

The cover features a light blue and white checkerboard pattern in the top-left and bottom-left corners. A large, stylized blue graphic, resembling a leaf or a drop shape, is centered on the page. The text is positioned within and around this graphic.

# Annual Report 2020

**Pervez Ahmed**  
Consultancy Services Limited

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## COMPANY INFORMATION

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

Notice is hereby given to the members that the Fifteenth Annual General Meeting of Pervez Ahmed Consultancy Services Limited (Formerly Pervez Ahmed Securities Limited) will be held on Wednesday, October 28, 2020, at 3:00 p.m. from Registered Office 20-K, Gulberg II, Lahore to transact the following business. Due to the need of required social distancing to avoid the spread of COVID-19 pandemic, shareholders are requested to attend the meeting through wide conference facility arranged by the Company as per the instructions given in the notes section.

1. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2020 and the Directors' Report and Auditors' Reports thereon.
2. To appoint statutory auditors of the Company for the year ending June 30, 2021 and fix their remuneration. The present Auditors M/s Rahman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants, retire and being eligible offered themselves for the re-appointment.

By the order of the Board

Lahore: October 5, 2020

Rizwan Atta  
Company Secretary

### NOTES

- I Due to current COVID-19 situation, the AGM proceedings shall be held via video conference facility only. Shareholders interceded to participate in the meeting are requested to email their Name, Folio Number, Cell Number and Number of shares held in their name at ds@dsgpk.com Video link and login credentials will be shared with only those members whose emails, containing all the required particulars are received at least 48 hours before the time of meeting
- II The Share Transfer Books of the Company will remain closed from October 23, 2020 to October 28, 2020 (both days inclusive) to establish the right to attend annual general meeting.
- III 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.
- IV Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.

## DIRECTORS' REPORT

The Board of Directors of Pervez Ahmed Consultancy Services Limited (Formerly Pervez Ahmed Securities Limited) is pleased to present the Annual Report for the year ended June 30, 2020 along-with the audited financial statements of the Company for the year ended June 30, 2020.

### Change in Memorandum & Articles of Association

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

### Financial Review

The Financial results of the Company for the year ended June 30, 2020 are as under;

	Year Ended	
	June 30,2020 Rupees	June 30,2019 Rupees
Operating revenue	1,000,000	-
Operating expenses	(1,412,850)	(1,726,529)
Surplus / (Deficit) on remeasurement of investments	(216,346)	84,313
Share of (loss) of associate	(1,978,402)	(14,721,085)
(Loss) before taxation	(2,024,694)	(15,816,557)
Taxation	(80,000)	-
(Loss) after taxation	(2,104,694)	(15,816,557)
(Loss) per share - Basic	(0.01)	(0.08)

### Financial Results of the Company

During the year under review, the Company suffered a net loss of Rs. 2.10 million for the year ended June 30, 2020 as compared to loss of Rs. 15.82 million. Loss for the year is mainly due to share of loss of associate. The basic and diluted loss per share is Rs. 0.01. During the year, the Company has started earning income from a new business line of Management Consultancy.

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

### Future Outlook

The world is still struggling against the COVID-19 pandemic. Pakistan has seen a dramatic decrease in new cases and deaths. In view of the positive development, the Government has allowed resumption of most of the business activities in August 2020. Furthermore, the State Bank of Pakistan has taken several steps for the revival of economy and reduced the policy rate down to 7%, while offering attracting financing schemes to encourage new investments. These measures would indeed help the economy to get back to the normal.

### 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, 2020

### 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, 2020 to October 28, 2020 (both days inclusive). Transfer received by our Shares Registrar, M/s THK Associates (Pvt.) Limited - First Floor, 40 - C, Block - 6, P.E.C.H.S. Karachi 75400 at the close of business on October 22, 2020 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

Six meetings of the Board of Directors were held during the year ended June 30, 2020 and the attendance of the directors is as follows.

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

### Auditors

The Auditors Messrs Rahman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants retire and being eligible offer themselves for reappointment. The Audit Committee recommends the reappointment of Messrs Rahman Sarfaraz Rahim Iqbal Rafiq - Chartered Accountants as auditors of the Company for the financial year ending June 30, 2021.

### Audit Committee

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

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

Meetings of the Audit Committee were held during the year ended June 30, 2020 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 net loss of Rs. 2.10 million during the year and has accumulated losses of Rs. 1,627.4 million as at the balance sheet date. The current liabilities of the Company exceeds its current assets by Rs. 639.9 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.

For & on behalf of the Board

Lahore  
October 5, 2020

  
Mazhar Pervaiz Malik  
Director

  
Ali Pervez Ahmed  
Director

## **CHAIRMANS' REPORT**

The world is passing through one of the history's' worst crises since start of the year. The pandemic has pushed the world into recession and most global economies are showing negative growth

Pakistan was already struggling with challenges of depreciating currency, raising inflation and higher interest rates; thus resulting in contracting demand. This pandemic has further dampened economic growth and created further issues for the ailing economy. Although major lockdown restrictions have been lifted, there are still much to do before normal business activities can be restored. The numerous financial stimulus packages by the Government are likely to mitigate the impact of the outbreak on the most vulnerable social segments while also extending much needed support to the affected businesses

The overall economic situation along with the outbreak of COVID-19 pandemic negatively impacted the Company's' performance

The Board meets once every quarter to consider and approve the financial and operating results of the Company. During this financial year six board meetings have been conducted. The Board strictly monitored its own performance along with the performance of its sun-committees. In addition, the Board also ensured compliance with all applicable rules and best parities of the Company.

I would like to express my gratitude to the shareholders of the Company.

Lahore  
October 5, 2020

**CHAIRMAN**

## FINANCIAL HIGHLIGHTS

Profit and Loss Account	2020 Rupees	2019 Rupees	2018 Rupees	2017 Rupees	2016 Rupees	2015 Rupees
Operating revenue	1,000,000	-	50,830	289,074	1,173,951	9,792,657
Administrative expenses	(1,412,468)	(1,724,412)	(1,668,450)	(1,415,796)	(1,778,176)	(1,457,631)
<b>Operating (Loss) / profit</b>	<b>(412,468)</b>	<b>(1,724,412)</b>	<b>(1,617,620)</b>	<b>(1,126,722)</b>	<b>(604,225)</b>	<b>8,335,026</b>
- Finance cost	(382)	(2,117)	(3,557)	(7,083)	(1,250)	(105)
- Other operating charges	-	-	(6,487,204)	-	-	-
- Other operating income	353,600	-	-	-	-	-
	353,218	(2,117)	(6,490,761)	(7,083)	(1,250)	(105)
Changes in fair value of long term investments	229,304	(2,468,500)	-	-	-	-
Changes in fair value of short term investments	(216,346)	84,313	(30,709,117)	(246,546,090)	(231,332,431)	(997,136)
Excess liabilities written back	-	3,015,244				
Impairment loss on available for sale of financial assets	-	-	(9,000,000)	-	(3,824,350)	
(Loss) / profit before Taxation & Share from Associated Undertaking	(46,292)	(1,095,472)	(47,817,498)	(247,679,895)	(235,762,256)	7,337,785
Share of (loss)/profit from Associated Undertaking	(1,978,402)	(14,721,085)	(12,365,029)	17,707,589	(830,399)	(22,038,153)
<b>(Loss)/profit before Taxation</b>	<b>(2,024,694)</b>	<b>(15,816,557)</b>	<b>(60,182,527)</b>	<b>(229,972,306)</b>	<b>(236,592,655)</b>	<b>(14,700,368)</b>
Taxation	(80,000)	-	(6,354)	(24,285)	(65,116)	(965,267)
<b>(Loss)/profit before Taxation</b>	<b>(2,104,694)</b>	<b>(15,816,557)</b>	<b>(60,188,881)</b>	<b>(229,996,591)</b>	<b>(236,657,771)</b>	<b>(15,665,635)</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	49,569	137,740	178,744	233,282	306,382	405,146
Intangible assets	-	-	-	-	-	2,000,000
Long term investments	80,055,387	81,804,485	98,994,070	159,630,115	392,971,256	624,708,434
Short term investments	1,546,506	1,762,852	1,678,539	18,255,569	13,555,385	17,759,485
Total assets	89,931,353	91,969,141	112,832,467	187,381,926	425,414,913	662,331,591
Shareholders' equity	(580,059,151)	(577,954,457)	(562,137,900)	(501,949,019)	(271,952,428)	(35,294,657)
(Loss) / earning per share	(0.01)	(0.08)	(0.32)	(1.23)	(1.27)	(0.08)
Current ratio	0.0146 : 1	0.0149 : 1	0.0204 : 1	0.0408 : 1	0.046 : 1	0.05 : 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, 2020**

