

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED  
 STATEMENT OF FINANCIAL POSITION  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2021(Un-Audited)

	Note	31.12.2021 Rupees	2021 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	19,871,054	14,281,167
Long term deposits	5	1,420,000	1,420,000
Long term investments	6	47,097,039	47,097,039
Intangible assets	7	2,500,000	2,500,000
Deferred tax asset	8	2,561,346	2,561,346
		73,449,439	67,859,552
<b>CURRENT ASSETS</b>			
Short term investment	9	186,490,540	438,976,369
Trade receivables	10	151,200,942	129,841,438
Advances	11	101,182,723	150,025,644
Deposits and other receivables	12	91,352,384	78,395,199
Cash and bank balances	13	179,762,520	262,658,662
		709,989,109	1,059,897,311
<b>TOTAL ASSETS</b>		<b>783,438,548</b>	<b>1,127,756,863</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	14	55,000,000	55,000,000
<b>Capital reserve:</b>			
Deposit for shares		55,500,000	55,500,000
<b>Revenue reserve:</b>			
Unappropriated profit		314,816,857	441,968,828
		425,316,857	552,468,828
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	198,922,056	380,009,222
Unclaimed dividend	16	7,327,735	6,622,568
Accrued interest	17	-	1,747,744
Short term bank borrowings	18	151,871,900	161,462,297
Provision for taxation		-	25,446,204
		358,121,691	575,288,035
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>783,438,548</b>	<b>1,127,756,863</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
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DIRECTOR



ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED  
 STATEMENT OF PROFIT OR LOSS  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2021(Un-Audited)

	Note	31.12.2021 Rupees	2021 Rupees
Revenue	20	75,870,637	265,372,344
Capital/gain (loss) realised - net		(95,081,153)	122,523,827
Unrealized fair value gain/(loss) on investment remeasurement-FVTPL - net	22	(59,072,415)	275,781,220
		(78,282,931)	663,677,391
Direct expenses	23	(37,232,293)	(211,135,541)
		(115,515,224)	452,541,850
Operating expenses	24	(9,317,309)	(19,524,696)
		(124,832,533)	433,017,154
Financial charges	25	(2,375,086)	(8,789,735)
Profit/(loss) before taxation		(127,207,619)	424,227,419
Taxation	26	55,648	(27,213,903)
Net profit/(loss) after taxation		(127,151,971)	397,013,516

DIRECTOR



ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2021(Un-Audited)

	31.12.2021	2021
Note	Rupees	Rupees
Net (loss)/ profit for the year	(127,151,971)	397,013,516
<b>Items that may not be reclassified to profit or loss:</b>		
Gain on ISE REIT Management shares	-	-
<b>Total comprehensive (loss) / income for the year</b>	<b>(127,151,971)</b>	<b>397,013,516</b>

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

  
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 DIRECTOR



**ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021(Un-Audited)**

	31.12.2021	2021
Note	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss)/ profit before tax	(127,207,619)	424,227,419
<b>Adjustments for non-cash and other items:</b>		
Depreciation	1,408,499	1,764,942
Gain on sale of asset	-	-
Provision for bad debts	-	1,083,868
Unrealized (gain)/loss on short term investment	59,072,415	(275,781,220)
	<u>60,480,914</u>	<u>(272,932,410)</u>
	(66,726,705)	151,295,009
<b>Working capital changes</b>		
(Increase) / decrease in current assets:		
Short term investment	193,413,414	(69,877,781)
Trade receivables	(21,359,504)	(46,768,443)
Loans and advances	48,842,921	(142,953,760)
Deposits, prepayments and other receivables	(27,980,097.57)	(30,314,658)
	192,916,734	(289,914,642)
Increase / (decrease) in current liabilities	(191,720,140)	280,730,435
	(65,530,111)	142,110,802
Income tax paid	(10,367,644)	(22,637,878)
Net cash generated from operating activities	<u>(75,897,756)</u>	<u>119,472,924</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(6,998,386)	(5,793,051)
Disposal of fixed Asset	-	-
Net cash (used in) investing activities	<u>(6,998,386)</u>	<u>(5,793,051)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term deposit	-	-
Long term loan repaid	-	-
Deposit for shares	-	-
Net cash inflow from financing activities	<u>-</u>	<u>-</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	(82,896,142)	113,679,873
<b>Cash and cash equivalents at the beginning of the year</b>	262,658,662	148,978,789
<b>Cash and cash equivalents at the end of the year</b>	<u>179,762,520</u>	<u>262,658,662</u>

