

An aerial photograph of a city skyline, likely New York City, with a blue overlay. The Chrysler Building is prominent in the center. The text is overlaid on the image.

2023  
**ANNUAL  
REPORT**

**PERVEZ AHMED  
CONSULTANCY  
SERVICES LIMITED**

---

## C O N T E N T S

Company Information	2
Notice of Annual General Meeting	4
Directors' Report	5
Chairmans' Report	8
Financial Highlights	9
Statement of Compliance With Code of Corporate Governance	10
Auditors' Review Report on Corporate Governance	12
Auditors' Report to the Members	13
Statement of Financial Position	17
Statement of Profit or Loss	18
Statement of Comprehensive Income	19
Statement of Changes in Equity	20
Statement of Cash Flows	21
Notes to the Financial Statements	22
Pattern of Shareholding	42
Directors' Report (Urdu language)	43
Form of Proxy	47

## COMPANY INFORMATION

Board of Directors	Mr. Ali Pervez Ahmed Mr. Muhammad Khalid Khan Mrs. Rehana Pervez Ahmed Mrs. Ayesha Ahmed Mansoor Mr. Muhammad Razzaq Mr. Waqas Ahmad Khan Mian Basit Rasheed	Chief Executive Chairman
Audit Committee	Mian Basit Rasheed Mr. Muhammad Khalid Khan 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	<a href="http://www.pervezahmed.net">www.pervezahmed.net</a>	

### **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 NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given to the members that the Eighteenth Annual General Meeting of Pervez Ahmed Consultancy Services Limited will be held at the Registered Office of the Company i.e. 20-K, Gulberg II, Lahore on Friday, October 27, 2023, at 4:00 p.m. to transact the following business.

1. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2023 and the Directors' Report and Auditors' Reports thereon.
2. To appoint statutory auditors of the Company for the year ending June 30, 2024 and fix their remuneration. The present Auditors M/s Rizwan & Company - Chartered Accountants, retire and being eligible offered themselves for the re-appointment.

By the order of the Board

Lahore: October 4, 2023

Rizwan Atta  
Company Secretary

#### **NOTES**

- I The Share Transfer Books of the Company will remain closed from October 23, 2023 to October 27, 2023 (both days inclusive) to establish the right to attend annual general meeting.
- II A member of the Company entitled to attend and vote may appoint another member as his/ her proxy to attend and vote instead of him /her.
- III Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.
- IV Member holding aggregate 10% or more shareholding, residing in a city other than Lahore, may demand the facility of video link for participation in the Annual General Meeting.
- V Shareholders are also requested to notify immediately any change in their contact details to the Share Registrar, M/s THK Associates (Private) Limited, Plot No 32-C, Jami Commercial, Street No 2, DHA Phase VII, Karachi.

## DIRECTORS' REPORT

The Board of Directors of Pervez Ahmed Consultancy Services Limited is pleased to present the Annual Report of the Company for the year ended June 30, 2023 along-with the audited financial statements of the Company for the year ended June 30, 2023.

### Financial Review

The Financial results of the Company for the year ended June 30, 2023 are as under;

	Year Ended	
	June 30,2023 Rupees	June 30,2022 Rupees
Operating revenue	600,000	-
Operating expenses	(1,715,292)	(1,604,903)
Surplus on remeasurement of investments	323,241	824,832
Share of (loss) of associate	(1,743,712)	(7,585,652)
(Loss) before taxation	(2,535,763)	(8,365,723)
Taxation	(60,000)	40,000
(Loss) after taxation	(2,595,763)	(8,325,723)
(Loss) per share - basic & diluted	(0.014)	(0.045)

### Financial Results of the Company

During the year under review, the Company suffered a loss of Rs. 2.60 million for the year ended June 30, 2023 as compared to a loss of Rs. 8.33 million in last year. Loss for the year is mainly due to share of loss of associate. The basic and diluted loss per share is Rs. (0.014).

The auditor has expressed an adverse opinion in audit report with respect to going concern assumption, non recognition of mark-up on short term borrowings and litigations pending in different courts against the Company. However the management is making efforts for resolving these issues and regularizing operations of the Company

### Economic Outlook

Due to factors including the persistent increase in inflation, the SBP discount rate and the ongoing political unrest, the country's economic situation remained essentially unstable throughout the year. An important factors in the country's economic unrest was also the country's persistent devaluation of the Pakistani rupee against foreign currencies. In 2024, same challenges are expected to continue. The current state of economic uncertainty will continue to hinder the country's economic progress

### Statement of Ethics & Business Practices

The Board has prepared and circulated the Statement of Ethics and Business Practices signed by every director 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.

## Trading in the Shares of the Company

None of the Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, their spouses and minor children have traded in the shares of the Company during the year ended June 30, 2023

## 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, 2023 to October 27, 2023 (both days inclusive). Transfer received by our Shares Registrar, M/s THK Associates (Pvt.) Limited - 32-C, Jami Commercial, Street No 2, Karachi - 75500 at the close of business on October 20, 2023 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

Five meetings of the Board of Directors were held during the year ended June 30, 2023 and the attendance of the directors is as follows.

Mr. Ali Pervez Ahmed	Chief Executive	5 attendance
Mrs. Rehana Pervez Ahmed	Director	5 attendance
Mrs. Ayesha Ahmed Mansoor	Director	5 attendance
Mr. Muhammad Khalid Khan	Director	5 attendance
Mr. Muhammad Razzaq	Director	4 attendance
Mian Basit Rasheed	Director	5 attendance
Mr. Waqas Ahmad Khan	Director	4 attendance

## Auditors

The Auditors Messrs Rizwan & Company - Chartered Accountants retire and being eligible offer themselves for reappointment. The Audit Committee recommends the reappointment of Messrs Rizwan & Company - Chartered Accountants as auditors of the Company for the financial year ending June 30, 2023.

## Audit Committee

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

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

Meetings of the Audit Committee were held during the year ended June 30, 2023 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 2019 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 a loss of Rs. 2.60 million during the year and has accumulated losses of Rs. 1,631.41 million as at the balance sheet date. The current liabilities of the Company exceeds its current assets by Rs. 642.23 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.

October 4, 2023

  
Ayesha Ahmed Mansoor  
Director

  
Ali Pervez Ahmed  
Chief Executive



### CHAIRMANS' REPORT

I am pleased to present the Chairman's Review Report of the Company for the year ended June 30, 2023, pertaining to the overall performance of the Board and its roll in achieving the Company's objectives.

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed and implemented.

The Board also carried out the annual review of its effectiveness and performance on a self-assessment basis. The assessment is based on the basic principles of fairness, integrity and accountability with prime focus to enhance the performance. For the Financial year ended June 30, 2023, the overall performance of the Board has been satisfactory. On behalf of the Board, it is a distinct pleasure for me to express my gratitude to you for the enduring trust and confidence reposed in us for many years.

The Board comprises of seven members, that were elected at the Annual General Meeting of the Company held on November 4, 2021, for the term of next three years, under the provisions of Section 159 of the Companies Act, 2017. The Board comprises members with vast experience and diversified knowledge. The Board together with its committees was fully involved in all business related affairs of the Company.

On behalf of the Board of Directors, I would like to express my heartfelt gratitude to all our stakeholders for their unwavering trust, continued support, and encouragement. I recognize and deeply appreciate the contributions of my fellow Board members of the Company during the year and thank for valuable contributions for the growth of the Company.

