

**ZAFAR SECURITIES (PVT.) LIMITED**  
**UN-AUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

	Note	Un-Audited Dec-2022 Rupees	Audited June-2022 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	1	54,259,608	45,006,904
Intangible assets	2	23,687,928	23,430,803
Long term investment	3	22,166,122	22,166,122
Long term deposits	4	2,250,000	2,250,000
Deferred taxation	13	8,239,372	8,239,372
Long term advances	5	4,502,056	4,502,056
		<u>115,105,086</u>	<u>105,595,257</u>
<b>CURRENT ASSETS</b>			
Account receivables	6	63,443,974	55,148,804
Loan and advances	7	9,009,948	6,786,772
Investment at fair value through profit or loss	8	39,055,213	36,377,900
Trade deposits, short term prepayments and current account balance with statutory authorities	9	62,401,087	70,302,429
Cash and bank balances	10	78,350,590	136,969,755
		<u>252,260,812</u>	<u>305,585,660</u>
		<u>367,365,898</u>	<u>411,180,917</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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)		16,371,775	20,312,746
Capital reserve			
Fair value adjustment reserve	12	9,720,065	9,720,065
		<u>248,091,840</u>	<u>252,032,811</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred taxation	13	-	-
<b>CURRENT LIABILITIES</b>			
Deposits, accrued liabilities and advances	14	717,876	1,301,378
Trade and other payables	15	108,556,182	147,846,728
Loan from related party	16	10,000,000	10,000,000
Provision for taxation		-	-
		<u>119,274,058</u>	<u>159,148,106</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	17	-	-
		<u>367,365,898</u>	<u>411,180,917</u>

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**


**ZAFAR SECURITIES (PVT.) LIMITED**  
**UN-AUDITED STATEMENT OF PROFIT OR LOSS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	Un-Audited Dec-2022 Rupees	Audited June-2022 Rupees
Brokerage and commission	18	30,503,721	71,281,697
Capital gain on marketable securities		<u>914,734</u>	<u>27,650</u>
		31,418,455	71,309,347
Direct costs	19	<u>(8,643,784)</u>	<u>(18,153,689)</u>
		22,774,671	53,155,658
Operating expenses	20	<u>(35,920,258)</u>	<u>(66,470,319)</u>
Other operating expenses	21	<u>(4,246,814)</u>	<u>(23,733,706)</u>
Other income	22	<u>13,562,801</u>	<u>18,211,650</u>
		<u>(26,604,271)</u>	<u>(71,992,375)</u>
<b>(LOSS)/PROFIT FROM OPERATIONS</b>		(3,829,600)	(18,836,717)
Finance cost	23	<u>(111,371)</u>	<u>(166,705)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(3,940,971)	(19,003,422)
Taxation	24	<u>-</u>	<u>(1,859,809)</u>
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<u><u>(3,940,971)</u></u>	<u><u>(20,863,231)</u></u>
<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>	25	<u><u>(1.97)</u></u>	<u><u>(10.43)</u></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 HALF YEAR ENDED DECEMBER 31, 2022**