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. Mazhar Pervaiz Malik
- Mian Basit Rasheed

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

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

#### **Executive Directors**

- Mr. Pervez Ahmed
- Mr. Ali Pervez Ahmed

3. The Directors have confirmed that none of them is serving as 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, both Executive Directors, Mr. Pervez Ahmed and Mr. Ali Pervez Ahmed are 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 two directors duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:-

**Audit Committee**

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

**HR and Remuneration Committee**

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

13. The terms of reference of the aforesaid committees have been formed, 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. The Company, currently has two elected independent directors out of total seven directors on the Board. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a third independent director. Accordingly, the fraction has not been rounded up as one under regulation 6(1).

Lahore.  
October 5, 2020

on behalf of the Board

  
Mazhar Pervaiz Malik  
Director

  
Ali Pervez Ahmed  
Director

## 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 (FORMERLY PERVEZ AHMED SECURITIES LIMITED) [‘the Company’] for the year ended June 30, 2020 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

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

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

**LAHORE: October 5, 2020**

## **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 (FORMERLY PERVEZ AHMED SECURITIES LIMITED) ['the Company'], which comprise the statement of financial position as at June 30, 2020, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, because of the significance of the matters discussed in the 'Basis for Adverse Opinion' section of our report, the annexed statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof 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 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the loss, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### Basis for Adverse Opinion

As referred to in note 2.2 to the financial statements, the Company has accumulated losses of Rs. 1,627.412 million. Its current liabilities exceed current assets by Rs. 639.891 million. Further, the Trading Rights Entitlement Certificate issued to the Company was inactive due to inadequate net capital balance and the same has been sold to another company. One of the bankers has filed a recovery suit against the Company. Further as referred to in note 20.1.3 to the financial statements, the Additional Registrar of Companies ['ARC'], Securities and Exchange Commission of Pakistan has filed a petition in the Lahore High Court against the Company and its directors whereby the ARC has prayed that the affairs of the Company be declared as being conducted in an unlawful manner which is prejudicial for the shareholders, that the Company and its Directors be ordered to buy back the shares of minority shareholders at a price to be determined in accordance with Rule Book of Pakistan Stock Exchange Limited and that the directors be held responsible for not conducting the brokerage business as envisaged in the memorandum of association of the Company. The Company also has overdue debt finances and interest thereon, as referred to note 13 and note 14 to the financial statements. One of the creditors has also filed a suit against the Company for recovery of its debts. These factors indicate existence of material uncertainty that raises doubts about the Company's ability to continue as a going concern and that the company may not be able to discharge its liabilities and realize its assets in the normal course of business. We consider that in the absence of any favourable settlement with the providers of debt finances/creditors, ability to obtain further financing and revival of its operations, the Company may not be able to settle its liabilities and realize its assets in the normal course of business. Consequently, the use of going concern assumption in the preparation of annexed financial statements is not appropriate and adjustments may be required to the recorded asset amounts and classification of liabilities. The financial statements do not disclose this fact.

The Company has not recognized interest on short term borrowings amounting to Rs. 96.538 million upto June 30, 2020. Had this interest been recognized, accumulated losses as at June 30, 2020 and loss for the year then ended would have been higher by Rs. 96.538 million and Rs. 13.009 million respectively. The financial statements do not disclose this fact.

As referred to note 20.1.1 to the financial statements, One of the creditors of the Company filed suit against the Company for the recovery of Rs. 36.57 million including late payment surcharge amounting to Rs. 17.45 million. The Company has not recognized provision for late payment surcharge of Rs. 17.45 million. Had the provision been recognized, accumulated losses as at June 30, 2020 and loss for the year then ended would have been higher by Rs. 17.45 million.

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 opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
<p>1. <b>COVID-19</b></p> <p>As part of the preparation of the financial statements, management is responsible to assess the possible effects of COVID-19 on the Company's liquidity and related ability to continue as a going concern and appropriately disclose the results of its assessment in the financial statements. The COVID-19 pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of the financial statements its effects are subject to uncertainty.</p> <p>Management prepared a financial and liquidity risk analysis addressing amongst others future compliance with financing conditions as well as financing and cash requirements to ensure continuation of the Company's operations.</p> <p>Refer to note 36 to the financial statements regarding the impact of COVID-19.</p>	<p>We considered the uncertainties arising from COVID-19 in planning and performing our audit. Our procedures included:</p> <ul style="list-style-type: none"><li>evaluated the Company's most recent financial results forecasts and liquidity analysis underlying their going concern assessment and tested the integrity of the forecasts, including mathematical accuracy;</li><li>assessed the reliability of the forecasted cash flows by comparing with the historical performance and market expectations;</li><li>discussed the most recent forecast with management to understand their views on going concern and the potential impact of COVID-19 on the Company;</li><li>evaluated the assumptions in respect of projected available future cash flows from operating, financing and investing activities and projected key ratios for covenant calculations;</li><li>inspected supporting documentation such as contracts and underlying calculations and correspondence with financing and other relevant parties;</li><li>evaluated the Company's assessment of other accounting estimates within the financial statements which could be impacted by the challenging economic environment resulting from COVID-19; and</li><li>considered the appropriateness of the disclosures made in the financial statements in respect of the potential impact of COVID-19.</li></ul>

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

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

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

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

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

### Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors 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 user taken on the basis of these financial statements.

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

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

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

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

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

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

## Annual Report June 30, 2020

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

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

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

**LAHORE: October 5, 2020**

## Statement Of Financial Position

For The Year Ended June 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>NON CURRENT ASSETS</b>			
Property and equipment	6	49,569	137,740
Long term investments	7	80,055,387	81,804,485
Long term deposits	8	350,000	350,000
		<b>80,454,956</b>	<b>82,292,225</b>
<b>CURRENT ASSETS</b>			
Short term investments	9	1,546,506	1,762,852
Current taxation	10	6,446,133	6,439,733
Bank balances	11	1,483,758	1,474,331
		<b>9,476,397</b>	<b>9,676,916</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	(488,509,920)	(488,443,014)
Unclaimed dividend		(885,404)	(885,404)
Accrued interest	13	(21,757,327)	(21,757,327)
Short term borrowings	14	(89,839,551)	(89,839,551)
Due to related parties	15	(48,375,452)	(48,375,452)
		<b>(649,367,654)</b>	<b>(649,300,748)</b>
<b>NET CURRENT ASSETS</b>		<b>(639,891,257)</b>	<b>(639,623,832)</b>
<b>NON-CURRENT LIABILITIES</b>			
Employees retirement benefits	16	-	-
<b>NET ASSETS</b>		<b>(559,436,301)</b>	<b>(557,331,607)</b>
<b>REPRESENTED BY:</b>			
<i>Authorized capital</i>			
230,000,000 (2019: 230,000,000) ordinary shares of Rs. 10 each		<b>2,300,000,000</b>	2,300,000,000
Issued, subscribed and paid up capital	17	1,865,684,870	1,865,684,870
Discount on issue of shares	18	(818,331,810)	(818,331,810)
Accumulated losses		(1,627,412,211)	(1,625,307,517)
		<b>(580,059,151)</b>	<b>(577,954,457)</b>
Advance against issue of ordinary shares	19	20,622,850	20,622,850
<b>TOTAL EQUITY</b>		<b>(559,436,301)</b>	<b>(557,331,607)</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	20	-	-
		<b>(559,436,301)</b>	<b>(557,331,607)</b>

The annexed notes from 1 to 38 form an integral part of these financial statements.