Lahore  
October 4, 2023

**Muhammad Khalid Khan**  
CHAIRMAN

**FINANCIAL HIGHLIGHTS**

<b>Profit and Loss Account</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Operating revenue	600,000	-	500,000	1,000,000	-	50,830
Administrative expenses	(1,714,783)	(1,604,603)	(1,460,583)	(1,412,468)	(1,724,412)	(1,668,450)
<b>Operating (Loss)</b>	<b>(1,114,783)</b>	<b>(1,604,603)</b>	<b>(960,583)</b>	<b>(412,468)</b>	<b>(1,724,412)</b>	<b>(1,617,620)</b>
- Finance cost	(509)	(300)	(790)	(382)	(2,117)	(3,557)
- Other operating charges	-	-	-	-	-	(6,487,204)
- Other operating income	-	-	-	353,600	-	-
	(509)	(300)	(790)	353,218	(2,117)	(6,490,761)
Changes in fair value of long term investments	122,000	230,688	515,408	229,304	(2,468,500)	-
Changes in fair value of short term investments	201,241	594,144	382,467	(216,346)	84,313	(30,709,117)
Excess liabilities written back	-	-	-	-	3,015,244	
Impairment loss on available for sale of financial assets	-	-	-	-	-	(9,000,000)
(Loss)/profit before Taxation & Share from Associated Undertaking	(792,051)	(780,071)	(63,498)	(46,292)	(1,095,472)	(47,817,498)
Share of (Loss)/profit from Associated Undertaking	(1,743,712)	(7,585,652)	7,025,214	(1,978,402)	(14,721,085)	(12,365,029)
<b>(Loss)/profit before Taxation</b>	<b>(2,535,763)</b>	<b>(8,365,723)</b>	<b>6,961,716</b>	<b>(2,024,694)</b>	<b>(15,816,557)</b>	<b>(60,182,527)</b>
Taxation	(60,000)	40,000	(40,000)	(80,000)	-	(6,354)
<b>(Loss)/profit after Taxation</b>	<b>(2,595,763)</b>	<b>(8,325,723)</b>	<b>6,921,716</b>	<b>(2,104,694)</b>	<b>(15,816,557)</b>	<b>(60,188,881)</b>
Payouts						
- Cash dividend	Nil	Nil	Nil	Nil	Nil	Nil
- Stock dividend	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance Sheet</b>						
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	21,600	28,298	37,319	49,569	137,740	178,744
Intangible assets	-	-	-	-	-	-
Long term investments	78,619,334	80,241,045	87,596,009	80,055,387	81,804,485	98,994,070
Short term investments	2,141,199	2,523,117	1,928,973	1,546,506	1,762,852	1,678,539
Total assets	83,654,899	91,442,760	98,372,901	89,931,353	91,969,141	112,832,467
Shareholders' equity	(584,058,923)	(581,463,160)	(573,137,436)	(580,059,151)	(577,954,457)	(562,137,900)
(Loss)/earning per share	(0.014)	(0.045)	0.037	(0.01)	(0.08)	(0.32)
Current ratio	0.0075 : 1	0.016 : 1	0.016 : 1	0.0146 : 1	0.0149 : 1	0.0204 : 1

## Statement of Compliance With Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: **PERVEZ AHMED CONSULTANCY SERVICES LIMITED**

Year ending: **JUNE 30, 2023**

The Company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are seven as per the following:

Male : **Five**

Female : **Two**

2. The composition of the Board is as follows:

### **Name of Director and Category**

#### **Independent Directors**

- Mr. Muhammad Razzaq

- Mr. Waqas Ahmad Khan

- Mian Basit Rasheed

#### **Other Non-Executive Directors**

- Mrs. Rehana Pervez Ahmed

- Mrs. Ayesha Ahmed Mansoor

- Mr. Muhammad Khalid Khan

#### **Executive Director**

- Mr. Ali Pervez Ahmed

3. The Directors have confirmed that none of them is serving as a director on more than Seven listed companies, including this Company;
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. The Board has ensured that complete record of the particulars of the significant policies along with their dates of approval or updating is maintained by the Company;
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 Act and these 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 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;

However, Executive Director, Mr. Ali Pervez Ahmed is exempt due to 14 years of education and 15 years of experience on the board of a listed company;

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
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**


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

**HR and Remuneration Committee**

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance;
14. The frequency of meetings (quarterly/half yearly/yearly) 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 who are considered suitably qualified and 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 and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (Spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
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 requirements of the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with, except as explained at Sr. 19;
19. We confirm that the Company has complied with respect to all the material requirements of the Regulations.

on behalf of the Board

  
Ayesha Ahmed Mansoor  
Director

  
Ali Pervez Ahmed  
Chief Executive

Lahore.  
October 4, 2023

### INDEPENDENT AUDITOR'S REVIEW REPORT

#### Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pervez Ahmed Consultancy Services Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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.

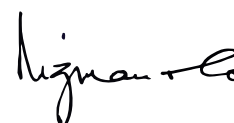
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control 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. 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.

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 30 June 2023.

Further, we would like to highlight that:

As required by regulation 19.1 of the Regulations appropriate arrangements for orientation courses and training of four of the directors have not been carried out.



**RIZWAN AND COMPANY**  
**Chartered Accountants**

**Islamabad:** 04 OCTOBER, 2023  
**UDIN:** CR202310101ga2mCHeV3

## INDEPENDENT AUDITOR'S REPORT

### Report on the Audit of the Financial Statements

#### Adverse Opinion

We have audited the annexed financial statements of Pervez Ahmed Consultancy Services Limited ("the Company"), which comprise the statement of financial position as at June 30, 2023, 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.

Because of the significance of the matter described in the Basis for Adverse Opinion section of our report, in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017, in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs for the year ended June 30, 2023 and of the loss, total comprehensive income, changes in equity and its cash flows for the year then ended.

#### Basis for Adverse 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion and after due verification we report that:

- a. As referred to in note 2.2 to the financial statements, the Company has accumulated losses of Rs. 1,631.4 million. Its current liabilities exceed current assets by Rs. 642.2 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 19.1.3 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 19.1.1 and 19.1.2 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

## Annual Report June 30, 2023

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.

- b. The banker of the company has filed a suit before the Lahore High Court for the recovery of Murabaha facility amounting to Rs 87,137,771/- as presented in note 13 and fully explained in note 19.1.2 to the financial statements. The Company has not recognized mark up on the above said Murabaha facility since 2019. As the matter is under litigation, no balance confirmation has been received from the bank and accordingly the consequential cumulative effect of the matter cannot be determined with reasonable accuracy at this stage and the resultant liability has not been provided for in these financial statements.
- c. As referred to in note 19.1.1 to the 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 financial statements.

### 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 we do not provide a separate opinion on these matters. Following are the key audit matter(s):

Key audit matter	How our audit addressed the key audit matter
<p>a) <b>Contingencies and Company's exposure to litigation risk</b></p> <p>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.</p> <p>The Company has significant other litigation cases and other contingencies, details of which are disclosed in note 19.1 to the accompanying financial statements.</p> <p>Given the nature and amounts involved in such cases and contingencies, and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgment, which can change over time as new facts emerge and each legal case progresses and the contingency crystallizes, and therefore, we have identified this as key audit matter.</p>	<p>Our audit procedures amongst others, included the following:</p> <ul style="list-style-type: none"> <li>- We obtained confirmations from legal advisors for current status on pending previous cases and any new cases filed during the year and assessing the advice given;</li> <li>- Checked orders by relevant authorities on previous lawsuits / cases appearing in the financial statements;</li> <li>- Reading correspondence of the Company with regulatory departments and the Company's external counsel, where available;</li> </ul> <p>We evaluated that appropriate disclosures and presentation have been made in these financial statements. We have modified the report as we were unable to satisfy ourselves with appropriateness of disclosures made and company's accounting for compliance with IFRS.</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 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 is 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 users 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.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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

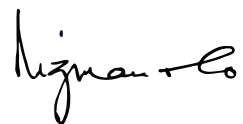
- a) because of the significance of the matters referred in paragraphs (a) to (c) of Basis for Adverse Opinion section above; proper books of account have not been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) because of the significance of the matters referred in paragraphs (a) to (c) of Basis for Adverse Opinion section above; 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 not 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) 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 Usher Ordinance, 1980 (XVIII of 1980).

The financial statements of the Company for the year ended June 30, 2022 were audited by another auditor whose report, dated October 6, 2022, expressed adverse opinion on those statements.