	Note	Un-Audited Dec-2022 Rupees	Audited June-2022 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/profit before taxation		(3,940,971)	(19,003,422)
<b>Adjustments of items not involving movements of cash:</b>			
Depreciation	1	2,882,795	5,069,931
Amortization		84,125	100,000
Loss/(gain) on remeasurement of investment	8	4,246,814	13,380,167
Provision/(reversal) for doubtful debts		-	1,575,580
Short term lease payments		-	4,882,668
(Gain)/loss on sale of fixed asset		-	(448,549)
		<u>7,213,734</u>	<u>24,559,797</u>
<b>Operating cash Flows Before Working capital changes</b>		<b>3,272,763</b>	<b>5,556,375</b>
<b>(Increase) / Decrease in Working Capital</b>			
<b>(Increase) / decrease in current assets</b>			
Account receivables		(8,295,170)	16,227,797
Loan and Advances		(2,223,176)	(3,233,788)
Trade deposits and short term prepayments		9,882,676	70,888,994
<b>Increase / (decrease) in current liabilities</b>			
Deposits, accrued liabilities and advances		(583,502)	(2,399,483)
Trade and other payables		(39,290,546)	(169,656,954)
		<u>(40,509,718)</u>	<u>(88,173,434)</u>
<b>Cash (Used In)/Generated From Operations</b>		<b>(37,236,955)</b>	<b>(82,617,059)</b>
Short term lease payments		-	(4,882,668)
Taxes paid		(1,981,333)	(2,738,750)
		<u>(1,981,333)</u>	<u>(7,621,418)</u>
<b>Net Cash (Used In)/Generated From Operations</b>		<b>(39,218,288)</b>	<b>(90,238,477)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(12,135,500)	(23,900,675)
Intangible assets purchased		(341,250)	(5,050,000)
Short term investments - net		(6,924,127)	14,136,273
Proceeds from sale of fixed asset		-	3,983,400
Long term investment		-	(3,375,890)
<b>Net Cash Flows From Investing Activities</b>		<b>(19,400,877)</b>	<b>(14,206,892)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan repaid to directors - net		-	-
<b>Net Cash Flows From Financing Activities</b>		<b>-</b>	<b>-</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(58,619,165)</b>	<b>(104,445,369)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>136,969,755</b>	<b>241,415,124</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>A</b>	<b>78,350,590</b>	<b>136,969,755</b>
<b>A Cash and Cash Equivalents</b>			
Cash and bank balances	10	<u>78,350,590</u>	<u>136,969,755</u>

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

  
**CHIEF EXECUTIVE**



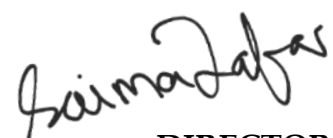
  
**DIRECTOR**

**ZAFAR SECURITIES (PVT.) LIMITED**  
**UN-AUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Un-Audited Dec-2022 Rupees	Audited June-2022 Rupees
(Loss)/profit for the year	(3,940,971)	(20,863,231)
<b>Items that will not be reclassified subsequently to the statement of profit or loss</b>		
Gain/(loss) on investment categorised as fair value through other comprehensive income	-	678,550
Less: Deferred tax thereon	-	(196,779)
Less: Deferred tax rate change	-	(943,347)
	-	(461,576)
<b>Items that may be reclassified subsequently to the statement of profit or loss</b>	-	-
Other comprehensive (loss)/income for the year	-	(461,576)
Total comprehensive (loss)/income for the year	<u>(3,940,971)</u>	<u>(21,324,807)</u>

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**


**ZAFAR SECURITIES (PVT.) LIMITED**  
**UN-AUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Paid up capital	Revenue Reserves	Fair value adjustment reserve	Un-appropriated profit	Sub Total	Long Term Loan	Total
	----- (R u p e e s ) -----						
<b>Balance as at June 30, 2021 (Re-stated)</b>	<b>200,000,000</b>	<b>22,000,000</b>	<b>10,181,641</b>	<b>41,175,977</b>	<b>273,357,618</b>	<b>10,000,000</b>	<b>283,357,618</b>
Long term loan received	-	-	-	-	-	-	-
Profit after taxation	-	-	-	(20,863,231)	(20,863,231)	-	(20,863,231)
Other comprehensive income (Re-stated)	-	-	(461,576)	-	(461,576)	-	(461,576)
Total comprehensive income for the year (Re-stated)	-	-	(461,576)	(20,863,231)	(21,324,807)	-	(21,324,807)
Long term loan adjusted during the year						(10,000,000)	(10,000,000)
<b>Balance as at June 30, 2022</b>	<b>200,000,000</b>	<b>22,000,000</b>	<b>9,720,065</b>	<b>20,312,746</b>	<b>252,032,811</b>	<b>-</b>	<b>252,032,811</b>
Loss after taxation	-	-	-	(3,940,971)	(3,940,971)	-	(3,940,971)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(3,940,971)	(3,940,971)	-	(3,940,971)
Long term loan adjusted during the year	-	-	-	-	-	-	-
<b>Un-Audited Balance as at December 31, 2022</b>	<b>200,000,000</b>	<b>22,000,000</b>	<b>9,720,065</b>	<b>16,371,775</b>	<b>248,091,840</b>	<b>-</b>	<b>248,091,840</b>