These financial statements have been signed by two Directors and Chief Financial Officer under section 232 of the Companies Act, 2017, as the Chief Executive is not available for the time being.

Lahore  
Date: October 5, 2020

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

## Annual Report June 30, 2020

### Statement of Profit or Loss for the year ended June 30, 2020

	Note	2020 Rupees	2019 Rupees
Revenue	21	1,000,000	-
Administrative expenses	22	(1,412,468)	(1,724,412)
Bank and other charges		(382)	(2,117)
Excess liabilities written back	16	-	3,015,244
Gain on disposal of property and equipment		353,600	-
Impairment loss on long term investments	7.1.2	-	-
Changes in fair value of long term investments	7.2	229,304	(2,468,500)
Changes in fair value of short term investments	9	(216,346)	84,313
		(46,292)	(1,095,472)
Share of loss of associate	7	(1,978,402)	(14,721,085)
<b>Loss before taxation</b>		<b>(2,024,694)</b>	<b>(15,816,557)</b>
Taxation	23	(80,000)	-
<b>Loss after taxation</b>		<b>(2,104,694)</b>	<b>(15,816,557)</b>
<b>Loss per share - basic and diluted</b>	24	<b>(0.01)</b>	<b>(0.08)</b>

*The annexed notes from 1 to 38 form an integral part of these financial statements.*

These financial statements have been signed by two Directors and Chief Financial Officer under section 232 of the Companies Act, 2017, as the Chief Executive is not available for the time being.

Lahore  
Date: October 5, 2020

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

## Statement Of Comprehensive Income

*for the year ended June 30, 2020*

	2020	2019
	<i>Rupees</i>	<i>Rupees</i>
Loss after taxation	(2,104,694)	(15,816,557)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(2,104,694)</b>	<b>(15,816,557)</b>

*The annexed notes from 1 to 38 form an integral part of these financial statements.*

These financial statements have been signed by two Directors and Chief Financial Officer under section 232 of the Companies Act, 2017, as the Chief Executive is not available for the time being.

Lahore  
Date: October 5, 2020

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

**Statement of Changes in Equity**  
for the year ended June 30, 2020

	Share capital	Capital reserves		Revenue reserves	Total equity
	Issued subscribed and paid-up capital Rupees	Advance against issue of ordinary shares Rupees	Discount on issue of shares Rupees	Accumulated profit Rupees	
<b>As at July 01, 2018</b>	1,865,684,870	20,622,850	(818,331,810)	(1,609,490,960)	(541,515,050)
<b>Comprehensive loss</b>					
Loss after taxation	-	-	-	(15,816,557)	(15,816,557)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss</b>	-	-	-	(15,816,557)	(15,816,557)
<b>Transaction with owners</b>	-	-	-	-	-
<b>As at June 30, 2019</b>	1,865,684,870	20,622,850	(818,331,810)	(1,625,307,517)	(557,331,607)
<b>As at July 01, 2019</b>	1,865,684,870	20,622,850	(818,331,810)	(1,625,307,517)	(557,331,607)
<b>Comprehensive loss</b>					
Loss after taxation	-	-	-	(2,104,694)	(2,104,694)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss</b>	-	-	-	(2,104,694)	(2,104,694)
<b>Transaction with owners</b>	-	-	-	-	-
<b>As at June 30, 2020</b>	1,865,684,870	20,622,850	(818,331,810)	(1,627,412,211)	(559,436,301)

The annexed notes from 1 to 38 form an integral part of these financial statements.

These financial statements have been signed by two Directors and Chief Financial Officer under section 232 of the Companies Act, 2017, as the Chief Executive is not available for the time being.

Lahore  
Date: October 5, 2020

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

## Statement of Cash Flows

for the year ended June 30, 2020

Note	2020 Rupees	2019 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(2,024,694)	(15,816,557)
<b>Adjustments for non-cash and other items</b>		
Changes in fair value of investments at fair value through profit or loss	(12,958)	2,384,187
Gain on disposal of property and equipment	(353,600)	-
Excess liabilities written back	-	(3,015,244)
Share of loss of associate	1,978,402	14,721,085
Depreciation	16,771	41,004
	<b>1,628,615</b>	14,131,032
	<b>(396,079)</b>	(1,685,525)
<b>Changes in working capital</b>		
Trade and other payables	66,906	68,475
Due from related parties	-	3,725,616
	<b>66,906</b>	3,794,091
<b>Cash (used in)/generated from operations</b>	<b>(329,173)</b>	2,108,566
Payments for:		
Income tax	(86,400)	(1,951)
Employee retirement benefits	-	(100,000)
<b>Net cash (used in)/generated from operating activities</b>	<b>(415,573)</b>	2,006,615
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property and equipment	425,000	-
<b>Net cash generated from investing activities</b>	<b>425,000</b>	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings from related parties	-	(2,000,000)
<b>Net cash used in from financing activities</b>	<b>-</b>	(2,000,000)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>9,427</b>	6,615
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>	<b>1,474,331</b>	1,467,716
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR</b>	<b>1,483,758</b>	1,474,331

The annexed notes from 1 to 38 form an integral part of these financial statements.

These financial statements have been signed by two Directors and Chief Financial Officer under section 232 of the Companies Act, 2017, as the Chief Executive is not available for the time being.

Lahore  
Date: October 5, 2020

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

## Notes to the Financial Statements

for the year ended June 30, 2020

### 1 LEGAL STATUS AND OPERATIONS

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

The Company was placed on defaulter's segment by Pakistan Stock Exchange with effect from February 27, 2019. The Company had obtained a stay order against the said placement from the Civil Court thereafter and the matter is pending.

### 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. 1627.412 million. Its current liabilities exceed current assets by Rs. 639.891 million. Further, the Trading Rights Entitlement Certificate issued to the Company was inactive due to inadequate net capital balance and the same has been transferred to third party. These factors indicate the existence of material uncertainty that raises doubts about the Company's ability to continue as a going concern and that the Company may not be able to discharge its liabilities and realize its assets in the normal course of business. However, these financial statements have been prepared on a going concern basis based on the following:

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

#### 2.3 Basis of measurement

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

#### 2.4 Critical accounting judgements and key sources of estimation uncertainty

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

## 2.4.1 Critical accounting judgements

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

### (a) *Business model assessment (see note 5.4.2)*

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

## 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) *Depreciation method, rates and useful lives of property and equipment (see note 5.1)*

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

### (b) *Recoverable amount and impairment (see note 5.17)*

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

### (c) *Obligation under defined benefit plan (see note 5.3)*

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

### (d) *Taxation (see note 5.14)*

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

### (e) *Provisions (see note 5.18)*

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

### (f) *Fair value of investments in unquoted equity securities (see note 5.9)*

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

## 2.5 Functional currency

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

## 2.6 Date of authorization for issue

These financial statements were authorized for issue on October 05, 2020 by the Board of Directors of the Company.

