



Zafar Securities (Private) Limited

TREC Holder of "Pakistan Stock Exchange Limited"

TREC Registration Number - 068

Un-Audited Financial Statements

For the Period 01-July-2021 To 31-Dec-2021

ZAFAR SECURITIES (PVT.) LIMITED
UN-AUDITED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	Note	Un-Audited Dec-2021 Rupees	Audited June-2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	1	48,616,252	29,711,011
Intangible assets	2	18,431,636	18,480,803
Long term investment	3	18,111,682	18,111,682
Long term deposits	4	1,750,000	1,750,000
Deferred taxation	14	12,844,210	12,844,210
Long term advances	5	4,502,056	4,502,056
		<u>104,255,836</u>	<u>85,399,762</u>
CURRENT ASSETS			
Account receivables	6	62,515,001	72,952,181
Loan and advances	7	4,488,595	3,552,984
Investment at fair value through profit or loss	8	47,495,555	63,894,340
Trade deposits, short term prepayments and current account balance with statutory authorities	9	113,627,856	140,071,097
Cash and bank balances	10	127,059,854	241,415,124
		<u>355,186,861</u>	<u>521,885,726</u>
		<u>459,442,697</u>	<u>607,285,488</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid up capital	11	200,000,000	200,000,000
Revenue reserves			
General reserve		22,000,000	22,000,000
Unappropriated profit/(accumulated loss)		28,335,475	40,675,977
Capital reserve			
Fair value adjustment reserve	12	13,011,682	13,011,682
		<u>263,347,157</u>	<u>275,687,659</u>
Long term loan from related party	13	10,000,000	10,000,000
		<u>273,347,157</u>	<u>285,687,659</u>
NON CURRENT LIABILITIES			
Deferred taxation	14	-	-
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	15	770,591	3,700,861
Trade and other payables	16	184,931,663	317,503,682
Loan from related parties	17	-	-
Provision for taxation		393,286	393,286
		<u>186,095,540</u>	<u>321,597,829</u>
CONTINGENCIES AND COMMITMENTS			
	18	-	-
		<u>459,442,697</u>	<u>607,285,488</u>

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

ZAFAR SECURITIES (PVT.) LIMITED
UN-AUDITED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Note	Un-Audited Dec-2021 Rupees	Audited June-2021 Rupees
Brokerage and commission	19	38,053,311	87,305,612
Capital gain on marketable securities		<u>(2,981,471)</u>	<u>25,983,096</u>
		35,071,840	113,288,708
Direct costs	20	<u>(7,671,987)</u>	<u>(10,501,807)</u>
		27,399,853	102,786,901
Operating expenses	21	<u>(33,565,005)</u>	<u>(58,220,351)</u>
Other operating expenses	22	<u>(14,354,705)</u>	<u>(1,833,329)</u>
Other income	23	<u>8,223,764</u>	<u>45,814,710</u>
		<u>(39,695,946)</u>	<u>(14,238,970)</u>
PROFIT FROM OPERATIONS		(12,296,093)	88,547,931
Finance cost	24	<u>(44,409)</u>	<u>(105,079)</u>
PROFIT BEFORE TAXATION		(12,340,502)	88,442,852
Taxation	25	<u>-</u>	<u>2,716,730</u>
PROFIT FOR THE YEAR		<u><u>(12,340,502)</u></u>	<u><u>91,159,582</u></u>
EARNINGS PER SHARE - BASIC AND DILUTED	26	<u><u>(6.17)</u></u>	<u><u>45.58</u></u>

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

ZAFAR SECURITIES (PVT.) LIMITED
UN-AUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021

	Un-Audited Dec-2021 Rupees	Audited June-2021 Rupees
Profit for the year	(12,340,502)	91,159,582
Items that will not be reclassified subsequently to the statement of profit or loss		
Gain/(loss) on investment categorised as fair value through other comprehensive income	-	263,747
Items that may be reclassified subsequently to the statement of profit or loss	-	-
Other comprehensive income/(loss) for the year	-	263,747
Total comprehensive income for the year	<u>(12,340,502)</u>	<u>91,423,329</u>