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

**Islamabad:** 04 OCTOBER, 2023

**UDIN:** AR202310101RIBJHnUfc



**RIZWAN AND COMPANY**  
**Chartered Accountants**

## Statement Of Financial Position

As At June 30, 2023

	NOTE	2023 RUPEES	2022
<b>NON CURRENT ASSETS</b>			
Property and equipment	5	21,600	28,298
Long term investments	6	78,619,334	80,241,045
Long term deposits	7	150,000	150,000
		<b>78,790,934</b>	<b>80,419,343</b>
<b>CURRENT ASSETS</b>			
Short term investments	8	2,141,199	2,523,117
Trade receivables - not past due		600,000	-
Other receivables		580,000	580,000
Advance tax	9	-	6,446,133
Bank balances	10	1,542,766	1,474,167
		<b>4,863,965</b>	<b>11,023,417</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	(481,197,976)	(490,527,405)
Unclaimed dividend		(885,404)	(885,404)
Accrued interest	12	(21,757,327)	(21,757,327)
Short term borrowings	13	(89,839,551)	(89,839,551)
Due to related parties	14	(53,350,713)	(49,273,383)
Provision for taxation	21	(60,000)	-
		<b>(647,090,971)</b>	<b>(652,283,070)</b>
<b>NET CURRENT ASSETS</b>		<b>(642,227,006)</b>	<b>(641,259,653)</b>
<b>NON-CURRENT LIABILITIES</b>			
		-	-
<b>NET ASSETS</b>		<b>(563,436,073)</b>	<b>(560,840,310)</b>
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>	15	<b>2,300,000,000</b>	<b>2,300,000,000</b>
Issued share capital	16	1,865,684,870	1,865,684,870
Discount on issue of shares	17	(818,331,810)	(818,331,810)
Accumulated losses		(1,631,411,983)	(1,628,816,220)
		<b>(584,058,923)</b>	<b>(581,463,160)</b>
Share deposit money	18	20,622,850	20,622,850
<b>TOTAL EQUITY</b>		<b>(563,436,073)</b>	<b>(560,840,310)</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	19	-	-
		<b>(563,436,073)</b>	<b>(560,840,310)</b>

The annexed notes from 1 to 34 form an integral part of these financial statements.

Lahore  
Date: October 4, 2023

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

## Annual Report June 30, 2023

### Statement of Profit or Loss

for the year ended June 30, 2023

	NOTE	2023 RUPEES	2022
Revenue from contracts with customers / Advisory services		600,000	-
Administrative expenses	20	(1,714,783)	(1,604,603)
Bank and other charges		(509)	(300)
Changes in fair value of long term investments	6.2	122,000	230,688
Changes in fair value of short term investments	8	201,241	594,144
		(792,051)	(780,071)
Share of (loss) of associate	6	(1,743,712)	(7,585,652)
<b>(Loss) before taxation</b>		<b>(2,535,763)</b>	<b>(8,365,723)</b>
Provision for taxation	21	(60,000)	40,000
<b>(Loss) after taxation</b>		<b>(2,595,763)</b>	<b>(8,325,723)</b>
<b>(Loss) per share - basic and diluted</b>	22	<b>(0.014)</b>	<b>(0.045)</b>

The annexed notes from 1 to 34 form an integral part of these financial statements.

Lahore  
Date: October 4, 2023

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

## Statement Of Comprehensive Income

*for the year ended June 30, 2023*

	2023	2022
	<u>RUPEES</u>	
(Loss) after taxation	(2,595,763)	(8,325,723)
Other comprehensive income	-	-
<b>Total comprehensive (loss)</b>	<u>(2,595,763)</u>	<u>(8,325,723)</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

Lahore  
Date: October 4, 2023

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

## Statement of Changes in Equity

for the year ended June 30, 2023

	Share capital	Capital reserves		Accumulated Loss	TOTAL EQUITY
	Issued share capital	Share deposit money	Discount on issue of shares		
----- (RUPEES) -----					
<b>Balance as at 01 July 2021</b>	1,865,684,870	20,622,850	(818,331,810)	(1,620,490,496)	(552,514,586)
<b>Comprehensive loss</b>					
Loss after taxation	-	-	-	(8,325,724)	(8,325,724)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	(8,325,724)	(8,325,724)
<b>Balance as at 30 June 2022</b>	1,865,684,870	20,622,850	(818,331,810)	(1,628,816,220)	(560,840,310)
<b>Balance as at 01 July 2022</b>	1,865,684,870	20,622,850	(818,331,810)	(1,628,816,220)	(560,840,310)
<b>Comprehensive income</b>					
Loss after taxation	-	-	-	(2,595,763)	(2,595,763)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss</b>	-	-	-	(2,595,763)	(2,595,763)
<b>Balance as at 30 June 2023</b>	1,865,684,870	20,622,850	(818,331,810)	(1,631,411,983)	(563,436,073)

The annexed notes from 1 to 34 form an integral part of these financial statements.

Lahore  
Date: October 4, 2023

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

## Statement of Cash Flows

for the year ended June 30, 2023

	2023	2022
	RUPEES	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(2,535,763)	(8,365,723)
<b>Adjustments for non-cash and other items</b>		
Changes in fair value of investments at FVTPL	(323,241)	(824,832)
Advance Income Tax	6,386,133	-
Share of loss of associate	1,743,712	7,585,652
Depreciation	6,698	9,021
	7,813,302	6,769,841
	5,277,539	(1,595,882)
<b>Changes in working capital</b>		
Trade and other payables	(9,269,429)	1,027,582
Trade receivables - not past due	(600,000)	-
Long term deposits	-	200,000
	(9,869,429)	1,227,582
<b>Cash used in operations</b>	(4,591,890)	(368,300)
Payments for Tax and dividend	-	-
<b>Net cash used in operating activities</b>	(4,591,890)	(368,300)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
Sale of short term investments	583,159	-
<b>Net cash generated from investing activities</b>	583,159	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings from related parties-Net	4,077,330	368,000
<b>Net cash generated from financing activities</b>	4,077,330	368,000
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	68,599	(300)
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>	1,474,167	1,474,467
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR</b>	1,542,766	1,474,167

The annexed notes from 1 to 34 form an integral part of these financial statements.

Lahore  
Date: October 4, 2023

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

## Notes to the Financial Statements

for the year ended June 30, 2023

### 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 defaulters segment

The Company has been placed on defaulters segment by Pakistan Stock Exchange Limited.

### 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. 1,631.4 million. Its current liabilities exceed current assets by Rs.642.2 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. 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 advances.

#### 2.3 Basis of measurement

These 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 judgments 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 judgments

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 26.1)**

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 managed. The Company monitors financial assets measured at amortized cost or fair value that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

**(b) Significant increase in credit risk (see note 27.1.1)**

As explained in note 27.1.1, expected credit losses ['ECL'] are measured, based on the Company's risk grading framework, as an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

#### 2.4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

**(a) Calculation of impairment allowance for expected credit losses on financial assets (see note 27.1.3)**

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. Estimating expected credit losses and changes there in requires taking into account qualitative and quantitative forward looking information. When measuring expected credit losses on financial assets the Company uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. If the ECL rates on financial assets carried at amortized cost were higher (lower) by 10%, the loss allowance on those assets would have been higher (lower) by Rs. 169,277 (30-Jun-22: Rs. 162,417). Further information on the Company's credit risk management practices and credit quality and impairment of financial assets is referred to in note 27.1.3.

**(b) Deferred tax assets on unused tax losses and credits (see note 21.3)**

Deferred tax assets are recognized for unused tax losses and credits to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Company has Rs. 13.796 million (30-Jun-22: Rs. 14.081 million) of tax losses carried forward as at the reporting date and available to the Company against future taxable profits. Deferred tax asset has not been recognized on these tax losses.

If the Company was able to recognize all unrecognized deferred tax assets, deferred tax assets and equity as at the reporting date would have increased by Rs. 4.001 million (30-Jun-22: Rs. 6.45 million)

#### 2.5 Functional currency

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

### 3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

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.

