



**Zafar Securities (Private) Limited**

TREC Holder of "Pakistan Stock Exchange Limited"

TREC Registration Number - 068

**Financial Statements (Un Audited)**

**For the Period 01-July-2020 To 31-DEC-2020**

ZAFAR SECURITIES (PVT.) LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2020

	Note	Dec 2020 Rupees	June 2020 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	1	26,581,056	26,630,003
Intangible assets	2	15,356,096	15,239,040
Long term investment	3	17,847,935	17,847,935
Long term deposits	4	2,320,000	1,920,000
Long term advances	5	40,377,123	40,377,123
		<u>102,482,210</u>	<u>102,014,101</u>
<b>CURRENT ASSETS</b>			
Account receivables	6	99,893,443	51,703,367
Loan and advances	7	3,616,049	3,308,168
Investment at fair value through profit and loss	8	65,691,375	42,556,765
Trade deposits, short term prepayments and current account balance with statutory authorities	9	84,634,171	44,134,006
Accrued interest		-	-
Cash and bank balances	10	232,374,716	103,287,541
		<u>486,209,754</u>	<u>244,989,847</u>
		<u>588,691,964</u>	<u>347,003,948</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
Accumulated loss		(9,309,212)	(50,483,605)
Capital reserve			
Fair value adjustment reserve	12	12,747,935	12,747,935
		<u>225,438,723</u>	<u>184,264,330</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred taxation	13	-	-
<b>CURRENT LIABILITIES</b>			
Deposits, accrued liabilities and advances	14	2,175,375	3,006,814
Trade and other payables	15	335,207,502	133,862,440
Loan from related parties	16	25,870,364	25,870,364
		<u>363,253,241</u>	<u>162,739,618</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	17	-	-
		<u>588,691,964</u>	<u>347,003,948</u>

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

  
CHIEF EXECUTIVE

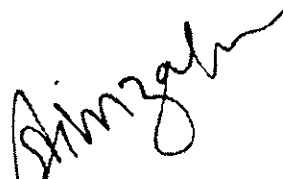


  
DIRECTOR

**ZAFAR SECURITIES (PVT.) LIMITED**  
**STATEMENT OF PROFIT OR LOSS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Note	Dec 2020 Rupees	June 2020 Rupees
Brokerage and commission	18	37,856,724	38,876,059
Capital gain/(loss) on marketable securities		<u>10,013,708</u>	<u>10,444,914</u>
		47,870,432	49,320,973
Direct cost	19	<u>(4,260,884)</u>	<u>(12,231,393)</u>
		43,609,548	37,089,580
Operating expenses	20	<u>(17,486,424)</u>	<u>(44,902,063)</u>
Other operating expenses	21	-	(4,477,432)
Other income	22	<u>15,112,185</u>	<u>15,934,648</u>
		<u>(2,374,239)</u>	<u>(33,444,847)</u>
<b>PROFIT/(LOSS) FROM OPERATIONS</b>		41,235,309	3,644,733
Finance cost	23	<u>(60,916)</u>	<u>(73,938)</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		41,174,393	3,570,795
Taxation	24	-	(1,179,326)
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<u><u>41,174,393</u></u>	<u><u>2,391,469</u></u>
<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>	25	<u><u>20.59</u></u>	<u><u>1.20</u></u>

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**CHIEF EXECUTIVE**

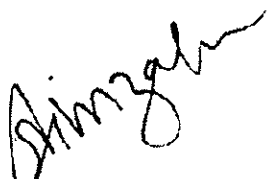


  
**DIRECTOR**

**ZAFAR SECURITIES (PVT.) LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Dec 2020 Rupees	June 2020 Rupees
Loss for the year	41,174,393	2,391,469
<b>Items that will not be reclassified subsequently to the statement of profit or loss</b>		
Gain on investment categorised as fair value through other comprehensive income	-	(390,343)
<b>Items that may be reclassified subsequently to the statement of profit or loss</b>	-	-
Other comprehensive (loss)/income for the year	-	(390,343)
<b>Total comprehensive income/(loss) for the year</b>	<b>41,174,393</b>	<b>2,001,126</b>