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

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**

# 1 Property and equipment

Particulars	Cost				Depreciation					W.D.V.
	As at June 30, 2021	Additions	(Deletions)	As at Dec 31, 2022	Rate %	As at June 30, 2021	Charge for the year	Deletion during the year	As at Dec 31, 2022	As at Dec 31, 2022
	-----R u p e e s-----					-----R u p e e s-----				
OWNED										
Land	19,700,000.00	-		19,700,000	-	-	-	-	-	19,700,000
Office prmises	670,000	-	-	670,000	5	95,559.00	14,361	-	109,920	560,080
Office equipment	4,585,563	-	-	4,585,563	15	3,463,217.00	84,176	-	3,547,393	1,038,170
Computers	7,720,609	172,500	-	7,893,109	30	5,879,036.00	284,861	-	6,163,897	1,729,212
Electric equipment	7,604,072	843,000	-	8,447,072	15	6,315,299.00	117,021	-	6,432,320	2,014,752
Furniture and fixture	6,580,350	-	-	6,580,350	15	5,234,234.00	100,959	-	5,335,193	1,245,157
Mobiles	763,504	325,000	-	1,088,504	30	324,927.00	114,537	-	439,464	649,040
Vehicles	44,688,179	10,795,000	-	55,483,179	15	25,993,101	2,166,881	-	28,159,982	27,323,197
		-								
	92,312,277	12,135,500	-	104,447,777		47,305,373	2,882,795	-	50,188,169	54,259,608

## 1.1 Property and equipment

Particulars	Cost				Depreciation					W.D.V.
	As at June 30, 2021	Additions	(Deletions)	As at June 30, 2022	Rate %	As at June 30, 2021	Charge for the year	Transferred during the year	As at June 30, 2022	As at June 30, 2022
	-----R u p e e s-----					-----R u p e e s-----				
OWNED										
Land	-	19,700,000.00		19,700,000		-	-	-	-	19,700,000
Office Premises	670,000.00	-	-	670,000	5	65,325.00	30,234	-	95,559	574,441
Office equipment	4,325,079	260,484	-	4,585,563	15	3,283,280	179,937	-	3,463,217	1,122,346
Computers	6,783,171	937,438	-	7,720,609	30	5,263,407	615,629	-	5,879,036	1,841,573
Electric equipment	7,408,178	195,894	-	7,604,072	15	6,094,080	221,219	-	6,315,299	1,288,773
Furniture and fixture	5,982,321	598,029	-	6,580,350	15	5,030,193	204,041	-	5,234,234	1,346,116
Mobiles	429,104	334,400	-	763,504	30	136,965	187,962	-	324,927	438,577
Vehicles	53,363,749	1,874,430	(10,550,000)	44,688,179	15	29,377,341	3,630,909	(7,015,149)	25,993,101	18,695,078
	78,961,602	23,900,675	(10,550,000)	92,312,277		49,250,591	5,069,931	(7,015,149)	47,305,373	45,006,904

## 1.2 Allocation of Depreciation

Operating expenses	Note	2022 Rupees	2021 Rupees
	20	2,882,795	5,069,931

**ZAFAR SECURITIES (PVT.) LIMITED**  
**UN-AUDITED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

**2 INTANGIBLE ASSETS**

Rights of rooms  
Trading right entitlement certificate PSX  
Membership of Pakistan Mercantile Exchange Limited  
Membership of Royal Palm Country Club  
Software

**Note**

**Dec-2022**  
**Rupees**

**June-2022**  
**Rupees**

**2.2**

17,639,136	17,639,136
2,500,000	2,500,000
2,500,000	2,500,000
400,000	400,000
648,792	391,667
<u>23,687,928</u>	<u>23,430,803</u>

**2.2 Computer Software**

**Cost:**

Balance as at July 01,  
Additions during the year  
Balance as at June 30,

500,000	500,000
341,250	-
841,250	500,000

**Amortization:**

Balance as at July 01,  
Charge for the year  
Balance as at June 30,

108,333	8,333.33
84,125	100,000
192,458	108,333

**Net book value**

<u>648,792</u>	<u>391,667</u>
----------------	----------------

**Rate of amortization**

<u>20%</u>	<u>20%</u>
------------	------------

**3 LONG TERM INVESTMENT**

**Unquoted - Shares of LSE Financial Services Limited:**

Investment at fair value through OCI

Cost as at July 01,  
Add: Share purchased during the year

8,475,890	5,100,000
-	3,375,890
<u>8,475,890</u>	<u>8,475,890</u>

Fair value adjustment

<u>13,690,232</u>	<u>13,690,232</u>
<u>22,166,122</u>	<u>22,166,122</u>

**4 LONG TERM DEPOSITS**

**Deposits with:**

National Clearing Company of Pakistan Ltd.  
Pakistan Mercantile Exchange Ltd.  
Central Depository Company of Pakistan Ltd.