## 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.

## 3.1 IFRS 16 - Leases (2016)

IFRS16 supersedes IAS 17 - Leases, IFRIC4 - Determining whether an Arrangement contains a Lease, SIC-15 - Operating Leases- Incentives and SIC-27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Whereas, for lessees all leases will be classified as finance leases only. However, as per relevant guidelines issued by Institute of Chartered Accountants of Pakistan, contracts under Ijarah will continue to be

## 3.2 IFRIC 23 - Uncertainty over Income Tax Treatments

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

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

## 3.3 Prepayment Features with Negative Compensation (Amendments to IFRS 9 - Financial Instruments)

IFRS9 - Financial Instruments has been amended regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

## 3.4 Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28 - Investments in Associates and Joint Ventures)

IAS 28 - Investments in Associates and Joint Ventures have been amended to clarify that an entity applies IFRS9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

## 3.5 Annual Improvements to IFRS Standards 2015 – 2017 Cycle

The annual improvements have made amendments to the following standards:

- **IFRS 3 - Business Combinations and IFRS 11 - Joint Arrangements** - The amendments to IFRS3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- **IAS 12 - Income Taxes** - The amendments clarify that the requirements in the former paragraph 52B (to recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognized) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.
- **IAS 23 - Borrowing Costs** - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

## 3.6 Plan Amendment, Curtailment or Settlement (Amendments to IAS 19 - Employee Benefits)

IAS 19 - Employees Benefits has been amended to provide that:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

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

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

	<b>Effective date (annual periods beginning on or after)</b>
IFRS 17 - Insurance contracts (2017)	January 01, 2021
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Definition of a Business (Amendments to IFRS 3 - Business Combinations)	January 01, 2020
Definition of Material (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)	January 01, 2020
Interest Rate Benchmark Reform (Amendments to IFRS9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures).	January 01, 2020
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards).	January 01, 2022
Reference to the Conceptual Framework (Amendments to IFRS 3 - Business Combinations).	January 01, 2022
Property, Plant and Equipment- Proceeds before Intended Use (Amendments to IAS 16 - Property, Plant and Equipment).	January 01, 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 - Impairment of Assets).	January 01, 2022
Annual Improvements to IFRS Standards 2018–2020.	January 01, 2022
COVID-19 - Related Rent Concessions (Amendment to IFRS 16 - Leases).	June 01, 2020
Other than afore mentioned standards, interpretations and amendments, IABS has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ["SECP"]:	
IFRS 1 - First Time Adoption of International Financial Reporting Standards	
IFRS 14 - Regulatory Deferral Accounts	
IFRS 17 – Insurance contracts (2017)	

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

**5 SIGNIFICANT ACCOUNTING POLICIES**

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

**5.1 Property and equipment**

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

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

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

Depreciation is recognized in profit or loss by reducing balance method over the useful life of each item of property and equipment using the rates specified in note 6 to the financial statements.

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

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

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

### 5.2 Ordinary share capital

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

### 5.3 Employees retirement benefits

#### 5.3.1 Short-term employee benefits

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

#### 5.3.2 Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to profit or loss with the exception of rereasurements which are recognized in other comprehensive income. The amount recognized on statement of financial position represents the present value of defined benefit obligation. The details of the scheme are referred to in note 16 to the financial statements.

### 5.4 Financial instruments

#### 5.4.1 Recognition

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

#### 5.4.2 Classification

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

##### (a) Financial assets at amortized cost

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

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

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

##### (c) Financial liabilities at amortized cost

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

## 5.4.3 Measurement

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

## 5.4.4 Derecognition

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

## 5.4.5 Off-setting

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

## 5.4.6 Regular way purchases or sales of financial assets

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

## 5.5 Loans and borrowings

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

## 5.6 Trade and other payables

### 5.6.1 Financial liabilities

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

### 5.6.2 Non-financial liabilities

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

## 5.7 Trade and other receivables

### 5.7.1 Financial assets

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

### 5.7.2 Non-financial assets

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

## 5.8 'Regular Way' sales and purchases of financial assets

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

## 5.9 Investments in equity securities

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

## 5.10 Investment in associates

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

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

## 5.11 Revenue

Revenue is measured based on the consideration specified in a contract with customer. Revenue from operations of the Company are recognized as services are provided and thereby performance obligation are satisfied. Revenue consists of fee for consultancy services. The Company's contract performance obligation are fulfilled over the time as services are provided to customer.

## 5.12 Comprehensive income

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

## 5.13 Borrowing costs

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

## 5.14 Taxation

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

### 5.14.1 Current taxation

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

### 5.14.2 Deferred taxation

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

## 5.15 Earnings per share ['EPS']

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

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

## 5.16 Cash and cash equivalents

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

## 5.17 Impairment

### 5.17.1 Financial assets

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

Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to twelve months' expected credit losses, with the exception of trade debts, for which the Company 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

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

### 5.17.2 Non-financial assets

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

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

## 5.18 Provisions and contingencies

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

6 PROPERTY AND EQUIPMENT

2020									
COST					DEPRECIATION				
As at July 01, 2019 Rupees	Additions Rupees	Disposals Rupees	As at July 01, 2020 Rupees	Rate %	For the year Rupees	Adjustment Rupees	As at June 30, 2020 Rupees	Net book value as at June 30, 2020 Rupees	
<i>Assets owned by the Company</i>									
416,000	-	-	416,000	20	5,811	-	392,757	23,243	
1,090,270	-	(923,580)	166,690	20	2,200	(852,180)	157,888	8,802	
2,613,334	-	-	2,613,334	33.33	8,760	-	2,595,810	17,524	
4,119,604	-	(923,580)	3,196,024		16,771	(852,180)	3,146,455	49,569	

2019									
COST					DEPRECIATION				
As at July 01, 2018 Rupees	Additions Rupees	Disposals Rupees	As at July 01, 2019 Rupees	Rate %	For the year Rupees	Adjustment Rupees	As at June 30, 2019 Rupees	Net book value as at June 30, 2019 Rupees	
<i>Assets owned by the Company</i>									
416,000	-	-	416,000	20	7,264	-	386,946	29,054	
1,090,270	-	-	1,090,270	20	20,600	-	1,007,868	82,402	
2,613,334	-	-	2,613,334	33.33	13,140	-	2,587,050	26,284	
4,119,604	-	-	4,119,604		41,004	-	3,981,864	137,740	

6.1 Disposal of operating fixed assets

2020						
Particulars	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees	Disposal proceeds Rupees	Gain on disposal Rupees	Mode of disposal Particulars of buyer
<i>Assets having net book value less than Rs. 500,000 each</i>						
Vehicles	923,580	852,180	71,400	425,000	353,600	Negotiation Mr. Allah Ditta
	923,580	852,180	71,400	425,000	353,600	

6.1.1 There were no disposals during the year ended June 30, 2019.

	Note	2020 Rupees	2019 Rupees
<b>7 LONG TERM INVESTMENTS</b>			
Investment in related parties	7.1	77,294,583	79,272,985
Other investments	7.2	2,760,804	2,531,500
		<b>80,055,387</b>	<b>81,804,485</b>

**7.1 Investment in related parties**

Pervez Ahmed Capital (Private) Limited	7.1.1	77,294,583	79,272,985
Origins Fabrics (Private) Limited	7.1.2	-	-
		<b>77,294,583</b>	<b>79,272,985</b>

**7.1.1 Pervez Ahmed Capital (Private) Limited**

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

	2020 Rupees	2019 Rupees
Cost of investment		
8,498,300 (2019: 8,498,300) fully paid ordinary shares of Rs. 10 each	84,983,000	84,983,000
Share of post acquisition (losses)/profits	(7,688,417)	(5,710,015)
	<b>77,294,583</b>	<b>79,272,985</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 loss based on the associate's audited financial statements for the reporting period are as follows:

	2020 Rupees	2019 Rupees
Non-current assets	17,433,235	17,433,235
Current assets	139,309,925	139,309,925
Non-current liabilities	-	-
Current liabilities	146,661	136,661
Loss for the year	4,008,782	29,824,175
Share of loss	1,978,402	14,721,085

**7.1.2 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 ORIGINSLAWN, an extension of an already established and renowned retail brand ORIGINSREADY TO WEAR. The Company's shareholding in OFPL comprises 10,000 voting ordinary shares of Rs. 10 each and 890,000 non-voting ordinary shares of Rs. 10 each. The voting power held by the Company does not constitute control or significant influence. Therefore the investment has been accounted for under 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

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### 7.2 Other investments

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

	Note	2020 Rupees	2019 Rupees
Dawood Family Takaful Limited	7.2.1	5,000,000	5,000,000
Changes in fair value		(2,239,196)	(2,468,500)
		<b>2,760,804</b>	<b>2,531,500</b>

7.2.1 These represent 500,000 (June 30, 2019: 500,000) ordinary shares of Rs. 10 each. The investment is held for an indefinite period and has been mandatorily classified as 'financial asset at fair value through profit or loss'. The fair value of investment has been determined on the basis of break-up value per share based on most recent audited financial statements available of the investee for the year ended December 31, 2019.