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

  
CHIEF EXECUTIVE



  
DIRECTOR

ZAFAR SECURITIES (PVT.) LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	Dec 2020 Rupees	June 2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) before taxation		41,174,393	3,570,795
<b>Adjustments of items not involving movements of cash:</b>			
Depreciation	1	2,064,603	4,802,244
Impairment loss on TRE Certificate	21	-	-
Loss on remeasurement of investment at fair value through profit or loss	8	-	3,270,046
(Reversal)/Provision for doubtful debts		-	(2,057,792)
Capital loss		-	-
Gain on sale of fixed asset		-	-
		<u>2,064,603</u>	<u>6,014,498</u>
<b>Operating cash Flows Before Working capital changes</b>		<b>43,238,996</b>	<b>9,585,293</b>
<b>(Increase) / Decrease in Working Capital</b>			
<b>(Increase) / decrease in current assets</b>			
Account receivables		(48,190,076)	(13,643,666)
Loan and Advances		(307,881)	1,797,270
Trade deposits and short term prepayments		(39,676,472)	(22,011,257)
Accrued interest		-	18,498
<b>Increase / (decrease) in current liabilities</b>			
Deposits, accrued liabilities and advances		(831,439)	1,110,785
Trade and other payables		201,345,062	63,281,838
		<u>112,339,194</u>	<u>30,553,468</u>
<b>Cash Generated From Operations</b>		<b>155,578,190</b>	<b>40,138,761</b>
Taxes paid		(823,691)	(1,811,403)
<b>Net cash Flows From Operating Activities</b>		<b>154,754,499</b>	<b>38,327,358</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(2,015,658)	(2,149,483)
Short term investments		(23,134,610)	191,176
Intangible asset		(117,056)	-
Proceeds from sale of fixed asset		-	-
Long term advances		-	39,064
Long term deposits		(400,000)	-
<b>Net cash Flows From Investing Activities</b>		<b>(25,667,324)</b>	<b>(1,919,243)</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 INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>129,087,175</b>	<b>36,408,115</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>103,287,541</b>	<b>66,879,426</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	A	<b>232,374,716</b>	<b>103,287,541</b>
<b>A Cash and Cash Equivalents</b>			
Cash and bank balances	10	<u>232,374,716</u>	<u>103,287,541</u>

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

  
CHIEF EXECUTIVE



  
DIRECTOR

**ZAFAR SECURITIES (PVT.) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Paid up capital	Revenue Reserves	Fair value adjustment reserve	Un-appropriated profit	Total
	----- (R u p e e s) -----				
Balance as at June 30, 2019	200,000,000	22,000,000	13,138,278	(52,875,074)	182,263,204
Loss after taxation	-	-	-	2,391,469	2,391,469
Other comprehensive income	-	-	(390,343)	-	(390,343)
Total comprehensive income for the year	-	-	(390,343)	2,391,469	2,001,126
Balance as at June 30, 2020	200,000,000	22,000,000	12,747,935	(50,483,605)	184,264,330
Profit after taxation	-	-	-	41,174,393	41,174,393
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	41,174,393	41,174,393
Balance as at December 31, 2020	200,000,000	22,000,000	12,747,935	(9,309,212)	225,438,723

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

  
 CHIEF EXECUTIVE



  
 DIRECTOR

1 Property and equipment

Particulars	Cost			Depreciation				WDV As at Dec 31, 2020		
	As at June 30, 2020	Additions	(Deletions)	As at Dec 31, 2020	Rate %	As at June 30, 2020	Charge for the year		Deletion during the year	As at Dec 31, 2020
-----R u p e e s-----										
<b>OWNED</b>										
Office premises	670,000	-	-	670,000	5	33,500	15,913	-	49,413	620,587
Office equipment	3,844,579	320,500	-	4,165,079	15	3,121,573	54,226	-	3,175,799	989,280
Computers	5,955,353	315,258	-	6,270,611	30	4,820,400	170,243	-	4,990,643	1,279,968
Electric equipment	7,336,778	71,400	-	7,408,178	15	5,864,181	110,445	-	5,974,626	1,433,552
Furniture and fixture	5,950,321	-	-	5,950,321	15	4,864,994	81,400	-	4,946,394	1,003,927
Mobiles	243,204	58,500	-	301,704	30	55,801	28,111	-	83,912	217,792
Vehicles	48,871,731	1,250,000	-	50,121,731	15	27,481,514	1,604,267	-	29,085,781	21,035,950
	<b>72,871,966</b>	<b>2,015,658</b>	<b>-</b>	<b>74,887,624</b>		<b>46,241,963</b>	<b>2,064,603</b>	<b>-</b>	<b>48,306,568</b>	<b>26,581,056</b>

1.1 Property and equipment

Particulars	Cost			Depreciation				WDV As at June 30, 2020		
	As at June 30, 2019	Additions	(Deletions)	As at June 30, 2020	Rate %	As at June 30, 2019	Charge for the year		Transferred during the year	As at June 30, 2020
-----R u p e e s-----										
<b>OWNED</b>										
Office premises	-	670,000	-	670,000	5	-	33,500	-	33,500	636,500
Office equipment	3,820,780	23,799	-	3,844,579	15	2,995,217	126,356	-	3,121,573	723,006
Computers	5,119,753	835,600	-	5,955,353	30	4,405,335	415,065	-	4,820,400	1,134,953
Electric equipment	6,892,328	444,450	-	7,336,778	15	5,648,061	216,120	-	5,864,181	1,472,597
Furniture and fixture	5,950,321	-	-	5,950,321	15	4,673,466	191,528	-	4,864,994	1,085,327
Mobiles	67,570	175,634	-	243,204	30	10,870	44,931	-	55,801	187,403
Vehicles	48,871,731	-	-	48,871,731	15	23,706,770	3,774,744	-	27,481,514	21,390,217
	<b>70,722,483</b>	<b>2,149,483</b>	<b>-</b>	<b>72,871,966</b>		<b>41,439,719</b>	<b>4,802,244</b>	<b>-</b>	<b>46,241,963</b>	<b>26,630,003</b>