1,400,000	1,400,000
750,000	750,000
100,000	100,000
<u>2,250,000</u>	<u>2,250,000</u>

	Dec-2022 Rupees	June-2022 Rupees
<b>5 LONG TERM ADVANCES</b>		
Advance against purchase of land and building	4,502,056	4,502,056
	<u>4,502,056</u>	<u>4,502,056</u>
<b>6 ACCOUNT RECEIVABLES</b>		
Receivable from:		
Clients on account of purchase of shares	57,080,933	30,706,210
Less: Provision for doubtful debts	(3,150,640)	(3,150,640)
	<u>53,930,293</u>	<u>27,555,570</u>
National Clearing Company of Pakistan Ltd.	9,513,681	27,593,234
	<u>63,443,974</u>	<u>55,148,804</u>
<b>7 LOANS AND ADVANCES</b>		
(Un-secured but considered good)		
<b>Advances to:</b>		
Employees	<u>9,009,948</u>	<u>6,786,772</u>
<b>8 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
<b>Investment in listed securities</b>		
Cost	34,808,399	49,758,067
(Loss)/gain on remeasurement of investment at fair value	<u>(4,246,814)</u>	<u>(13,380,167)</u>
	<u>39,055,213</u>	<u>36,377,900</u>
<b>9 TRADE DEPOSITS, SHORT TERM REPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES</b>		
<b>Deposits with:</b>		
National Clearing Company of Pakistan Ltd.	45,033,513	61,283,513
Pakistan Mercantile Exchange Ltd.	13,180,685	6,840,906
Security deposit against offices	170,000	170,000
	58,384,198	68,294,419
Tax deducted at source	3,101,660	1,120,326
Prepayments	-	77,878
Sales tax receivable	915,229	809,806
	<u>62,401,087</u>	<u>70,302,429</u>



	Dec-2022 Rupees	June-2022 Rupees
<b>10 CASH AND BANK BALANCES</b>		
These were held as under:		
Cash in hand	129,645	128,572
Cash at bank		
Current Accounts:		
Pertaining to brokerage house	219,834	469,583
Pertaining to clients	5,148,556	130,244,481
	5,368,390	130,714,064
Saving Accounts:		
Pertaining to brokerage house	2,184,088	524,691
Pertaining to clients	70,668,467	5,602,428
	72,852,555	6,127,119
	<u>78,350,590</u>	<u>136,969,755</u>
<b>11 SHARE CAPITAL</b>		
<b>Authorized</b>		
3,000,000 (2022: 3,000,000) ordinary shares of Rs.100 each	<u>300,000,000</u>	<u>300,000,000</u>
<b>Issued, subscribed and paid up</b>		
2,000,000 (2022: 2,000,000) ordinary shares of Rs.100 each fully paid in cash	<u>200,000,000</u>	<u>200,000,000</u>
<b>12 FAIR VALUE ADJUSTMENT RESERVE</b>		
This represents accumulated gain on investment at fair value through OCI.		
<b>13 DEFERRED TAXATION</b>		
<b>Deferred credits/(debits) arising due to:</b>		
Gain on long term investment	-	3,970,167
Accelerated tax depreciation	-	(409,200)
Provision for doubtful debts	-	(913,684)
Un-used tax losses	-	(10,886,655)
Minimum taxes paid	-	(1,113,544)
Loss on short term investment - net	-	(9,788,925)
Alternate corporate taxes paid	-	(10,963,338)
Deferred tax asset not recognized	-	21,865,807
	<u>-</u>	<u>(8,239,372)</u>
Balance as at July 01,	-	(10,014,169)
Add: Charge/(reversal) for the year in profit or loss	-	634,671
Add: Charge/(reversal) for the year in other comprehensive income	-	1,140,126
	<u>-</u>	<u>(8,239,372)</u>