	2020 Rupees	2019 Rupees
Central Depository Company of Pakistan Limited	50,000	50,000
Lahore Stock Exchange	100,000	100,000
National Clearing Company of Pakistan Limited	200,000	200,000
	<b>350,000</b>	<b>350,000</b>

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

### 9 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:

	2020		2019	
	Carrying value Rupees	Fair value Rupees	Carrying value Rupees	Fair value Rupees
<b>Other investments</b>				
Reliance Cotton Spinning Mills Limited 1,500 (2019: 1500) ordinary shares of Rs. 10 each.	219,000	192,000	239,385	219,000
Engro Corporation Limited 2,860 (2019: 2,600) ordinary shares of Rs. 10 each.	759,616	837,751	816,036	759,616
Engro Fertilizers Limited 260 (2019: 260) ordinary shares of Rs. 10 each.	16,632	15,673	19,476	16,632
Jahangir Siddiqui and Company Limited 48 (2019: 49) ordinary shares of Rs. 10 each.	519	566	874	519
BankIslami Pakistan Limited 399 (2019: 399) ordinary shares of Rs. 10 each.	4,585	3,016	4,768	4,585
Lotte Chemical Pakistan Limited 50,000 (2019: 50,000) ordinary shares of Rs. 10 each.	762,500	497,500	598,000	762,500
	<b>1,762,852</b>	<b>1,546,506</b>	<b>1,678,539</b>	<b>1,762,852</b>

		2020	2019
		<i>Rupees</i>	<i>Rupees</i>
<b>10</b>	<b>CURRENT TAXATION</b>		
	Advance income tax/income tax refundable	6,526,133	6,439,733
	Provision for taxation	(80,000)	-
		<b>6,446,133</b>	<b>6,439,733</b>
<b>11</b>	<b>BANK BALANCES</b>		
	Cash at banks		
	current accounts	1,483,678	1,474,251
	saving accounts	80	80
		<b>1,483,758</b>	<b>1,474,331</b>
<b>12</b>	<b>TRADE AND OTHER PAYABLES</b>		
	Trade creditors	473,014,144	473,017,644
	Accrued expenses	2,153,581	2,131,081
	Withholding tax payable	8,986,938	9,002,438
	Payable against purchase of investment	12.1 4,086,600	4,086,600
	Other payables	268,657	205,251
		<b>488,509,920</b>	<b>488,443,014</b>

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

**13 ACCRUED INTEREST**

This represents over-due interest on borrowings.

	<i>Note</i>	2020	2019
		<i>Rupees</i>	<i>Rupees</i>
<b>14</b>	<b>SHORT TERM BORROWINGS SECURED</b>		
	These represent short term finances utilized under interest arrangements from banking companies		
	Murabaha finance	14.1 87,137,771	87,137,771
	Running finance	14.2 2,701,780	2,701,780
		<b>89,839,551</b>	<b>89,839,551</b>

**14.1** This facility was obtained from Al Baraka Bank (Pakistan) Limited (formerly known as Burj Bank Limited) for trading in shariah compliant securities. These are secured against pledge of equity securities approved by the bank's Shariah Board with 40% margin. The facility carried profit at matching KIBOR plus 1.30% (2019: matching KIBOR plus 1.30%) per annum. The facility has expired and has not been renewed at the reporting date. Hence the entire amount outstanding is overdue. The management is in negotiations with the lender regarding settlement of this facility, however, no major terms have been

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

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	<i>Note</i>	<b>2020</b> <i>Rupees</i>	2019 <i>Rupees</i>
<b>15 DUE TO RELATED PARTIES</b>			
Associated companies	15.1	<b>13,400,000</b>	13,400,000
Directors	15.2	<b>34,975,452</b>	34,975,452
		<b>48,375,452</b>	48,375,452

15.1 This represent interest free advance obtained from D.S. Textiles Limited, a related party. This is unsecured and payable on

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

### 16 EMPLOYEES RETIREMENT BENEFITS

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

The Company had no employees as at the year ended June 30, 2019. The outstanding obligation pertained to the key management personnel of the Company, who had voluntarily opted out of the scheme in the previous years in view of the financial position of the Company and had, during the year ended June 30, 2019, waived the entire outstanding obligation at

	<b>2020</b> <i>Rupees</i>	2019 <i>Rupees</i>
The movement in defined benefit obligation is as follows:		
As at beginning of the year	-	3,115,244
Charged to profit or loss for the year	-	-
Benefits paid during the year	-	(100,000)
Obligation written back on waiver	-	(3,015,244)
As at end of the year	-	-

### 17 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

<b>2020</b> <i>No. of shares</i>	2019 <i>No. of shares</i>	<i>Note</i>	<b>2020</b> <i>Rupees</i>	2019 <i>Rupees</i>
<b>Ordinary shares of Rs. 10 each</b>				
<b>59,928,500</b>	59,928,500	Issued for cash	<b>599,285,000</b>	599,285,000
<b>17,529,079</b>	17,529,079	Issued as fully paid bonus shares	<b>175,290,790</b>	175,290,790
<b>29,390,860</b>	29,390,860	Issued at discount for cash	<b>293,908,600</b>	293,908,600
<b>79,720,048</b>	79,720,048	Issued at discount for other than cash 17.1	<b>797,200,480</b>	797,200,480
<b>186,568,487</b>	186,568,487		<b>1,865,684,870</b>	1,865,684,870

17.1 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.

### 18 DISCOUNT ON ISSUE OF ORDINARY SHARES

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

### 19 ADVANCE AGAINST ISSUE OF ORDINARY SHARES

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

**20 CONTINGENCIES AND COMMITMENTS****20.1 Contingencies**

**20.1.1** 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

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

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

- a) The Company is not being run in accordance with the law and the state of affairs of the Company are prejudicial to the interest of the minority shareholders as the some minority shareholders have filed a complaint to that effect.
- b) The Company has not declared any dividends 2008-09 and its does not have a bright future outlook as the directors have no concrete plan for the revival of business of the Company.
- c) The Company is principally a brokerage house and has sold its Trading Rights Entitlement Certificate [‘TREC’] of Lahore Stock Exchange, without which the Company cannot operate as a brokerage house. (The TREC was sold without the authority of shareholders in general meeting for which the directors of the Company have already been fined Rs. 700,000 vide Securities and Exchange Commission of Pakistan’s order dated June 14, 2016).
- d) The Company has not recognized any provision against debt owed to a creditor of Rs. 36.57 million including late payment surcharge amounting to Rs. 17.45 million.
- e) The Company has not recognized interest on short term borrowings amounting to Rs. 96.538 million upto June 30, 2020.
- 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.

**20.2 Commitments**

There are no material commitments as at the reporting date.

	<i>Note</i>	<b>2020</b>	2019
		<i>Rupees</i>	<i>Rupees</i>
<b>21 REVENUE</b>			
Advisory services		<b>1,000,000</b>	-
		<b>1,000,000</b>	-
<b>22 ADMINISTRATIVE EXPENSES</b>			
Postage and communication		<b>7,814</b>	23,546
Traveling, conveyance and entertainment		<b>13,100</b>	41,500
Legal and professional		<b>113,787</b>	287,137
Rent, rates and taxes		-	105,100
Printing and stationery		<b>6,400</b>	44,989
Fees and subscription		<b>974,206</b>	808,250
Auditor’s remuneration	22.1	<b>75,000</b>	75,000
Advertisement		<b>112,650</b>	245,160
Depreciation	6	<b>16,771</b>	41,004
Others		<b>92,740</b>	52,726
		<b>1,412,468</b>	1,724,412

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	<i>Note</i>	<b>2020</b> <i>Rupees</i>	2019 <i>Rupees</i>
<b>22.1 Auditor's remuneration</b>			
Annual statutory audit		<b>50,000</b>	50,000
Limited scope reviews and certifications		<b>25,000</b>	25,000
		<b>75,000</b>	75,000

### 23 TAXATION

Current tax			
current year	23.1	<b>80,000</b>	-
prior year		-	-
		<b>80,000</b>	-
Deferred tax	23.3	-	-
		<b>80,000</b>	-

**23.1** Provision for current tax has been made under section 153 of Income Tax Ordinance, 2001 ['the Ordinance']. No provision for current tax has been made for the year ended June 30, 2019 due to losses. There is no relationship between tax expense and accounting profit. Accordingly no numerical reconciliation has been presented.