	Note	Dec 2020 Rupees	June 2020 Rupees
<b>2 INTANGIBLE ASSETS</b>			
Rights of room		9,956,096	9,839,040
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
		<u>15,356,096</u>	<u>15,239,040</u>
<b>3 LONG TERM INVESTMENT</b>	Note	Dec 2020 Rupees	June 2020 Rupees
<b>Unquoted - Shares of LSE Financial Services Limited:</b>			
<i>Investment at fair value through OCI</i>			
Cost as at July 01,		17,847,935	5,100,000
Fair value adjustment		-	(12,747,935)
		<u>17,847,935</u>	<u>17,847,935</u>
<b>4 LONG TERM DEPOSITS</b>	Note	Dec 2020 Rupees	June 2020 Rupees Re-stated
<b>Deposits with:</b>			
National Clearing Company of Pakistan Ltd.		1,400,000	1,000,000
Pakistan Mercantile Exchange Ltd.		750,000	750,000
Security deposit against offices		170,000	170,000
		<u>2,320,000</u>	<u>1,920,000</u>
<b>5 LONG TERM ADVANCES</b>			
Advances against purchase of land and building		16,042,123	16,042,123
Advances against purchase of property		24,335,000	24,335,000
		<u>40,377,123</u>	<u>40,377,123</u>



6 ACCOUNT RECEIVABLES		Dec 2020	June 2020
		Rupees	Rupees
Receivable from:			
Clients on account of purchase of shares		35,122,083	36,319,004
Less: Provision for doubtful debts		(6,844,924)	(6,844,924)
		<u>28,277,159</u>	<u>29,474,080</u>
National Clearing Company of Pakistan Ltd.		<u>71,616,284</u>	<u>22,229,287</u>
		<u>99,893,443</u>	<u>51,703,367</u>
7 LOANS AND ADVANCES		Dec 2020	June 2020
		Rupees	Rupees
(Un-secured but considered good)			
Advances to:			
Employees		<u>3,616,049</u>	<u>3,308,168</u>
8 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS		Dec 2020	June 2020
		Rupees	Rupees
Investment in listed securities			
Carrying value		56,156,094	45,826,811
Loss on remeasurement of investment at fair value		<u>9,535,281</u>	<u>(3,270,046)</u>
		<u>65,691,375</u>	<u>42,556,765</u>
9 TRADE DEPOSITS, SHORT TERM REPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES		Dec 2020	June 2020
		Rupees	Rupees
Deposits with:			
National Clearing Company of Pakistan Ltd.		73,742,604	33,590,000
Pakistan Mercantile Exchange Ltd.		2,298,328	2,719,240
		<u>76,040,932</u>	<u>36,309,240</u>
Tax deducted at source		8,394,088	7,570,395
Prepayments		-	35,535
Sales tax receivable		<u>199,151</u>	<u>218,836</u>
		<u>84,634,171</u>	<u>44,134,006</u>

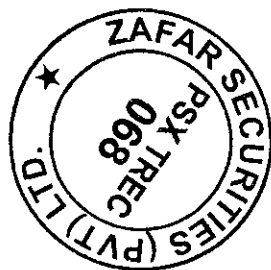
	Note	Dec 2020 Rupees	June 2020 Rupees
<b>10 CASH AND BANK BALANCES</b>			
These were held as under:			
Cash in hand			
Cash at bank		677,687	181,427
Current Accounts:			
Pertaining to brokerage house		4,549,301	10,917,921
Peratining to clients		205,585,352	89,459,304
		210,134,653	100,377,225
Saving Accounts:			
Pertaining to brokerage house		1,002,256	402,640
Peratining to clients		20,560,120	2,326,249
		21,562,376	2,728,889
		<u>232,374,716</u>	<u>103,287,541</u>
<b>11 SHARE CAPITAL</b>			
Authorized			
3,000,000 (2020: 3,000,000) ordinary shares of Rs.100 each		300,000,000	300,000,000
Issued, subscribed and paid up			
2,000,000 (2020: 2,000,000) ordinary shares of Rs.100 each fully paid in cash		200,000,000	200,000,000
<b>12 FAIR VALUE ADJUSTMENT RESERVE</b>			
This represents accumulated gain on investment at fair value through OCI.			
<b>13 DEFERRED TAXATION</b>			
Deferred credits/(debits) arising due to:			
Accelerated tax depreciation		-	330,622
Provision for doubtful debts		-	(1,938,214)
Brought forward losses		-	(29,667,541)
Alternate corporate tax paid		-	(249,685)
Minimum tax		-	(1,308,870)
			<u>(32,833,688)</u>
Balance as at July 01,		-	-
Add: Charge for the year		-	-
		-	-