**a) Amendments to published approved accounting standards that are effective in current year and are relevant to the**



## Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 January, 2022

- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract
- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

The above mentioned amendments to published approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current and future periods.

## b) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are other amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2022 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not stated in these financial statements.

## c) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations there to will be effective for accounting periods beginning on or after January 01, 2023:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after January 01, 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a Liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of Liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of Liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a Long-term basis are no Longer relevant for the classification of a Liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a Liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a Liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a Liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a Liability's classification at that date. However, when non-current Liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those Liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the Initial Recognition Exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax Liability for temporary differences arising on initial recognition of a Lease and a decommissioning provision. For Leases and decommissioning Liabilities, the associated deferred tax asset and Liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include: 1) requiring companies to disclose their material accounting policies rather than their significant accounting policies; 2) clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and 3) clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.
- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

**d) Standards and amendments to published approved accounting standards that are not yet effective and not considered relevant to the Company**

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not stated in these financial statements.

**4 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**4.1 Share deposit money**

Share deposit money is recognized as equity on receipt basis.

**4.2 Employees retirement benefits**

**4.2.1 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 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 refund.

**4.2.2 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. However, there is no employee since many year.

**4.3 Financial instruments**

**4.3.1 Recognition**

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

**4.3.2 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 initial recognition as follows:

*(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 other comprehensive income [fair value through OCI]*

These are:

- (i) financial assets 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; and
- (ii) investments in equity instruments, that are not held for trading nor contingent consideration recognized by the Company as acquirer in a business combination, for which the Company makes an irrevocable election at initial recognition to present changes in fair value on subsequent measurement in other comprehensive income.

*(c) 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 inconsistency.

*(d) 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.

*(e) Financial liabilities at fair value through profit or loss*

These are financial liabilities which have not been classified as 'financial liabilities at amortized cost' or for which the Company makes an irrevocable election at initial recognition to designate as 'financial liabilities at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

#### **4.3.3 Measurement**

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

#### **4.3.4 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 a discharged or cancelled.

#### **4.3.5 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.

#### **4.3.6 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 market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

#### **4.4 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.

#### **4.5 Trade and other payables**

##### **4.5.1 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.

##### **4.5.2 Non-financial liabilities**

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

#### **4.6 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. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

#### **4.7 Receivables**

##### **4.7.1 Financial assets**

These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at fair value at the date of transaction, plus attributable transaction costs, except for trade receivables that do not have a significant financing component, which are measured at undiscounted invoice price. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

##### **4.7.2 Non-financial assets**

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

##### **4.7.3 Investments in listed equity securities**

Investments in listed equity securities are classified as 'financial assets at fair value through other comprehensive income'. 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 income. Cumulative gains and losses from changes in fair value recognized in other comprehensive income are transferred to retained earnings on derecognition. Dividend income is recognized in profit or loss when right to receive payment is established.

**4.7.4 Investment in associates**

Investments in associates are accounted for using the equity method of accounting. Under the equity method, an investment in an associate is recognized initially in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate, dividends received and impairment losses, if any. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

**4.8 Contracts with Customers**

**4.8.1 Revenue**

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue from a contract with customer when the Company satisfies an obligation specified in that contract. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Product/service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Consultancy and advisory services	The Company's contract performance obligations are fulfilled over the time as services are provided to customers.	Revenue is recognized over time as services are provided to the customers.

**4.8.2 Contract assets**

Contract assets represent work performed up to the reporting date which has not been invoiced to customers because the related performance obligations remain partially unsatisfied as at the reporting date.

**4.8.3 Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or services to the customer.

**4.9 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'.

**4.10 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 profit or loss as incurred.

**4.11 Income tax**

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.

**4.11.1 Current taxation**

Current tax is the amount of tax payable on taxable income for the year 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.

**4.11.2 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 and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## 4.12 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 year.

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 shares into ordinary shares.

## 4.13 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at banks. Interest income on cash and cash equivalents is recognized using effective interest method.

## 4.14 Segment reporting

Segment reporting is based on the operating segments that are reported in the manner consistent with internal reporting of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Company is a single operating segment based on internal reporting to the Chief Executive Officer of the Company.

## 4.15 Impairment

### 4.15.1 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 receivables, for which the Company recognizes 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.

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 loss.

### 4.15.2 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 in determining 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 impairment loss had been recognized.

## 4.16 Fair value measurements

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

# Annual Report June 30, 2023

## 5 PROPERTY AND EQUIPMENT

30-Jun-23

	COST			Rate %	DEPRECIATION		As at 30-Jun-23 Rupees	Net book value as at 30-Jun-23 Rupees
	As at 01-Jul-22 Rupees	Additions Rupees	As at 30-Jun-23 Rupees		As at 01-Jul-22 Rupees	For the year Rupees		
Furniture and fittings	416,000	-	416,000	20	401,125	2,975	404,100	11,900
Vehicles	166,690	-	166,690	20	161,056	1,127	162,183	4,507
Office equipment	2,613,334	-	2,613,334	33.33	2,605,545	2,596	2,608,141	5,193
	<b>3,196,024</b>	<b>-</b>	<b>3,196,024</b>		<b>3,167,726</b>	<b>6,698</b>	<b>3,174,424</b>	<b>21,600</b>

30-June-22

	COST			Rate %	DEPRECIATION		As at 30-Jun-22 Rupees	Net book value as at 30-Jun-22 Rupees
	As at 01-Jul-21 Rupees	Additions Rupees	As at 30-Jun-22 Rupees		As at 01-Jul-21 Rupees	For the year Rupees		
Furniture and fittings	416,000	-	416,000	20	397,406	3,719	401,125	14,875
Vehicles	166,690	-	166,690	20	159,648	1,408	161,056	5,634
Office equipment	2,613,334	-	2,613,334	33.33	2,601,651	3,894	2,605,545	7,789
	<b>3,196,024</b>	<b>-</b>	<b>3,196,024</b>		<b>3,158,705</b>	<b>9,021</b>	<b>3,167,726</b>	<b>28,298</b>

NOTE	2023 RUPEES	2022
<b>6 LONG TERM INVESTMENTS</b>		
Investment in related parties	74,990,434	76,734,145
Other investments	3,628,900	3,506,900
	<b>78,619,334</b>	<b>80,241,045</b>
<b>6.1 Investment in related parties</b>		
Pervez Ahmed Capital (Private) Limited	74,990,434	76,734,145
Origins Fabrics (Private) Limited	-	-
	<b>74,990,434</b>	<b>76,734,145</b>

### 6.1.1 Pervez Ahmed Capital (Private) Limited

This represents investment in ordinary shares of Pervez Ahmed Capital (Private) Limited ['PACPL'], an associate. PACPL 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:

	2023 RUPEES	2022
Cost of investment		
8,498,300 (30-Jun-22: 8,498,300) fully paid ordinary shares of Rs. 10 each	84,983,000	84,983,000
Share of post acquisition losses	(9,992,566)	(8,248,855)
	<b>74,990,434</b>	<b>76,734,145</b>
Percentage of ownership interest	<b>49.36%</b>	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 audited financial statements for the reporting period are as follows:

	2023 RUPEES	2022
Non-current assets	14,225,852	17,630,209
Current assets	137,810,791	137,938,874
Non-current liabilities	-	-
Current liabilities	111,129	110,929
(Loss) for the year	(3,532,640)	(15,335,950)
Share of (loss)	(1,743,712)	(7,569,825)
Other adjustment	-	(15,827)

### 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.



# Annual Report June 30, 2023

## 6.2 Other investments

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

	NOTE	2023 RUPEES	2022
Dawood Family Takaful Limited	6.2.1	5,000,000	5,000,000
Changes in fair value		(1,371,100)	(1,493,100)
		<b>3,628,900</b>	<b>3,506,900</b>

**6.2.1** These represent 500,000 (30-Jun-22: 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 31 December 2022.

## 7 LONG TERM DEPOSITS

These have been deposited with various regulatory authorities. These are classified as 'financial assets at amortized cost' under IFRS 9 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.