**23.2** Assessments for and upto the tax years 2019 are deemed assessments in terms of Section 120 (1) of the Ordinance, as per returns filled by the Company.

**23.3** The Company has deferred tax asset of Rs. 331.509 million (2018: Rs. 336.38 million) which has not been recognized as future taxable profits are not expected to be available against which the asset could be utilized.

	<i>Unit</i>	<b>2020</b>	2019
<b>24 LOSS PER SHARE - BASIC AND DILUTED</b>			
Loss attributable to ordinary shareholders	<i>Rupees</i>	<b>(2,104,694)</b>	(15,816,557)
Weighted average number of ordinary shares outstanding during the year	<i>No. of shares</i>	<b>186,568,487</b>	186,568,487
Loss per share - <i>Basic</i>	<i>Rupees</i>	<b>(0.01)</b>	(0.08)

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

	<b>2020</b> <i>Rupees</i>	2019 <i>Rupees</i>
<b>25 CASH AND CASH EQUIVALENTS</b>		
Bank balances	<b>1,483,758</b>	1,474,331
	<b>1,483,758</b>	1,474,331

### 26 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

		2020	2019
		Rupees	Rupees
<b>26.1 Transactions with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
Associated companies and undertakings	Temporary loan repaid	-	(2,000,000)
	Share of loss of an associate	(1,978,402)	(14,721,085)
Sponsors and directors	Temporary loan obtained/(repaid)	-	4,759,380
<b>26.2 Balances with related parties</b>			
<b>Nature of relationship</b>	<b>Nature of balance</b>		
Associated companies and undertakings	Borrowings	13,400,000	13,400,000
	Investment in equity securities	77,294,583	79,272,985
	Advance against issue of ordinary shares	20,622,850	20,622,850
Sponsors and directors	Borrowings	34,975,452	34,975,452

## 27 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.

## 28 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.

## 29 FINANCIAL INSTRUMENTS

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

## Annual Report June 30, 2020

	2020	2019
	<i>Rupees</i>	<i>Rupees</i>
<b>29.1 Financial assets</b>		
<i>Financial assets at amortized cost</i>		
Long term deposits	350,000	350,000
Bank balances	1,483,758	1,474,331
<i>Financial assets mandatorily measured at fair value through profit or loss</i>		
Long term investments	2,760,804	2,531,500
Short term investments	1,546,506	1,762,852
	<b>6,141,068</b>	<b>6,118,683</b>
<b>Financial liabilities</b>		
<i>Financial liabilities at amortized cost</i>		
Short term borrowings	89,839,551	89,839,551
Accrued interest	21,757,327	21,757,327
Trade creditors	473,014,144	473,017,644
Accrued liabilities	2,153,581	2,131,081
Payable against purchase of investment	4,086,600	4,086,600
Other payables	268,657	205,251
	<b>591,119,860</b>	<b>591,037,454</b>

### 30 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

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:

#### 30.1 Credit risk

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

##### 30.1.1 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

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

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

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

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

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

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

### 30.1.2 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:

	2020	2019
	Rupees	Rupees
<b>Financial assets at amortized cost</b>		
Long term deposits	350,000	350,000
Bank balances	1,483,758	1,474,331
	<b>1,833,758</b>	<b>1,824,331</b>

### 30.1.3 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
Long term deposits	8	N/A	Performing	12-month ECL	350,000	-
Bank balances	11	A1+ to A1	N/A	12-month ECL	1,483,758	-
					<b>1,833,758</b>	<b>-</b>

#### (a) Long term deposits

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

## (b) Bank balances

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

### 30.1.4 Concentrations of credit risk

There are no significant concentrations of credit risk.

### 30.1.5 Collateral held

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

## 30.2 Liquidity risk

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

### 30.2.1 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. 639.891 million (2019: Rs. 639.624 million) as at the reporting date. The Company has overdue debt finances and interest thereon which have not been settled. Further, the Trading Rights Entitlement Certificate issued to the Company being inactive due to inadequate net capital balance has been sold by the Company to a third party. However, the Company has continued support of its directors and associated undertakings in the form of interest free

### 30.2.2 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

	2020				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Short term borrowings	89,839,551	89,839,551	89,839,551	-	-
Accrued interest	21,757,327	21,757,327	21,757,327	-	-
Trade creditors	473,014,144	473,014,144	473,014,144	-	-
Accrued liabilities	2,153,581	2,153,581	2,153,581	-	-
Payable against purchase of investment	4,086,600	4,086,600	4,086,600	-	-
Other payables	268,657	268,657	268,657	-	-
	<b>591,119,860</b>	<b>591,119,860</b>	<b>591,119,860</b>	-	-
	2019				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Short term borrowings	89,839,551	89,839,551	89,839,551	-	-
Accrued interest	21,757,327	21,757,327	21,757,327	-	-
Trade creditors	473,017,644	473,017,644	473,017,644	-	-
Accrued liabilities	2,131,081	2,131,081	2,131,081	-	-
Payable against purchase of investment	4,086,600	4,086,600	4,086,600	-	-
Other payables	205,251	205,251	205,251	-	-
	<b>591,037,454</b>	<b>591,037,454</b>	<b>591,037,454</b>	-	-

**30.3 Market risk****30.3.1 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.

**30.3.2 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.

**30.3.3 Other price risk**

Other price risk represents the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments. The Company is exposed to price risk due to changes in active market prices of investment in listed equity securities. A ten percent increase in market prices would have increased profit for the year by Rs. 154,651 (2019: Rs. 176,285). A ten percent decrease in market prices would have had an equal but opposite effect on profit for the year.

**31 FAIR VALUE MEASUREMENTS****31.1 Financial Instruments****31.1.1 Financial instruments measured at fair value**

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

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

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

**a) Recurring fair value measurements**

Nature of asset	Hierarchy	Valuation technique and key	2020	2019
			Rupees	Rupees
Investment in unquoted equity securities (see note 7.2)	Level 2	Break-up value	2,760,804	2,531,500
Investment in listed equity securities (see note 9)	Level 1	Quoted bid prices in active	1,546,506	1,762,852

**b) Non-recurring fair value measurements**

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

**31.1.2 Financial instruments not measured at fair value**

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

**31.2 Assets and liabilities other than financial instruments.**

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

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### 32 SHARES IN THE COMPANY HELD BY ASSOCIATED UNDERTAKINGS AND RELATED PARTIES

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

	2020	2019
	<i>No. of shares</i>	<i>No. of shares</i>
D.S. Industries Limited	61,550	61,550
D.S. Textiles Limited	1,119,395	1,119,395
D.S. Apparel (Private) Limited	69,375	69,375
	<b>1,250,320</b>	<b>1,250,320</b>

### 33 OPERATING SEGMENTS

The Company operates as single reportable segment only.

### 34 ASSETS PLEDGED AS SECURITY

Listed securities valued at Rs. 1.351 million (2019: Rs. 1.539 million) are pledged with banks as security against debt

### 35 NUMBER OF EMPLOYEES

Total number of employees of the Company as at the reporting date are nil (2019: nil). Average number of persons employed by the Company during the period are nil (2019: nil).

