: | 20-K Gulberg II, Lahore.

| Ph: (042) 3575 9621, 3575 9464, 3571 4810

| Fax: (042) 3571 0312