## 8 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:

	2023		2022	
	Carrying value Rupees	Fair value Rupees	Carrying value Rupees	Fair value Rupees
Reliance Cotton Spinning Mills Limited Nil (30-Jun-22: 1,500) ordinary shares of Rs. 10 each. Market value: Nil (30-Jun-22: Rs. 385.57) per share	-	-	290,550	578,355
Engro Corporation Limited 2,860 (30-Jun-22: 2,860) ordinary shares of Rs. 10 each. Market value: 259.89 (30-Jun-22: Rs. 257.09) per share	735,277	743,285	842,585	735,277
Engro Fertilizers Limited 260 (30-Jun-22: 260) ordinary shares of Rs. 10 each. Market value: 82.53 (30-Jun-22: Rs. 88.64) per share	23,046	21,458	18,270	23,046
Jahangir Siddiqui and Company Limited 48 (30-Jun-22: 48) ordinary shares of Rs. 10 each. Market value: 9.50 (30-Jun-22: Rs. 13.22) per share	635	456	1,083	635
BankIslami Pakistan Limited Nil (30-Jun-22: 399) ordinary shares of Rs. 10 each. Market value: Nil (30-Jun-22: Rs. 12.04) per share	-	-	4,485	4,804
Lotte Chemical Pakistan Limited 50,000 (30-Jun-22: 50,000) ordinary shares of Rs. 10 each. Market value: 27.52 (30-Jun-22: Rs. 23.62) per share	1,181,000	1,376,000	772,000	1,181,000
	<b>1,939,958</b>	<b>2,141,199</b>	<b>1,928,973</b>	<b>2,523,117</b>

- 8.1 The shares of Reliance Cotton Spinning Mills Limited (1500 Shares) and Bank Islami Pakistan Limited (399 shares) were with one of the creditors under a disputed balance. During the year the management settled the creditors balance with the carrying amount of the Reliance Cotton Spinning Mills Limited and Bank Islami Pakistan Limited for Rs 290,550/- and Rs 4,485/- respectively.

	2023	2022
	RUPEES	
<b>9 ADVANCE TAX</b>		
Advance income tax/income tax refundable	6,446,133	6,446,133
Prior year adjustment	(6,446,133)	-
	<u>-</u>	<u>6,446,133</u>
<b>10 BANK BALANCES</b>		
Cash at banks		
Current accounts - <i>local currency</i>	1,542,686	1,474,087
Saving accounts - <i>local currency</i>	80	80
	<u>1,542,766</u>	<u>1,474,167</u>
<b>11 TRADE AND OTHER PAYABLES</b>		
Trade creditors	472,430,985	473,155,127
Accrued liabilities	246,250	2,278,581
Withholding tax payable	2,541,505	8,987,638
Payable against purchase of investment	4,086,600	4,086,600
Other payables	1,892,636	2,019,459
	<u>481,197,976</u>	<u>490,527,405</u>

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

**12 ACCRUED INTEREST**

This represents over-due interest on borrowings as mentioned in note 13.1.

	NOTE	2023	2022
		RUPEES	
<b>13 SHORT TERM BORROWINGS</b>			
These represent short term finances utilized under interest arrangements from banking companies			
Murabaha finance	13.1	87,137,771	87,137,771
Running finance	13.2	2,701,780	2,701,780
		<u>89,839,551</u>	<u>89,839,551</u>

- 13.1 This facility was obtained from Al Baraka Bank (Pakistan) Limited (formerly known as Burj Bank Limited) for trading in shariah compliant securities. The matter is under litigation as fully explained in note 19.1.2.

- 13.2 This facility was obtained from Summit Bank Limited. During the year ended 30 June 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 after necessary approval of the board of the bank.

	NOTE	2023	2022
		RUPEES	
<b>14 DUE TO RELATED PARTIES</b>			
Associated companies and undertakings	14.1	16,322,931	14,297,931
Directors	14.2	37,027,782	34,975,452
		<u>53,350,713</u>	<u>49,273,383</u>

- 14.1 This represent interest free advances obtained from associated companies and undertakings. These are unsecured and payable on demand.

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

# Annual Report June 30, 2023

## 15 AUTHORIZED SHARE CAPITAL

2023	2022		2023	2022
No. of shares			RUPEES	
230,000,000	230,000,000	Ordinary shares of Rs. 10 each	2,300,000,000	2,300,000,000
<b>230,000,000</b>	<b>230,000,000</b>		<b>2,300,000,000</b>	<b>2,300,000,000</b>

## 16 ISSUED SHARE CAPITAL

2023	2022		NOTE	2023	2022
No. of shares				RUPEES	
		<b>Ordinary shares of Rs. 10 each</b>			
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	16.1	797,200,480	797,200,480
<b>186,568,487</b>	<b>186,568,487</b>			<b>1,865,684,870</b>	<b>1,865,684,870</b>

16.1 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.

## 17 DISCOUNT ON ISSUE OF SHARES

This represents discount on issue of ordinary shares under section 84 of the repealed Companies Ordinance, 1984 (now the Companies Act, 2017).

## 18 SHARE DEPOSIT MONEY

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.

## 19 CONTINGENCIES AND COMMITMENTS

### 19.1 Contingencies

19.1.1 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 favorable outcome of the suit.

19.1.2 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.

19.1.3 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:

- 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.
- 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.
- 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).
- 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 amounting to Rs. 119.551 million up to 30 June 2023.

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.

## 19.2 Commitments

There are no material commitments as at the reporting date.

	NOTE	2023	2022
		RUPEES	
<b>20 ADMINISTRATIVE EXPENSES</b>			
Legal and professional		93,824	106,680
Professional tax - Government of Punjab		100,000	100,000
Fees and subscription		1,326,261	1,147,902
Auditor's remuneration	20.1	125,000	125,000
Advertisement		63,000	116,000
Depreciation	5	6,698	9,021
		<b>1,714,783</b>	<b>1,604,603</b>
<b>20.1 Auditor's remuneration</b>			
	NOTE	2023	2022
		RUPEES	
Annual statutory audit		100,000	100,000
Limited scope reviews and certifications		25,000	25,000
		<b>125,000</b>	<b>125,000</b>
<b>21 PROVISION FOR TAXATION</b>			
Current tax	21.1	60,000	-
Deferred tax	21.3	-	-
		<b>60,000</b>	<b>-</b>

21.1 Provision for current year taxation has been made on the basis of minimum tax on services at the rate of 10%. Assessments for and up to the tax years 2022 are deemed assessments in terms of Section 120 (1) of the Ordinance, as per returns filed by the Company.

## 21.2 PRIOR YEAR TAXATION

Adjustment of advance tax	6,446,133	-
Adjustment of withholding tax payable	(6,446,133)	-
Others	-	(40,000)
	<b>-</b>	<b>(40,000)</b>

Assessment under section 161 of the income tax ordinance has been completed up to year 2017. No further demand has been established by the department. So, all the relevant adjustment made accordingly.

## 21.3 Unrecognized deferred tax assets

The Company has deferred tax asset of Rs. 4.001 million (30-Jun-22: Rs. 6.45 million) which has not been recognized as future taxable profits are not expected to be available against which the asset could be utilized. The Company has Rs. 13.796 million (30-Jun-22: Rs. 14.081 million) of tax losses carried forward as at the reporting date and available to the Company for utilization against future taxable profits.

