



INDEPENDENT AUDITORS REPORT ON STATEMENT OF NET CAPITAL BALANCE

To the Chief Executive Officer of Zafar Securities (Private) Limited

Opinion

We have audited the Statement of Net Capital Balance of **Zafar Securities (Private) Limited** (the "Securities Broker") and notes to the Statement of Net Capital Balance as at June 30, 2018 (hereinafter collectively referred to as "the statement").

In our opinion, the financial information in the statement of the Securities Broker as at June 30, 2018 is prepared, in all material respects, in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 ("the Regulations") read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 ("SEC Rules 1971") issued by the Securities & Exchange Commission of Pakistan ("SECP").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the statement* section of our report. We are independent of the Securities Broker in accordance with the ethical requirements that are relevant to our audit of the statement in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

The statement is prepared to assist the Securities Broker to meet the requirements of the SECP, Pakistan Stock Exchange ("PSX") and National Clearing Company of Pakistan Limited ("NCCPL"). As a result, the statement may not be suitable for any other purpose. Our report is intended solely for the Securities Broker, SECP, PSX and NCCPL, and should not be distributed to parties other than the Securities Broker, SECP, PSX or NCCPL. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the statement

Management is responsible for the preparation of the statement in accordance with the Regulations and SEC Rules 1971, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Securities Broker's financial reporting process.



Auditor's Responsibilities for the Audit of the statement

Our objectives are to obtain reasonable assurance about whether the statement is 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

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

- Identify and assess the risks of material misstatement of the statement, 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 Securities Broker's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance 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.


**IECnet S.K.S.S.S.,
Chartered Accountants**

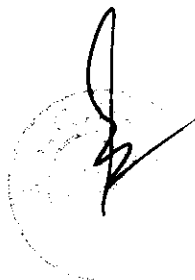
Engagement partner: **Mr. Muhammad Aslam Khan.**
Lahore.

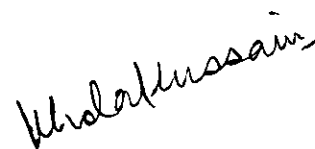
Date: September 10, 2018

ZAFAR SECURITIES (PRIVATE) LIMITED
CORPORATE TREC HOLDER OF PAKISTAN STOCK EXCHANGE LIMITED
STATEMENT OF NET CAPITAL BALANCE
(In accordance with Regulation 6(4) of the Securities Brokers' (Licensing & Operations) Regulations, 2016)
AS AT JUNE 30, 2018

A. Description of Current Assets	Basis of Accounting	Notes	Amount (Rupees)
1 Cash in hand & Cash in bank	As per book value.	2	
Cash in hand			142,716
Cash at bank-House Account			840,271
Cash at bank-Client Account			93,135,297
			94,118,284
2 Margin Deposits			19,190,000
3 Trade receivables	Book value less those over due		59,309,067
Less: Our standing for more than 14 days	for more than 14 days.		36,061,453
			23,247,614
4 Investment in listed securities in the name of company	Securities on the Exposure List to Market less 15 % discount.	3	62,756,107
5 Securities purchase for client			17,486,419
			216,798,425
B. Description of Current Liabilities			
1 Trade payables	Book value less those overdue		103,451,823
Less: Over due more than 30 days	for more than 30 days.		69,377,787
			34,074,036
2 Other Liabilities	As classified under the Generally Accepted Accounting Principles.	4	105,640,486
			139,714,523
NET CAPITAL BALANCE			77,083,902


Chief Executive




Director

ZAFAR SECURITIES (PRIVATE) LIMITED
MEMBER PAKISTAN STOCK EXCHANGE LIMITED
EXPLANATORY NOTES TO THE NET CAPITAL BALANCE AS AT JUNE 30, 2018

1 BASIS OF ACCOUNTING

This statement of Net Capital Balance has been prepared in accordance with the requirements of the Third Schedule read with rule 2(d) of the Securities and Exchange Commission (SEC) Rules 1971, clauses 6(3) and 6(4) of the Securities Brokers (Licensing and Operations) Regulations 2016, and related clarifications / guidelines issued by the Securities and Exchange Commission of Pakistan.

2 CASH IN HAND AND AT BANK

Cash in hand
Bank balance(s) pertaining to Brokerage House
Bank balance(s) pertaining to Clients

TOTAL
(Rupees)