### 36 IMPACT OF COVID - 19 ON THE FINANCIAL STATEMENTS

COVID-19 pandemic started at the end of December 2019 and broke out in China in January 2020. The slow down in Pakistan started in February 2020 following which a nationwide lockdown was imposed in Pakistan. The Company remained unaffected throughout. There is no financial impact of COVID-19 on the carrying amounts of assets and liabilities or items of income and expenses reported in these financial statements.

### 37 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.

### 38 GENERAL

Figures have been rounded off to the nearest rupee.

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

These financial statements have been signed by two Directors and Chief Financial Officer under section 232 of the Companies Act, 2017, as the Chief Executive is not available for the time being.

Lahore  
Date: October 5, 2020

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

**Pervez Ahmed Consultancy Services Limited**  
**Categories of Shareholders**  
**As At June 30, 2020**

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
<b>Chief Executive &amp; Directors</b>			
Mr. Pervez Ahmed - Chief Executive	1	2,962,398	1.588
Mrs. Rehana Pervez Ahmed	1	735,140	0.394
Mr. Ali Pervez Ahmed	1	762	0.000
Mrs. Ayesha Ahmed Mansoor	1	735,866	0.394
Mr. Muhammad Khalid Khan	1	646	0.000
Mr. Mazhar Pervaiz Malik	1	500	0.000
Mian Basit Rasheed	1	1,000	0.001
Banks, DFI and NBFIs	3	2,947	0.002
Joint Stock Companies	26	2,799,778	1.501
General Public (Local)	6,951	173,324,209	92.901
General Public (Foreign)	114	4,744,921	2.543
Others	1	10,000	0.005
<b>Total</b>	<b>7105</b>	<b>186,568,487</b>	<b>100.000</b>

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

Shares Held	Percentage
N/A	0.000

# Annual Report June 30, 2020

Number of Shareholders	Pattern of Shareholding As At June 30, 2020		Total Number of Shares Held	%age
	Shareholding			
	From	To		
591	1	100	30,049	0.016
739	101	100	289,911	0.155
1,465	501	1,000	1,146,823	0.615
1,773	1,001	5,000	5,090,127	2.728
773	5,001	10,000	6,272,416	3.362
306	10,001	15,000	4,000,203	2.144
264	15,001	20,000	4,916,930	2.635
165	20,001	25,000	3,912,410	2.097
115	25,001	30,000	3,249,235	1.742
85	30,001	35,000	2,812,247	1.507
70	35,001	40,000	2,709,154	1.452
51	40,001	45,000	2,193,845	1.176
101	45,001	50,000	4,976,995	2.668
38	50,001	55,000	2,000,245	1.072
30	55,001	60,000	1,748,909	0.937
22	60,001	65,000	1,382,775	0.741
42	65,001	70,000	2,880,027	1.544
27	70,001	75,000	1,984,859	1.064
20	75,001	80,000	1,567,000	0.840
15	80,001	85,000	1,248,000	0.669
17	85,001	90,000	1,509,390	0.809
10	90,001	95,000	939,699	0.504
62	95,001	100,000	6,181,800	3.313
20	100,001	105,000	2,060,646	1.104
14	105,001	110,000	1,519,930	0.815
10	110,001	115,000	1,133,000	0.607
7	115,001	120,000	838,000	0.449
16	120,001	125,000	1,969,000	1.055
9	125,001	130,000	1,155,466	0.619
6	130,001	135,000	792,000	0.425
5	135,001	140,000	693,500	0.372
11	140,001	145,000	1,584,620	0.849
19	145,001	150,000	2,842,000	1.523
8	150,001	155,000	1,218,060	0.653
3	155,001	160,000	474,000	0.254
2	160,001	165,000	327,500	0.176
2	165,001	170,000	333,500	0.179
7	170,001	175,000	1,222,500	0.655
3	175,001	180,000	531,500	0.285
5	180,001	185,000	919,000	0.493
4	185,001	190,000	758,000	0.406
6	190,001	195,000	1,156,500	0.620
24	195,001	200,000	4,799,500	2.573
7	200,001	205,000	1,422,500	0.762
3	205,001	210,000	625,500	0.335
1	210,001	215,000	213,000	0.114
3	215,001	220,000	653,500	0.350
2	220,001	225,000	444,500	0.238
2	225,001	230,000	458,035	0.246
3	235,001	240,000	712,000	0.382
2	240,001	245,000	488,000	0.262
4	245,001	250,000	997,000	0.534
2	250,001	255,000	504,510	0.270
3	255,001	260,000	772,217	0.414
1	260,001	265,000	263,000	0.141
1	275,001	280,000	280,000	0.150
2	280,001	285,000	565,000	0.303
1	285,001	290,000	290,000	0.155
2	290,001	295,000	585,000	0.314
8	295,001	300,000	2,398,000	1.285
1	300,001	305,000	302,000	0.162
1	305,001	310,000	310,000	0.166
4	315,001	320,000	1,278,000	0.685
1	330,001	335,000	335,000	0.180
1	340,001	345,000	340,500	0.183
3	345,001	350,000	1,050,000	0.563
2	360,001	365,000	721,742	0.387
1	375,001	380,000	377,500	0.202
1	380,001	385,000	382,499	0.205
1	385,001	390,000	390,000	0.209
4	395,001	400,000	1,600,000	0.858
1	400,001	405,000	401,000	0.215
1	410,001	415,000	415,000	0.222
2	415,001	420,000	419,000	0.225
2	420,001	425,000	850,000	0.456
1	425,001	430,000	855,779	0.459
1	430,001	435,000	431,500	0.231
1	435,001	440,000	438,000	0.235
1	445,001	450,000	446,000	0.239
1	455,001	460,000	460,000	0.247
1	460,001	465,000	464,500	0.249
2	465,001	470,000	937,500	0.502
2	475,001	480,000	955,500	0.512
1	480,001	485,000	485,000	0.260
7	495,001	500,000	3,500,000	1.876
1	515,001	520,000	516,000	0.277
2	525,001	530,000	1,057,500	0.567
1	530,001	535,000	533,000	0.286
1	540,001	545,000	541,601	0.290
1	570,001	575,000	570,080	0.306
2	595,001	600,000	1,200,000	0.643
1	610,001	615,000	613,000	0.329
1	620,001	625,000	620,500	0.333
1	630,001	635,000	635,000	0.340
2	645,001	650,000	1,294,250	0.694
1	695,001	700,000	699,000	0.375
1	730,001	735,000	730,050	0.391
1	735,001	740,000	738,500	0.396
1	745,001	750,000	750,000	0.402
2	770,001	775,000	1,547,500	0.829
1	785,001	790,000	786,000	0.421
1	795,001	800,000	800,000	0.429
1	800,001	805,000	802,000	0.430
1	825,001	830,000	827,000	0.443
1	845,001	850,000	847,000	0.454
1	905,001	910,000	906,000	0.486
1	910,001	915,000	911,000	0.488
1	915,001	920,000	917,500	0.492
6	995,001	1,000,000	6,000,000	3.216
1	1,015,001	1,020,000	1,017,000	0.545
1	1,045,001	1,050,000	1,047,510	0.561
1	1,095,001	1,100,000	1,100,000	0.590
1	1,115,001	1,120,000	1,119,395	0.600
1	1,260,001	1,265,000	1,260,500	0.676
1	1,340,001	1,345,000	1,345,000	0.721
1	1,345,001	1,350,000	1,346,500	0.722
1	1,495,001	1,500,000	1,500,000	0.804
1	1,595,001	1,600,000	1,600,000	0.858
1	1,625,001	1,630,000	1,627,000	0.872
1	1,845,001	1,850,000	1,850,000	0.992
2	1,995,001	2,000,000	4,000,000	2.144
1	2,010,001	2,015,000	2,015,000	1.080
1	2,245,001	2,250,000	2,250,000	1.206
1	2,900,001	2,905,000	2,902,548	1.556
1	3,035,001	3,040,000	3,040,000	1.629
1	6,410,001	6,415,000	6,413,000	3.437
1	7,100,001	7,105,000	7,103,500	3.807
	<b>7105</b>		<b>186,568,487</b>	<b>100.000</b>