Unused tax losses for which no deferred tax asset has been recognized expire as follows:

Tax year	Nature	2023	2022
		RUPEES	
2023 17	Tax losses	-	1,349,779
2024 18	Tax losses	8,104,673	8,104,673
2025 19	Tax losses	1,685,525	1,685,525
2026 20	Tax losses	396,079	396,079
2027 21	Tax losses	949,123	949,123
2028 22	Tax losses	1,595,882	1,595,882
2029 23	Tax losses	1,065,292	-
		<b>13,796,574</b>	<b>14,081,061</b>

# Annual Report June 30, 2023

	Unit	2023	2022
<b>22 (LOSS) PER SHARE - BASIC AND DILUTED</b>			
(Loss) attributable to ordinary shareholders	Rupees	<b>(2,595,763)</b>	(8,325,723)
Weighted average number of ordinary shares outstanding during the year	No. of shares	<b>186,568,487</b>	186,568,487
(Loss) per share - Basic	Rupees	<b>(0.014)</b>	(0.045)

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

## 23 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies and undertakings, 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 key management personnel and associated companies and undertakings 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 the Company
D.S. Textile Limited	Associated company	Common directorship	0.00%
Ali Pervez Ahmed	Key management personal	Chief executive officer	0.00%
Ayesha Ahmed Mansoor	Key management personal	Director	0.00%
Pervez Ahmed Capital (Private) Limited	Associated company	Common directorship	0.00%

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

		2023	2022
		RUPEES	
<b>23.1 Transactions with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
Associated companies and undertakings	Borrowings obtained	<b>2,025,000</b>	368,000
<b>23.2 Balances with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of balance</b>		
Associated companies and undertakings	Borrowings	<b>16,322,931</b>	14,297,931
	Share deposit money	<b>20,622,850</b>	20,622,850
Key management personnel	Borrowings	<b>37,027,782</b>	34,975,452

## 24 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.

## 25 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.

## 26 FINANCIAL INSTRUMENTS

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

	2023	2022
	RUPEES	
<b>26.1 Financial assets</b>		
<i>Financial assets at amortized cost</i>		
Long term deposits	150,000	150,000
Bank balances	1,542,766	1,474,167
<i>Financial assets mandatorily measured at fair value through profit or loss</i>		
Long term investments	3,628,900	3,506,900
Short term investments	2,141,199	2,523,117
	7,462,865	7,654,184
<b>26.2 Financial liabilities</b>		
<b>Financial liabilities at amortized cost</b>		
Short term borrowings	89,839,551	89,839,551
Accrued interest	21,757,327	21,757,327
Trade creditors	472,430,985	473,155,127
Accrued liabilities	246,250	2,278,581
Payable against purchase of investment	4,086,600	4,086,600
Other payables	1,892,636	2,019,459
	590,253,349	593,136,645

## 27 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:

### 27.1 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.

#### 27.1.1 Credit risk management practices

In order to minimize 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.

## Annual Report June 30, 2023

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	12-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

### 27.1.2 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:

	2023	2022
	RUPEES	
<b>Financial assets at amortized cost</b>		
Long term deposits	150,000	150,000
Bank balances	1,542,766	1,474,167
	<b>1,692,766</b>	<b>1,624,167</b>

### 27.1.3 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 rating	Internal credit risk grading	12-month or life-time ECL	Gross carrying amount	Loss allowance
					Rupees	Rupees
Long term deposits	7	N/A	Performing	12-month ECL	150,000	-
Bank balances	10	A1+ to A1	N/A	12-month ECL	1,542,766	-
					<b>1,692,766</b>	<b>-</b>

#### (a) Long term deposits

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

### 27.1.4 Concentrations of credit risk

There are no significant concentrations of credit risk.

### 27.1.5 Collateral held

The Company does not hold any collateral to secure its financial assets.

**27.2 Liquidity risk**

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

**27.2.1 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 which its current liabilities exceed current assets by Rs. 642.117 million (30-Jun-2022: Rs. 641.26 million) as at the reporting date. The Company has overdue debt finances and interest thereon which have not been settled. However, the Company has continued support of its directors and associated undertakings in the form of interest free loans.

**27.2.2 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 have 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 and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the reporting date.

	2023				
	Carrying amount	Contractual cash flows	One year or less	One to five years	More than five years
RUPEES					
Short term borrowings	89,839,551	89,839,551	89,839,551	-	-
Accrued interest	21,757,327	21,757,327	21,757,327	-	-
Trade creditors	472,430,985	472,430,985	472,430,985	-	-
Accrued liabilities	246,250	246,250	246,250	-	-
Payable against purchase of investment	4,086,600	4,086,600	4,086,600	-	-
Other payables	1,892,636	1,892,636	1,892,636	-	-
	<b>590,253,349</b>	<b>590,253,349</b>	<b>590,253,349</b>	<b>-</b>	<b>-</b>
2022					
	Carrying amount	Contractual cash flows	One year or less	One to five years	More than five years
RUPEES					
Short term borrowings	89,839,551	89,839,551	89,839,551	-	-
Accrued interest	21,757,327	21,757,327	21,757,327	-	-
Trade creditors	473,155,127	473,155,127	473,155,127	-	-
Accrued liabilities	2,278,581	2,278,581	2,278,581	-	-
Payable against purchase of investment	4,086,600	4,086,600	4,086,600	-	-
Other payables	2,019,459	2,019,459	2,019,459	-	-
	<b>593,136,645</b>	<b>593,136,645</b>	<b>593,136,645</b>	<b>-</b>	<b>-</b>

**27.3 Market risk**

**27.3.1 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.

**27.3.2 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 thereon.



# Annual Report June 30, 2023

## 27.3.3 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 not exposed to price risk.

## 28 FAIR VALUE MEASUREMENTS

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:

### 28.1 Financial instruments measured at fair value

#### 28.1.1 Recurring fair value measurements

Nature of asset	Hierarch	Valuation technique and key inputs	RUPEES	
Investment in unquoted equity securities (see note 6.2)	Level 2	Break-up value	3,628,900	3,506,900
Investment in listed equity securities (see note 8)	Level 1	Quoted bid prices in active market	2,141,199	2,523,117

#### 28.1.2 Non-recurring fair value measurements

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

### 28.2 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.

### 28.3 Assets and liabilities other than financial instruments.

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

## 29 SHARES IN THE COMPANY HELD BY RELATED PARTIES

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

	2023	2022
	RUPEES	
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
	<b>1,250,320</b>	<b>1,250,320</b>

## 30 OPERATING SEGMENTS

The Company operates as single reportable segment only.

## 31 NUMBER OF EMPLOYEES

There is no employee of the company as at the reporting date (2022: Nil).

## 32 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.

## 33 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 4 October 2023 by the Board of Directors of the Company.

## 34 GENERAL

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.

Lahore  
Date: October 4, 2023

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE

**Pervez Ahmed Consultancy Services Limited**  
**Categories of Shareholders**  
**As At June 30, 2023**

Categories	Number	Shares Held	%age
<b>Associated Companies &amp; Related Parties</b>			
D.S.Industries Limited	1	61,550	0.033
D.S.Textiles Limited	1	1,119,395	0.600
D.S.Apparel (Private) Limited	1	69,375	0.037
Mr. Pervez Ahmed	1	2,962,398	1.588
<b>Chief Executive &amp; Directors</b>			
Mr. Ali Pervez Ahmed - Chief Executive	1	762	0.000
Mrs. Rehana Pervez Ahmed	1	735,140	0.394
Mrs. Ayesha Ahmed Mansoor	1	735,866	0.394
Mr. Muhammad Khalid Khan	1	646	0.000
Mr. Muhammad Razzaq	1	1,000	0.001
Mian Basit Rasheed	1	1,000	0.001
Mr. Waqas Ahmad Khan	1	1,000	0.001
<b>Banks, DFI and NBF</b>	4	202,947	0.109
<b>Joint Stock Companies</b>	24	1,173,361	0.629
<b>General Public (Local)</b>	6,414	172,064,482	92.226
<b>General Public (Foreign)</b>	179	7,359,565	3.945
<b>Others</b>	2	80,000	0.043
<b>Total</b>	<b>6634</b>	<b>186,568,487</b>	<b>100.000</b>