	Note	Dec 2020 Rupees	June 2020 Rupees
<b>14 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES</b>			
Accrued expenses		<u>2,175,375</u>	<u>3,006,814</u>
<b>15 TRADE AND OTHER PAYABLES</b>			
Creditors for sale of shares on behalf of clients		<u>335,207,502</u>	<u>133,862,440</u>
<b>16 LOAN FROM RELATED PARTIES</b>			
Mrs. Saima Zafar                          Director		20,000,000	20,000,000
Mr. Syed Asim Zafar                      Chief Executive		5,870,364	5,870,364
		<u>25,870,364</u>	<u>25,870,364</u>
<b>17 CONTINGENCIES AND COMMITMENTS</b>			
<b>17.1 Contingencies</b>			
NIL			
<b>17.2 Commitments</b>			
NIL			
		<b>Dec 2020 Rupees</b>	<b>June 2020 Rupees</b>
<b>18 BROKERAGE AND COMMISSION</b>	<b>Note</b>		
Retail customers		43,913,800	45,064,348
Less: Sales tax		<u>6,057,076</u>	<u>6,188,289</u>
		<u>37,856,724</u>	<u>38,876,059</u>
<b>19 DIRECT COST</b>			
<b>Charges paid to:</b>			
Pakistan Stock Exchange Ltd.		1,430,303	4,973,374
National Clearing Company of Pakistan Ltd.		730,097	1,114,056
Central Depository Company of Pakistan Ltd.		1,901,242	2,845,581
SECP Transaction Fee		199,242	230,858
Commission expenses		-	3,067,524
		<u>4,260,884</u>	<u>12,231,393</u>

	Note	Dec 2020 Rupees	June 2020 Rupees
<b>20 OPERATING EXPENSES</b>			
Directors' remuneration		3,205,248	3,750,000
Staff salaries and benefits		4,107,608	17,858,717
Rent, rates and taxes		1,122,933	2,612,294
Communication expenses		871,858	1,308,944
Utility charges		636,682	1,631,329
Postage and courier charges		78,374	160,035
Printing and stationery		150,215	454,318
Repair and maintenance		1,933,990	4,393,163
Insurance		493,844	464,360
Legal and professional charges		395,183	1,071,374
Fee and subscription		467,322	230,700
Charity and donation		26,000	1,022,000
Zakat		-	-
Books and newspapers		24,195	7,099
Entertainment		919,716	2,644,042
Travelling and conveyance		231,443	465,734
Vehicle running and maintenance		516,713	1,371,575
Advertisement		10,000	-
Depreciation	1	2,064,603	4,802,244
Others		230,497	654,135
		<u>17,486,424</u>	<u>44,902,063</u>
<b>21 OTHER OPERATING EXPENSES</b>			
Impairment loss on TRE certificate		-	-
Loss on remeasurement of investment at fair value through profit or loss		-	3,270,046
Provincial workers' welfare fund		-	73,565
Balances written off		-	1,133,821
		<u>-</u>	<u>4,477,432</u>

	Note	Dec 2020 Rupees	June 2020 Rupees
<b>22 OTHER INCOME</b>			
<b>Income from financial assets</b>			
Dividend income		689,714	1,024,787
Interest income		3,832,333	8,104,395
Reversal of provision of doubtful debts		-	2,057,792
		4,522,047	11,186,974
<b>Income from assets other than financial assets</b>			
Gain on sale of fixed assets		-	-
Gain on remeasurement of investment at fair value through profit or loss		9,535,281	4,747,674
Other income		1,054,857	4,747,674
		10,590,138	4,747,674
		<u>15,112,185</u>	<u>15,934,648</u>
<b>23 FINANCE COST</b>			
Bank charges		60,916	73,938
Markup on overdraft		-	-
		<u>60,916</u>	<u>73,938</u>
<b>24 TAXATION</b>			
Income tax:			
-Current		-	1,179,326
-Prior year		-	-
-Deferred		-	-
		<u>-</u>	<u>1,179,326</u>
<b>25 EARNINGS PER SHARE - BASIC AND DILUTED</b>			
Loss for the year-Rupees		Dec 2020 41,174,393	June 2020 2,391,469
Weighted average number of ordinary shares outstanding during the year-Numbers		2,000,000	2,000,000
Earnings per share-Rupees		20.59	1.20

CHIEF EXECUTIVE



DIRECTOR