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

ZAFAR SECURITIES (PVT.) LIMITED
UN-AUDITED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Un-Audited Dec-2021 Rupees	Audited June-2021 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(12,340,502)	88,442,852
Adjustments of items not involving movements of cash:		
Depreciation	1 2,475,662	4,594,156
Amortization	49,167	
(Gain)/loss on remeasurement of investment	8 14,354,705	(16,947,566)
Reversal for doubtful debts	-	(5,269,864)
Short term lease payments	-	4,487,748
Gain on settlement of long term advances	-	(2,868,433)
(Gain)/Loss on sale of fixed asset	(31)	64,472
	16,879,503	(15,939,487)
Operating cash Flows Before Working capital changes	4,539,001	72,503,365
(Increase) / Decrease in Working Capital		
(Increase) / decrease in current assets		
Account receivables	10,437,180	(15,978,950)
Loan and Advances	(935,611)	(244,816)
Trade deposits and short term prepayments	27,753,760	(103,507,486)
Accrued interest	-	-
Increase / (decrease) in current liabilities		
Deposits, accrued liabilities and advances	(2,930,270)	1,291,237
Trade and other payables	(132,572,019)	183,044,052
	(98,244,960)	64,604,037
Cash Generated From Operations	(93,705,959)	137,107,402
Short term lease payments	-	(4,487,748)
Taxes paid	(1,312,517)	(2,163,799)
	(1,312,517)	(6,651,547)
Net cash Flows From Operating Activities	(95,018,476)	130,455,855
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(21,664,274)	(9,039,636)
Intangible Assets purchased	-	(3,241,763)
Short term investments - net	2,044,080	(4,390,009)
Proceeds from sale of fixed asset	283,400	1,300,000
Long term advances refunded	-	38,743,500
Long term deposits	-	170,000
Net cash Flows From Investing Activities	(19,336,794)	23,542,092
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan repaid to directors - net	-	(15,870,364.00)
Net Cash Flows From Financing Activities	-	(15,870,364)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(114,355,270)	138,127,583
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	241,415,124	103,287,541
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A 127,059,854	241,415,124
A Cash and Cash Equivalents		
Cash and bank balances	10 127,059,854	241,415,124

The annexed notes form an integral part of these financial statements.

Saima Jafar
CHIEF EXECUTIVE



Saima Jafar
DIRECTOR

ZAFAR SECURITIES (PVT.) LIMITED
UN-AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021

	Paid up capital	Revenue Reserves	Fair value adjustment reserve	Un-appropriated profit	Sub Total	Long Term Loan	Total
	----- (R u p e e s) -----						
Balance as at June 30, 2020	200,000,000	22,000,000	12,747,935	(50,483,605)	184,264,330	-	184,264,330
Profit after taxation	-	-	-	91,159,582	91,159,582	10,000,000	101,159,582
Other comprehensive income	-	-	263,747	-	263,747	-	263,747
Total comprehensive income for the year	-	-	263,747	91,159,582	91,423,329	10,000,000	101,423,329
Balance as at June 30, 2021	200,000,000	22,000,000	13,011,682	40,675,977	275,687,659	10,000,000	285,687,659
Long term loan received	-	-	-	-	-	-	-
Profit after taxation	-	-	-	(12,340,502)	(12,340,502)	-	(12,340,502)
Other comprehensive loss	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(12,340,502)	(12,340,502)	-	(12,340,502)
Un-Audited Balance as at December 31, 2021	200,000,000	22,000,000	13,011,682	28,335,475	263,347,157	10,000,000	273,347,157

The annexed notes form an integral part of these financial statements.