**Detail of Shareholding of 5% and above.**

	Shares Held	Percentage
Mr. Basit Pervaiz	9,511,500	5.098

# Annual Report June 30, 2023

Number of Shareholders	Pattern of Shareholding As At June 30, 2023		Total Number of Shares Held	%age
	Shareholding			
	From	To		
561	1	100	28,347	0.015
719	101	500	287,999	0.154
1,387	501	1,000	1,083,549	0.581
1,581	1,001	5,000	4,540,990	2.434
703	5,001	10,000	5,755,428	3.085
292	10,001	15,000	3,786,357	2.029
231	15,001	20,000	4,318,869	2.315
144	20,001	25,000	3,373,541	1.808
102	25,001	30,000	2,883,199	1.545
58	30,001	35,000	1,928,500	1.034
61	35,001	40,000	2,348,973	1.259
41	40,001	45,000	1,772,977	0.950
117	45,001	50,000	5,761,170	3.088
44	50,001	55,000	2,319,261	1.243
42	55,001	60,000	2,454,253	1.315
33	60,001	65,000	2,069,777	1.109
30	65,001	70,000	2,068,521	1.109
19	70,001	75,000	1,391,266	0.746
24	75,001	80,000	1,885,558	1.011
13	80,001	85,000	1,089,500	0.584
18	85,001	90,000	1,585,868	0.850
10	90,001	95,000	934,500	0.501
68	95,001	100,000	6,776,806	3.632
14	100,001	105,000	1,437,000	0.770
19	105,001	110,000	2,061,000	1.105
13	110,001	115,000	1,469,958	0.788
11	115,001	120,000	1,307,000	0.701
13	120,001	125,000	1,613,659	0.865
6	125,001	130,000	767,966	0.412
4	130,001	135,000	535,000	0.287
6	135,001	140,000	832,229	0.446
6	140,001	145,000	856,500	0.459
23	145,001	150,000	3,441,000	1.844
6	150,001	155,000	914,645	0.490
6	155,001	160,000	958,000	0.513
2	160,001	165,000	325,500	0.174
4	165,001	170,000	672,000	0.360
3	170,001	175,000	525,000	0.281
7	175,001	180,000	1,242,500	0.666
4	180,001	185,000	736,680	0.395
4	185,001	190,000	755,000	0.405
1	190,001	195,000	195,000	0.105
26	195,001	200,000	5,196,500	2.785
8	200,001	205,000	1,622,500	0.870
1	205,001	210,000	210,000	0.113
1	210,001	215,000	214,000	0.115
4	215,001	220,000	867,729	0.465
2	220,001	225,000	446,500	0.239
3	225,001	230,000	688,500	0.369
3	230,001	235,000	700,500	0.375
3	235,001	240,000	711,500	0.381
2	240,001	245,000	486,800	0.261
6	245,001	250,000	1,496,000	0.802
5	250,001	255,000	1,258,500	0.675
1	260,001	265,000	263,000	0.141
2	270,001	275,000	541,499	0.290
3	275,001	280,000	840,000	0.450
2	280,001	285,000	561,000	0.301
2	285,001	290,000	575,500	0.308
2	290,001	295,000	586,000	0.314
8	295,001	300,000	2,400,000	1.286
3	300,001	305,000	905,000	0.485
3	305,001	310,000	925,000	0.496
1	310,001	315,000	311,000	0.167
2	325,001	330,000	653,000	0.350
1	330,001	335,000	335,000	0.180
1	335,001	340,000	340,000	0.182
1	340,001	345,000	340,500	0.183
3	345,001	350,000	1,046,000	0.561
1	350,001	355,000	351,000	0.188
2	355,001	360,000	714,500	0.383
2	365,001	370,000	740,000	0.397
1	370,001	375,000	371,500	0.199
1	375,001	380,000	378,500	0.203
5	395,001	400,000	2,000,000	1.072
1	410,001	415,000	415,000	0.222
1	415,001	420,000	419,000	0.225
1	425,001	430,000	427,000	0.229
1	445,001	450,000	450,000	0.241
2	450,001	455,000	902,000	0.483
1	455,001	460,000	458,500	0.246
1	460,001	465,000	464,500	0.249
2	465,001	470,000	934,742	0.501
2	470,001	475,000	471,000	0.252
2	480,001	485,000	969,500	0.520
3	485,001	490,000	1,467,000	0.786
1	490,001	495,000	490,500	0.263
7	495,001	500,000	3,498,500	1.875
2	500,001	505,000	1,005,500	0.539
1	505,001	510,000	505,500	0.271
1	525,001	530,000	530,000	0.284
1	540,001	545,000	541,000	0.290
1	545,001	550,000	550,000	0.295
1	580,001	585,000	583,500	0.313
3	590,001	595,000	1,775,928	0.952
1	595,001	600,000	600,000	0.322
3	645,001	650,000	1,945,750	1.043
1	670,001	675,000	672,500	0.360
2	675,001	680,000	1,355,500	0.727
1	710,001	715,000	712,500	0.382
1	730,001	735,000	730,050	0.391
1	735,001	740,000	738,500	0.396
1	755,001	760,000	757,500	0.406
1	760,001	765,000	765,000	0.410
1	770,001	775,000	775,000	0.415
1	795,001	800,000	800,000	0.429
1	800,001	805,000	802,000	0.430
1	825,001	830,000	827,000	0.443
1	895,001	900,000	900,000	0.482
1	910,001	915,000	911,000	0.488
1	915,001	920,000	918,000	0.492
1	975,001	980,000	980,000	0.525
2	995,001	1,000,000	2,000,000	1.072
1	1,045,001	1,050,000	1,050,000	0.563
1	1,115,001	1,120,000	1,119,395	0.600
1	1,240,001	1,245,000	1,244,000	0.667
1	1,295,001	1,300,000	1,297,500	0.695
1	1,320,001	1,325,000	1,321,000	0.708
1	1,365,001	1,370,000	1,366,500	0.732
1	1,495,001	1,500,000	1,500,000	0.804
1	1,540,001	1,545,000	1,541,500	0.826
1	1,545,001	1,550,000	1,549,000	0.830
1	1,850,001	1,855,000	1,850,500	0.992
1	1,965,001	1,970,000	1,970,000	1.056
1	1,995,001	2,000,000	2,000,000	1.072
1	2,895,001	2,900,000	2,900,000	1.554
1	2,900,001	2,905,000	2,902,548	1.556
1	3,015,001	3,020,000	3,018,500	1.618
1	6,205,001	6,210,000	6,210,000	3.329
1	9,510,001	9,515,000	9,511,500	5.098

6634

186,568,487

100.000

## مجلسِ نظام کی رپورٹ

پرویز احمد کنسلٹنسی سروسز لمیٹڈ کی مجلسِ نظام 30 جون 2023ء کو ختم ہونے والے مالی سال کے لئے کمپنی کی سالانہ رپورٹ بشمول کمپنی کے نظر ثانی شدہ حسابات معائنہ پرنٹڈ ایکٹرز اور آڈیٹرز کی

رپورٹ پیش کرتے ہوئے خوش محسوس کرتی ہے۔

### مالیاتی جائزہ

30 جون 2023 کے ختم ہونے والے سال کے لئے کمپنی کی مالیاتی نتائج حسب ذیل ہیں:

مختتمہ سال 30 جون 2022 (روپے)	مختتمہ سال 30 جون 2023 (روپے)	
-	600,000	آپریٹنگ آمدنی
(1,304,903)	(1,715,292)	آپریٹنگ اخراجات
824,832	323,241	سرمایہ کاری کی بحالی پر خسارہ
(7,585,652)	(1,743,712)	شراکت کے نقصان کا حصہ
(8,365,723)	(2,535,763)	(نقصان) ٹیکس سے پہلے
40,000	(60,000)	ٹیکسیشن
(8,325,723)	(2,595,763)	(نقصان) ٹیکس کے بعد
(0.045)	(0.014)	(نقصان) فی شیئر - بنیادی اور معتدل

### کمپنی کے مالیاتی نتائج

زیر جائزہ سال کے دوران، 30 جون 2023ء کو ختم ہونے والے مالی سال کے لئے کمپنی نے 8.33 ملین روپے نقصان کے مقابلے 2.60 ملین روپے کا نقصان برداشت کیا جس کی بنیادی وجہ