	Dec-2022 Rupees	June-2022 Rupees
<b>14 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES</b>		
Accrued expenses	717,876	1,301,378
<b>15 TRADE AND OTHER PAYABLES</b>		
Creditors for sale of shares on behalf of clients	105,750,586	144,853,913
Sales tax payable (PRA)	656,914	844,095
Provincial workers welfare fund payable	1,842,422	1,842,422
Tax deducted at source payable	288,250	288,288
Other liabilities	18,010	18,010
	108,556,182	147,846,728
<b>16 LOAN FROM RELATED PARTIES</b>		
<b>Unsecured and interest free</b>		
Mr. Syed Asim Zafar                      Chief Executive	-	-
Mrs. Saima Zafar                          Director	10,000,000	10,000,000
	10,000,000	10,000,000
<b>17 CONTINGENCIES AND COMMITMENTS</b>		
<b>17.1 Contingencies</b>		
Contingencies as at reporting date were Rs. nil (2022: Rs. nil).		
<b>17.2 Commitments</b>		
Commitments in respect of capital expenditures as at June 30, 2022 were amounting Rs. 1.73 million (million).		
<b>18 BROKERAGE AND COMMISSION</b>		
Brokerage and commission - Gross	41,861,314	82,639,290
Less: Sales tax	11,357,593	11,357,593
	30,503,721	71,281,697
<b>19 DIRECT COSTS</b>		
<b>Charges paid to/against:</b>		
Pakistan Stock Exchange Ltd.	872,497	2,386,354
National Clearing Company of Pakistan Ltd.	444,441	1,464,804
Central Depository Company of Pakistan Ltd.	1,690,354	3,303,909
SECP Transaction Fee	95,864	278,472
Commission expenses	5,540,628	10,720,150
	8,643,784	18,153,689

		Dec-2022 Rupees	June-2022 Rupees
<b>20 OPERATING EXPENSES</b>			
Directors' remuneration		4,148,750	7,250,000
Staff salaries and benefits		14,082,319	29,693,444
Rent, rates and taxes		2,749,284	5,135,487
Communication expenses		1,205,509	2,530,721
Utility charges		1,534,990	1,764,603
Postage and courier charges		114,706	179,104
Printing and stationery		166,516	224,798
Repair and maintenance		2,130,734	5,172,855
Insurance		409,219	425,558
Legal and professional charges		535,333	1,120,574
Fee and subscription		153,116	379,241
Charity and donation		21,000	1,252,717
Books and newspapers		28,237	52,362
Entertainment		1,370,272	2,198,473
Travelling and conveyance		2,925,042	1,286,591
Advertisement expense		11,000	636,530
Vehicle running and maintenance		600,384	1,297,609
Depreciation	<b>1</b>	2,882,795	5,069,931
Amortization	<b>2.2</b>	84,125	100,000
Others		766,927	699,721
		<u>35,920,258</u>	<u>66,470,319</u>
<b>21 OTHER OPERATING EXPENSES</b>			
Loss on remeasurement of investment at fair value through profit or loss		4,246,814	22,158,126
Provision for doubtful debts		-	1,575,580
		<u>4,246,814</u>	<u>23,733,706</u>
<b>22 OTHER INCOME</b>			
<b>Income from financial assets</b>			
Dividend income		4,009,980	3,933,666
Interest income		9,274,142	13,145,409
Gain on sale of fixed asset		-	448,549
		13,284,122	17,527,624
<b>Income from assets other than financial assets</b>			
IPO Commission		-	11,027
Other income		278,679	672,999
		278,679	684,026
		<u>13,562,801</u>	<u>18,211,650</u>

	Dec-2022 Rupees	June-2022 Rupees
<b>23 FINANCE COST</b>		
Bank charges	111,371	166,705
	<u>111,371</u>	<u>166,705</u>
<b>24 TAXATION</b>		
Income tax:		
-Current	-	1,618,424
-Prior year	-	(393,286)
-Deferred	-	634,671
	<u>-</u>	<u>1,859,809</u>
<b>25 EARNINGS PER SHARE - BASIC AND DILUTED</b>		
(Loss)/profit for the year-Rupees	<u>(3,940,971)</u>	<u>(20,863,231)</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>(1.97)</u>	<u>(10.43)</u>