CHIEF EXECUTIVE




DIRECTOR

1 Property and equipment

Particulars	Cost				Rate %	Depreciation				W.D.V.
	As at June 30, 2020	Additions	(Deletions)	As at June 30, 2021		As at June 30, 2020	Charge for the year	Deletion during the year	As at June 30, 2021	
-----R u p e e s-----										
OWNED										
Land		19,700,000		19,700,000						19,700,000
Office premises	670,000	-	-	670,000	5	65,325	15,117	-	80,442	589,558
Office equipment	4,325,079	80,242	-	4,405,321	15	3,283,280	82,266	-	3,365,546	1,039,775
Computers	6,783,171	680,938	-	7,464,109	30	5,263,407	274,174	-	5,537,581	1,926,528
Electric equipment	7,408,178	192,494	-	7,600,672	15	6,094,080	108,140	-	6,202,220	1,398,452
Furniture and fixture	5,982,321	401,700	-	6,384,021	15	5,030,193	89,980	-	5,120,173	1,263,848
Mobiles	429,104	334,400	-	763,504	30	136,965	93,981	-	230,946	532,558
Vehicles	53,363,749	274,500	(1,450,000)	52,188,249	15	29,377,341	1,812,006	(1,166,631)	30,022,716	22,165,533
	78,961,602	21,664,274	(1,450,000)	99,175,876		49,250,591	2,475,662	(1,166,631)	50,559,624	48,616,252

1.1 Property and equipment

Particulars	Cost				Rate %	Depreciation				W.D.V.	
	As at June 30, 2019	Additions	(Deletions)	As at June 30, 2020		As at June 30, 2019	Charge for the year	Transferred during the year	As at June 30, 2020	As at June 30, 2020	
-----R u p e e s-----											
OWNED											
Office Premises	670,000.00	0	-	670,000	5	33,500.00	31,825	-	65,325	604,675	
Office equipment	3,844,579	480,500	-	4,325,079	15	3,121,573	161,707	-	3,283,280	1,041,799	
Computers	5,955,353	827,818	-	6,783,171	30	4,820,400	443,007	-	5,263,407	1,519,764	
Electric equipment	7,336,778	71,400	-	7,408,178	15	5,864,181	229,899	-	6,094,080	1,314,098	
Furniture and fixture	5,950,321	32,000	-	5,982,321	15	4,864,994	165,199	-	5,030,193	952,128	
Mobiles	243,204	185,900	-	429,104	30	55,801	81,164	-	136,965	292,139	
Vehicles	48,871,731	7,442,018	(2,950,000)	53,363,749	15	27,481,514	3,481,355	(1,585,528)	29,377,341	23,986,408	
	72,871,966	9,039,636	(2,950,000)	78,961,602		46,241,963	4,594,156	(1,585,528)	49,250,591	29,711,011	

1.2 Allocation of Depreciation

Note	2021	2020
	Rupees	Rupees
Allocation of Depreciation		
Operating expenses	21	2,475,662
		4,594,156

ZAFAR SECURITIES (PVT.) LIMITED
UN-AUDITED NOTES TO THE FINANCIAL STATEMENTS

2 INTANGIBLE ASSETS

	Un-Audited Dec-2021 Rupees	June-2021 Rupees
Rights of rooms	12,589,136	12,589,136
Trading right entitlement certificate PSX	2,500,000	2,500,000
Membership of Pakistan Mercantile Exchange Limited	2,500,000	2,500,000
Membership of Royal Palm Country Club	400,000	400,000
Software	442,500	491,667
	<u>18,431,636</u>	<u>18,480,803</u>

2.2 Computer Software

Cost:

Balance as at July 01,	491,667	-
Additions during the year	-	500,000
Balance as at 31-Dec-21	491,667	500,000

Amortization:

Balance as at July 01,	-	-
Charge for the year	49,167	8,333
Balance as at 31-Dec-21	49,167	8,333

Net book value	<u>442,500</u>	<u>491,667</u>
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Rate of amortization	<u>20%</u>	<u>20%</u>
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3 LONG TERM INVESTMENT

Unquoted - Shares of LSE Financial Services Limited:

Investment at fair value through OCI

Cost as at July 01,	18,111,682	5,100,000
Fair value adjustment	-	13,011,682
	<u>18,111,682</u>	<u>18,111,682</u>

4 LONG TERM DEPOSITS

Deposits with:

National Clearing Company of Pakistan Ltd.	1,000,000	1,000,000
Pakistan Mercantile Exchange Ltd.	750,000	750,000
Security deposit against offices	-	-
	<u>1,750,000</u>	<u>1,750,000</u>