شراکت کے نقصان کا حصہ ہے۔ بنیادی اور معتدل نقصان فی شیئر (0.014) روپے ہے۔

آڈیٹرز نے سال کے دوران گونگ کنسرن مفروضہ، مختصر مدتی قرضوں پر مارک اپ کی عدم تسلیم اور کمپنی کے خلاف مختلف مقدمات میں زیر التوا مقدمات کی بابت اپنی رپورٹ میں منفی 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

مہنگائی میں مسلسل اضافہ، اسٹیٹ بینک پاکستان کے ڈسکاؤنٹ ریٹ اور جاری سیاسی بد امنی سمیت عوامل کی وجہ سے سال بھر ملک کی معاشی صورتحال بنیادی طور پر غیر مستحکم رہی۔ ملک کی معاشی

بد حالی کا ایک اہم سبب ملک میں غیر ملکی کرنسیوں کے مقابلے پاکستانی روپے کی قدر میں مسلسل کمی بھی تھی۔ 2024 میں بھی یہی مشکلات درپیش رہنے کی توقع ہے۔ معاشی بے یقینی کی موجودہ صورتحال ملک کی

معاشی ترقی کی راہ میں رکاوٹ بنتی رہے گی۔

### 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 جاسکا ہے۔

## کمپنی کے حصص کی تجارت

30 جون 2023 کو ختم ہونے والے سال کے دوران کے شیئرز میں کسی ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکرٹری، ان کے زوج اور نابالغ بچوں نے کوئی تجارت نہیں کی ہے۔

## کتابوں کی بندش

کمپنی کی حصص منتقلی کتابیں 23 اکتوبر 2023ء تا 27 اکتوبر 2023ء (بشمول دونوں ایام) بند رہیں گی اور اس دوران رجسٹریشن کے لئے حصص کی کوئی منتقلی قابل قبول نہیں ہوگی۔ 20 اکتوبر

2023ء کو کاروبار کے اختتام تک ہمارے شیئرز رجسٹرار، میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پہلی 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 2023ء کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے اور ڈائریکٹرز کی حاضری مندرجہ ذیل ہے:

تعداد حاضری	عہدہ	نام
5	چیف ایگزیکٹو	جناب علی پرویز احمد
5	ڈائریکٹر	محترمہ ربیعہ پرویز احمد
5	ڈائریکٹر	محترمہ عائشہ احمد منصور
5	ڈائریکٹر	جناب محمد خالد خان
4	ڈائریکٹر	جناب محمد رزاق
5	ڈائریکٹر	میاں باسط رشید
4	ڈائریکٹر	جناب وقاص احمد

## آڈیٹرز

موجودہ آڈیٹرز میسرز رضوان اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنے آپ کو پیش کرتے ہیں۔ بورڈ کی آڈٹ کمیٹی نے 30 جون 2024ء

کو ختم ہونے والے مالی سال کے لئے بطور آڈیٹرز میسرز رضوان اینڈ کمپنی، 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:

عہدہ	نام
چیئرمین	میاں باسط رشید
رکن	جناب محمد خالد خان
رکن	محترمہ عائشہ احمد منصور

سہ ماہی اور سالانہ حسابات کے جائزہ اور دیگر متعلقہ معاملات کے لئے کارپوریٹ ضابطہء اخلاق کے تحت درکار 30 جون 2023ء 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 ضابطہء اخلاق کارپوریٹ گورننس کے ضابطہء اخلاق کی تعمیل میں بیان

ڈائریکٹرز بخوشی تصدیق کرتے ہیں کہ کمپنی نے کارپوریٹ گورننس کے ضابطہء اخلاق میں مجوزہ پاکستان اسٹاک ایکسچینج کے مندرجہ قواعد کے ذریعے سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان کی طرف سے قائم کی گئی دفعات کی تعمیل کی ہے اور درج ذیل تفصیلی قواعد کے مطابق بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔

- 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 انشمنڈ فیصلوں پر مبنی ہیں۔
- 4- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کی بیروی 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 2.60 ملین روپے کا خالص نقصان اٹھایا اور بیلینس شیٹ کی تاریخ تک 1,631.41 ملین روپے کا مجموعی نقصان اٹھایا ہے۔ کمپنی کی موجودہ واجب ادائیگیاں اسکے موجودہ اثاثوں سے 642.23 ملین روپے تک تجاوز کر گئی ہیں۔ یہ عناصر کمپنی کی اہلیت مسلسل جاری رہنے کے بارے میں شق 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 کے ہمراہ منسلک ہیں۔

### شیئرز ہولڈنگ کی کیلنگرز

کمپنی کی شیئرز ہولڈنگ کی کیلنگرز سالانہ رپورٹ کے ہمراہ 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 شکرگزار ہے۔ بورڈ کمپنی کے ملازمین کی لگن اور سخت محنت کا بھی شکریہ ادا کرتا ہے۔

عائشہ احمد منصور

منجانب بورڈ  
علی پرویز احمد

لاہور،

Anusha Ahmad Mansoor

AM

تاریخ: 4 اکتوبر 2023ء

ڈائریکٹر

چیف ایگزیکٹو

۷۔ شیئر ہولڈرز سے یہ بھی درخواست کی جاتی ہے کہ وہ اپنے رابطہ کی تفصیلات میں کسی بھی تبدیلی کی اطلاع فوری طور پر شیئر رجسٹرار، میسرز ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پلاٹ نمبر 32-سی، جامی کمرشل، اسٹریٹ نمبر 2، ڈی ایچ اے فیئر VII، کراچی کو دیں۔

## پرویز احمد کنسلٹنسی سروسز لمیٹڈ

### اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ پرویز احمد کنسلٹنسی سروسز لمیٹڈ کا اٹھارہواں سالانہ اجلاس عام بروز جمعہ، 27 اکتوبر 2023ء سے پھر 04:00 بجے کمپنی کے رجسٹرڈ دفتر K-20، گلبرگ II، لاہور پر درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

- 1-30 جون 2023ء کو ختم ہونے والے سال کے لئے کمپنی کے نظر ثانی شدہ حسابات معہ ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری دینا۔
- 2-30 جون 2024ء کو ختم ہونے والے سال کے لئے کمپنی کے قانونی آڈیٹرز کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔ موجودہ آڈیٹرز میسرز رضوان اینڈ کمپنی۔ چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے اور اہل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنے آپ کو پیش کرتے ہیں۔

لاہور

104 اکتوبر 2023ء

بحکم بورڈ

رضوان عطا

کمپنی سیکرٹری

نوٹ:-

- 1۔ کمپنی کی حصص منتقلی کتابیں 23 اکتوبر 2023ء تا 27 اکتوبر 2023ء (بشمول ہر دو ایام) سالانہ اجلاس عام میں شرکت کے حقوق کے تعین کے لئے بند رہیں گی۔
- 2۔ اجلاس ہذا میں شرکت اور ووٹ دینے کا کمپنی کا اہل ممبر کسی دیگر ممبر کو اپنی بجائے شرکت اور ووٹ دینے کیلئے اپنا/اپنی پر کسی مقرر کرنے کا مستحق ہوگا/ہوگی۔
- 3۔ پراکسیز کمپنی کے رجسٹرڈ دفتر پر اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل لازماً جمع کرائی جانی چاہئیں۔
- 4۔ لاہور کے علاوہ کسی اور شہر میں رہائش پذیر 10% یا اس سے زیادہ شیئر ہولڈنگ رکھنے والے ممبر سالانہ جنرل اجلاس میں شرکت کے لیے ویڈیولنک کی سہولت کا مطالبہ کر سکتے ہیں۔

## FORM OF PROXY Annual General Meeting

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

**Dear Sir,**

I/We ----- of (full address) ----- being a member(s)  
of Pervez Ahmed Consultancy Services 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 October 27, 2023

Signed this ----- day of -----2023

Witnesses:

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC No \_\_\_\_\_



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. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
4. The Proxy Form, duly completed, must be deposited with the Company Secretary of Pervez Ahmed Consultancy Services 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