## مجلسِ نظام کی رپورٹ

پرویز احمد کنسلٹنسی سروسز لمیٹڈ (سابقہ پرویز احمد سیکورٹیز لمیٹڈ) کی مجلسِ نظام 30 جون 2020ء کو ختم ہونے والے مالی سال کے لئے کمپنی کے نظر ثانی شدہ حسابات معہ سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

### میورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن میں تبدیلی

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

### مالیاتی جائزہ

30 جون 2020ء کو ختم ہونے والے سال کے لئے کمپنی کے مالی نتائج حسب ذیل ہیں:

تفصیل	مختتمہ سال 30 جون 2020ء (روپے)	مختتمہ سال 30 جون 2019ء (روپے)
آپریٹنگ آمدنی	1,000,000	-
آپریٹنگ اخراجات	(1,412,850)	(1,726,529)
سرمایہ کاری کی بحالی پر سپلس / (خسارہ)	(216,346)	84,313
شراکت کے نقصان کا حصہ	(1,978,402)	(14,721,085)
(نقصان) ٹیکس سے پہلے	(2,024,694)	(15,816,557)
ٹیکسیشن	(80,000)	-
(نقصان) ٹیکس کے بعد	(2,104,694)	(15,816,557)
(نقصان) فی شیئر - بنیادی	(0.01)	(0.08)

### کمپنی کے مالیاتی نتائج

زیر جائزہ سال کے دوران، 30 جون 2020ء کو ختم ہونے والے مالی سال کے لئے کمپنی نے 2.10 ملین روپے خالص نقصان برداشت کیا جبکہ گزشتہ سال 15.82 ملین روپے نقصان ہوا تھا۔ سال کے نقصان کی بنیادی وجہ ایسوسی ایٹ کے نقصان کا حصہ ہے۔ فی شیئر بنیادی اور معتدل نقصان 0.01 روپے ہے۔ سال کے دوران کمپنی کو انتظامی کنسلٹنسی کی نئی کاروباری لائن سے آمدنی حاصل ہونا شروع ہو گئی ہے۔ آڈیٹرز نے سال کے دوران گولڈنگ کسرن منفرضہ، کمپنی کے خلاف قرض دہندگان کی طرف سے مختلف عدالتوں میں زیر التوا مقدمات کی بابت اپنی رپورٹ میں متضاد رائے کا اظہار کیا ہے۔ تاہم اختتامیہ کاروباری بحالی اور قرض دہندگان کے ساتھ معاملات کو باقاعدہ کرنے کے لئے کوششیں کر رہی ہے۔

### مستقبل کا نقطہ نظر

دنیا ابھی بھی کوویڈ 19 وبائی بیماری کے خلاف جدوجہد کر رہی ہے۔ پاکستان میں نئے کیسز اور اموات میں ڈرامائی کمی دیکھنے میں آئی ہے۔ مثبت پیشرفت کے پیش نظر، حکومت نے اگست 2020 میں بیشتر کاروباری سرگرمیاں دوبارہ شروع کرنے کی اجازت دے دی ہے۔ مزید برآں، اسٹیٹ بینک آف پاکستان نے معیشت کی بحالی کے لئے متعدد اقدامات اٹھاتے ہوئے پالیسی شرح کو 7 فیصد تک کم کر دیا، جبکہ نئی سرمایہ کاری کی حوصلہ افزائی کے لئے پُرکشش فنانسنگ اسکیمیں پیش کی ہیں۔ ان اقدامات سے معیشت کو معمول پر آنے میں مدد ملے 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 جا سکا ہے۔

## کمپنی کے حصص میں تجارت

کسی ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی بیکٹری اور ان کے شریک حیات اور نابالغ بچوں کی طرف سے 30 جون 2020 کو ختم ہونے والے سال کے دوران کمپنی کے حصص میں کوئی تجارت نہیں کی گئی ہے۔

## کتابوں کی بندش

کمپنی کی حصص منتقلی کتابیں 23 اکتوبر 2020ء تا 28 اکتوبر 2020ء (بشمول دونوں ایام) بند رہیں گی اور اس دوران رجسٹریشن کے لئے لبر حصص کی کوئی منتقلی قابل قبول نہیں ہوگی۔ 22 اکتوبر 2020ء کو کاروبار کے اختتام تک ہمارے شیئر رجسٹرار، میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پبلی 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 2020ء کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے اور ڈائریکٹرز کی حاضری مندرجہ ذیل ہے:

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

## آڈیٹرز

موجودہ آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔ بورڈ کی آڈٹ کمیٹی نے 30 جون 2021ء کو ختم ہونے والے مالی سال کے لئے بطور آڈیٹرز میسرز رحمان سرفراز رحیم اقبال رفیق، چارٹرڈ اکاؤنٹنٹس کو دوبارہ مقرر کرنے کی سفارش کی ہے۔

## آڈٹ کمیٹی

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

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

سہ ماہی اور سالانہ حسابات کے جائزہ اور دیگر متعلقہ معاملات کے لئے کارپوریٹ ضابطہء اخلاق کے تحت درکار 30 جون 2020ء تک 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 کے ضابطہء اخلاق کی تعمیل میں بیان

بورڈ آف ڈائریکٹرز اور کمپنی کارپوریٹ گورننس کے اچھے طریقوں کے اصولوں پر کاربند ہیں۔ بورڈ اور انتظامیہ اپنی ذمہ داریوں سے آگاہ ہیں اور مالی اور غیر مالی معلومات کی درستگی، جامعیت اور شفافیت کو بڑھانے کے لئے کمپنی کی کارکردگی کی نگرانی کرتے ہیں۔ بورڈ بخوشی تصدیق کرتے ہیں کہ کمپنی نے ہر مادی معاملات میں، لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں شامل بہترین طریقوں جن کی تعمیل کے ساتھ منسلک بیان میں مکمل طور پر وضاحت کی گئی ہے کے مطابق تعمیل کی ہے اور بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔ مزید، درج ذیل بیان کرتے ہیں کہ:

- 1- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- 2- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- 3- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور انٹرنیشنل فیصلوں پر مبنی ہیں۔
- 4- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کی پیروی کی گئی ہے اور کسی انحراف کا واضح انکشاف کیا گیا ہے۔
- 5- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- 6- سال کے دوران کمپنی نے 2.10 ملین روپے کا خالص نقصان اٹھایا اور بیلنس شیٹ کی تاریخ تک 1,627.4 ملین روپے کا مجموعی نقصان اٹھایا ہے۔ کمپنی کی موجودہ واجب ادائیگیاں اسکے موجودہ اثاثوں سے 639.9 ملین روپے تک تجاوز کر گئی ہیں۔ یہ عناصر کمپنی کی رواں دواں رہنے کی اہلیت کے بارے میں شکوک پیدا کر سکتے ہیں۔ تاہم انتظامیہ کمپنی کی مدد کے لئے مسلسل کوششیں کر رہی ہے۔

- 7- فہرستی ضابطوں میں تفصیلی کارپوریٹ گورننس کے بہترین طریقوں میں سے کسی خاطر خواہ شق سے مادی انحراف نہیں ہو رہا ہے۔
- 8- گزشتہ چھ سالوں کی مالیاتی جھلکیاں منسلک ہیں۔

### نمونہ حصص داری

کمپنی کا نمونہ حصص داری سالانہ رپورٹ سے منسلک ہے۔

### حصص داری کی اقسام

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

### اظہار تشکر

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

منجانب بورڈ علی پرویز احمد مظہر پرویز ملک



ڈائریکٹر



ڈائریکٹر

لاہور،

تاریخ: 15 اکتوبر 2020ء

## FORM OF PROXY Annual General Meeting

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

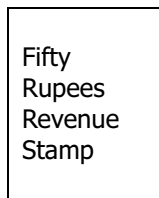
**Dear Sir,**

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 28, 2020

Signed this ----- day of -----2020

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