	Un-Audited Dec-2021 Rupees	June-2021 Rupees
5 LONG TERM ADVANCES		
Advances against purchase of land and building	4,502,056	4,502,056
	<u>4,502,056</u>	<u>4,502,056</u>
6 ACCOUNT RECEIVABLES		
Receivable from:		
Clients on account of purchase of shares	42,070,283	74,527,241
Less: Provision for doubtful debts	(1,575,060)	(1,575,060)
	<u>40,495,223</u>	<u>72,952,181</u>
National Clearing Company of Pakistan Ltd.	22,019,778	-
	<u>62,515,001</u>	<u>72,952,181</u>
6.1 Movement is as follows		
Opening Balance	1,575,060	6,844,924
Less: Balances written off	-	-
	<u>1,575,060</u>	<u>6,844,924</u>
Add: Reversal made during the year	-	(5,269,864)
	<u>1,575,060</u>	<u>1,575,060</u>
7 LOANS AND ADVANCES		
(Un-secured but considered good)		
Advances to:		
Employees	<u>4,488,595</u>	<u>3,552,984</u>
8 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Investment in listed securities		
Carrying value	61,850,260	46,946,774
Gain/(loss) on remeasurement of investment at fair value	(14,354,705)	16,947,566
	<u>47,495,555</u>	<u>63,894,340</u>

	Un-Audited Dec-2021 Rupees	June-2021 Rupees
9 TRADE DEPOSITS, SHORT TERM REPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES		
Deposits with:		
National Clearing Company of Pakistan Ltd.	105,808,910	134,240,000
Pakistan Mercantile Exchange Ltd.	5,637,895	5,200,598
Security deposit against offices	170,000	170,000
	111,616,805	139,610,598
Tax deducted at source	1,312,519	-
Prepayments	100	206,635
Sales tax receivable	698,432	253,864
	<u>113,627,856</u>	<u>140,071,097</u>

10 CASH AND BANK BALANCES

These were held as under:

Cash in hand	209,478	169,972
Cash at bank		
Current Accounts:		
Pertaining to brokerage house	758,901	22,015,905
Pertaining to clients	124,162,858	208,120,613
	124,921,759	230,136,518
Saving Accounts:		
Pertaining to brokerage house	626,423	10,314,554
Pertaining to clients	1,302,194	794,080
	1,928,617	11,108,634
	<u>127,059,854</u>	<u>241,415,124</u>

11 SHARE CAPITAL

Authorized

3,000,000 (2020: 3,000,000) ordinary shares
of Rs.100 each

<u>300,000,000</u>	<u>300,000,000</u>
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Issued, subscribed and paid up

2,000,000 (2020: 2,000,000) ordinary shares of
Rs.100 each fully paid in cash

<u>200,000,000</u>	<u>200,000,000</u>
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12 FAIR VALUE ADJUSTMENT RESERVE

This represents accumulated gain on investment at fair value through OCI.

	Un-Audited Dec-2021 Rupees	June-2021 Rupees
13 LONG TERM LOAN FROM RELATED PARTY		
Loan from Mrs. Saima Zafar - Director	<u>10,000,000</u>	<u>10,000,000</u>
14 DEFERRED TAXATION		
Deferred credits/(debits) arising due to:		
Accelerated tax depreciation	-	417,491
Provision for doubtful debts	-	(396,327)
Brought forward losses	-	(12,865,374)
Alternate corporate tax 2020	-	(10,963,338)
Deferred tax asset not recognized	-	10,963,338
	<u>-</u>	<u>(12,844,210)</u>
Balance as at July 01,	-	-
Add: Charge for the year in profit or loss	-	(12,844,210)
	<u>-</u>	<u>(12,844,210)</u>
15 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES		
Accrued expenses	<u>770,591</u>	<u>3,700,861</u>
16 TRADE AND OTHER PAYABLES		
Creditors for sale of shares on behalf of clients	182,279,336	303,633,823
Payable to National Clearing Company of Pakistan Ltd.	-	9,871,755
Sales tax payable	606,217	1,967,839
Provincial workers welfare fund payable	1,842,422	1,842,422
Tax deducted at source payable	147,678	155,333
Other liabilities	56,010	32,510
	<u>184,931,663</u>	<u>317,503,682</u>
17 LOAN FROM RELATED PARTIES		
Unsecured and interest free		
Mr. Syed Asim Zafar Chief Executive	-	-
	<u>-</u>	<u>-</u>