142,716
840,271
93,135,297

94,118,284

Investment in Listed Securities in the name of Company		Holding as per CDC	Market Value as on June 30, 2018	TOTAL
Security Symbol	Security Name	Position Owned	Rupees	Rupees
AGL	AGRITTECH LIMITED	164,500	4.63	761,635.0
AKZO	AKZO NOBEL PAKISTAN LIMITED	5,000	186.76	933,800.0
ARPL	ARCHROMA PAKISTAN LIMITED	1,300	505	656,500.0
ASL	AISHA STEEL MILLS LIMITED	18,000	15.77	283,860.0
ATRL	ATTOCK REFINERY LIMITED	2,500	215.31	538,275.0
BWCL	BESTWAY CEMENT LIMITED	4,403	130.99	576,749.0
BYCO	BYCO PETROLEUM PAKISTAN LIMITED	25,500	12.2	311,100.0
CHCC	CHERAT CEMENT COMPANY LIMITED	4,000	97.23	388,920.0
COLG	COLGATE-PALMOLIVE (PAKISTAN)	1,200	3149	3,778,800.0
CTM	COLONY TEXTILE MILLS LIMITED	12,580	3.61	45,413.8
DAWH	DAWOOD HERCULES CORPORATION	1,500	110.78	166,170.0
DFML	DEWAN FAROOQUE MOTORS LIMITED	25,000	28.43	710,750.0
DINT	DIN TEXTILE MILLS LIMITED	1,000	94.77	94,770.0
DKL	DREKKAR KINGSWAY LIMITED	5,000	5.9	29,500.0
DOL	DESCON OXYCHEM LIMITED	6,500	19.3	125,450.0
DSL	DOST STEELS LIMITED	190,000	7.91	1,502,900.0
EPCL	ENGRO POLYMER & CHEMICALS	75,000	31.36	2,352,000.0
EPCLR1	ENGRO POLYMER & CHEMICALS	27,746	8.82	244,719.7
FCCL	FAUJI CEMENT COMPANY LIMITED	5,000	22.85	114,250.0
FDIBL	FIRST DAWOOD INVESTMENT BANK	140,000	3.62	506,800.0
FFL	FAUJI FOODS LIMITED	400	32.28	12,912.0
GAIL	GHANI AUTOMOBILE INDUSTRIES	130,000	6.94	902,200.0
GATM	GUL AHMED TEXTILE MILLS LIMITED	8,500	42.93	364,905.0
GGGL	GHANI GLOBAL GLASS LIMITED	35,000	12.33	431,550.0
GHNL	GHANDHARA NISSAN LIMITED	8,000	179.67	1,437,360.0
GHNL.R	GHANDHARA NISSAN LIMITED - LoR	1,866	79.05	147,507.3
GLAXO	GLAXOSMITHKLINE PAKISTAN LIMITED	6,300	166	1,045,800.0
HINOON	HIGHNOON LABORATORIES LIMITED	222	410.51	91,133.2
HUBC	THE HUB POWER COMPANY LIMITED	104,000	92.16	9,584,640.0

HWQS	HASEEB WAQAS SUGAR MILLS LIMITED	10,000	5.7	57,000.0
IGIHL	IGI HOLDINGS LIMITED	11,000	288	3,168,000.0
IVIBL	INNOVATIVE INVESTMENT BANK	10	-	-
KAPCO	KOT ADDU POWER COMPANY LIMITED	17,500	53.91	943,425.0
LOADS	LOADS LIMITED	71,175	31.18	2,219,236.5
LOTCEM	LOTTE CHEMICAL PAKISTAN LIMITED	50,000	11.96	598,000.0
LSEFSL	LSE FINANCIAL SERVICES LIMITED -	337,590	-	-
LUCK	LUCKY CEMENT LIMITED	2,000	507.93	1,015,860.0
MLCF	MAPLE LEAF CEMENT FACTORY LIMITED	7,000	50.74	355,180.0
MUREB	MURREE BREWERY COMPANY LIMITED	1,450	725	1,051,250.0
NATF	NATIONAL FOODS LIMITED	300	318.99	95,697.0
NCL	NISHAT (CHUNIAN) LIMITED	4,000	47.48	189,920.0
NML	NISHAT MILLS LIMITED	2,000	140.92	281,840.0
NRSL	NIMIR RESINS LIMITED	10,209	10.1	103,110.9
PACE	PACE(PAKISTAN)LIMITED	20,000	3.39	67,800.0
PAEL	PAK ELEKTRON LIMITED	6,000	35.46	212,760.0
PASL	PERVEZ AHMED SECURITIES LIMITED	18,000	0.96	17,280.0
PIBTL	PAKISTAN INTERNATIONAL BULK	180,412	11.35	2,047,676.2
PKGS	PACKAGES LIMITED	7,400	489.72	3,623,928.0
POWER	POWER CEMENT LIMITED	40,637	8.35	339,319.0
PRL	PAKISTAN REFINERY LIMITED	9,900	34.71	343,629.0
QUICE	QUICE FOOD INDUSTRIES LIMITED	120,196	5	600,980.0
SEARL	THE SEARLE COMPANY LIMITED	7,820	339.5	2,654,890.0
SEPCO	SOUTHERN ELECTRIC POWER COMPANY	25,000	-	-
SILK	SILKBANK LIMITED	826,000	1.36	1,123,360.0
SING	SINGER PAKISTAN LIMITED	260,000	34.36	8,933,600.0
SLYT	SALLY TEXTILE MILLS LIMITED	9,000	10	90,000.0
SPL	SITARA PEROXIDE LIMITED	6,000	17.36	104,160.0
SSGC	SUI SOUTHERN GAS COMPANY LIMITED	32,500	32.82	1,066,650.0
TPL	TPL CORP LIMITED	25,000	6.82	170,500.0
TREET	TREET CORPORATION LIMITED	61,095	34.19	2,088,838.1
UNITY	UNITY FOODS LIMITED	109,000	29.28	3,191,520.0
WTL	WORLDCALL TELECOM LIMITED	4,629,500	1.93	8,934,935.0

Total Value

73,830,715

Less: 15 % Discount

(11,074,607)

62,756,107

4 OTHER LIABILITIES

Trade Payable overdue more than 30 days

69,377,787

Accrued and Other Liabilities

2,613,607

Director Loan

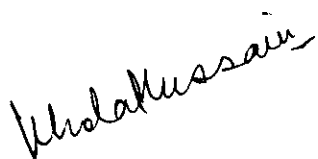
32,093,364

National Clearing

1,555,729

105,640,486


Chief Executive


Director