	Un-Audited Dec-2021 Rupees	June-2021 Rupees
18 CONTINGENCIES AND COMMITMENTS		
18.1 Contingencies		
Contingencies as at reporting date were Rs. nil (2020: Rs. nil).		
18.2 Commitments		
Commitments in respect of capital expenditures as at June 30, 2021 were amounting Rs. 1.73 million (2020: Rs. 3.32 million).		
19 BROKERAGE AND COMMISSION		
Brokerage and commission - Gross	44,117,773	101,109,304
Less: Sales tax	6,064,462	13,803,692
	<u>38,053,311</u>	<u>87,305,612</u>
20 DIRECT COSTS		
Charges paid to/against:		
Pakistan Stock Exchange Ltd.	1,479,292	3,673,910
National Clearing Company of Pakistan Ltd.	807,576	2,551,654
Central Depository Company of Pakistan Ltd.	1,853,247	3,774,405
SECP Transaction Fee	180,887	501,838
Commission expenses	3,350,985	-
	<u>7,671,987</u>	<u>10,501,807</u>

	Un-Audited Dec-2021 Rupees	June-2021 Rupees
21 OPERATING EXPENSES		
Directors' remuneration	3,750,000	7,825,248
Staff salaries and benefits	15,214,048	22,227,059
Rent, rates and taxes	2,626,691	4,955,770
Communication expenses	1,221,562	1,933,389
Utility charges	833,200	1,247,645
Postage and courier charges	78,826	152,906
Printing and stationery	103,503	694,316
Repair and maintenance	2,918,528	4,516,699
Insurance	503,436	444,709
Legal and professional charges	413,174	1,023,972
Fee and subscription	185,705	704,937
Charity and donation	24,000	1,897,000
Books and newspapers	25,897	49,839
Entertainment	1,103,151	3,157,536
Travelling and conveyance	975,703	751,444
Advertisement expense	534,830	-
Vehicle running and maintenance	225,900	1,419,285
Depreciation	2,475,662	4,594,156
Amortization	49,167	8,333
Others	302,022	616,108
	<u>33,565,005</u>	<u>58,220,351</u>
22 OTHER OPERATING EXPENSES		
Loss on disposal of fixed assets	-	64,472
Loss on remeasurement of investment at fair value through profit or loss	14,354,705	-
Provincial workers' welfare fund	-	1,768,857
Balances written off	-	-
	<u>14,354,705</u>	<u>1,833,329</u>

	Un-Audited Dec-2021 Rupees	June-2021 Rupees
23 OTHER INCOME		
Income from financial assets		
Dividend income	2,375,317	1,595,973
Interest income	5,832,827	10,935,234
Gain on sale of fixed asset	31	
Gain on remeasurement of investment at fair value through profit or loss		16,947,566
Reversal of provision of doubtful debts	-	5,269,864
	8,208,175	34,748,637
Income from assets other than financial assets		
Gain on settlement of long term advances	-	2,868,433
Other income	15,589	8,197,640
	15,589	11,066,073
	<u>8,223,764</u>	<u>45,814,710</u>
24 FINANCE COST		
Bank charges	44,409	105,079
	<u>44,409</u>	<u>105,079</u>
25 TAXATION		
Income tax:		
-Current	-	10,127,480
-Prior year	-	-
-Deferred	-	(12,844,210)
	-	<u>(2,716,730)</u>
25.1 Income tax assessment of the Company has been finalized up to tax year 2021 on the basis of returns filed as the company did not receive any notice in this respect.		
26 EARNINGS PER SHARE - BASIC AND DILUTED	Un-Audited Dec-2021	June-2021
Profit for the year-Rupees	<u>(12,340,502)</u>	<u>91,159,582</u>
Weighted average number of ordinary shares outstanding during the year-Numbers	<u>2,000,000</u>	<u>2,000,000</u>
Earnings per share-Rupees	<u>(6.17)</u>	<u>45.58</u>
27 NUMBER OF EMPLOYEES		
	(N u m b e r)	
Total number of employees at the end of year	<u>40</u>	<u>31</u>
Average number of employees at the year end	<u>40</u>	<u>29</u>