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

DIRECTOR



**ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021(Un-Audited)**

	REVENUE RESERVE		CAPITAL RESERVE	TOTAL
	SHARE CAPITAL	ACCUMULATED PROFIT / (LOSS)	DEPOSIT FOR SHARES	
	-----Rupees-----			
Balance as at July 01, 2020	55,000,000	44,955,312	55,500,000	155,455,312
Deposit for shares	-	-	-	-
Total comprehensive income for the year	-	397,013,516	-	397,013,516
Balance as at June 30, 2021	<b>55,000,000</b>	<b>441,968,828</b>	<b>55,500,000</b>	<b>552,468,828</b>
<b>Balance as at July 01, 2021</b>	55,000,000	441,968,828	55,500,000	552,468,828
Deposit for shares	-	-	-	-
Total comprehensive income for the year	-	(127,151,971)	-	(127,151,971)
<b>Balance as at December 31, 2021</b>	<b>55,000,000</b>	<b>314,816,857</b>	<b>55,500,000</b>	<b>425,316,857</b>

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

  
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 DIRECTOR



**ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021(Un-Audited)**

**1 The Company and its operations**

The company was incorporated in Pakistan on May 06, 1999 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a private limited company. The company is a Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited and duly registered with the Securities and Exchange Commission of Pakistan (SECP). It started its commercial activities with effect from July 06, 1999.

The main object of the company is to carry on the business of broker in stocks, shares, securities under license or with the foreign permission or approval of any recognized association, authority, stock exchange, or other market in Pakistan or abroad. The registered office of the company is situated at Room No. 624-627, 6th Floor, Stock Exchange Building, Stock Exchange Road, Karachi.

Geographical location of all Branches is:

Branches	Addresses
Corporate Office	412, 4th Floor, ISE Towers, 55-B Jinnah Avenue, Islamabad
Cantt Branch	23-Al Amin Plaza, The Mall, Rawalpindi Cantt
Chaklala Branch	61-C 1st Floor, Aneeq Plaza Street 12, Commercial area Chaklala Scheme-III, Rawalpindi
Abbottabad Branch	Office No. C-5, First Floor, Awan Plaza, Mandian, Abbottabad
City Branch	201, 2nd Floor, Dubai Orakzai Plaza, Murree Road, Rawalpindi
Pindigheb Branch	Office No.1, Malik Saeed Market, Near Chief Chowk, Pindigheb
Wah Cantt Branch	Office No.2, 1st Floor, Mall View Plaza, The Mall, Wah Cantt
Islamabad Branch	408, 4th Floor, ISE Towers, 55-B Jinnah Avenue, Islamabad
NPF Branch	Office 1F-03, 1st Floor, Plot#1315, Block C, Main Double Road, NPF Housing Scheme, Sector O-9 Islamabad

**2 Basis of preparation of financial statements**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

The company changed its financial reporting framework from IFRS issued by IASB to IFRS for SMEs issued by IASB since it is no longer a public interest company as per the amendments made in third schedule to Companies Act, 2017. As per the schedule, all public interest companies are required to prepare their financial statements in accordance with IFRS issued by IASB as notified by SECP.

The change described above has no material impact on carrying values of assets and liabilities therefore no adjustment has been made in these accounts except some decrease in disclosure requirements.

**2.2 Basis of measurement**

These accounts have been prepared under the historical cost convention, without any adjustments for the effects of inflation or current values except otherwise stated in relevant policies hereunder.

**2.3 Functional and presentation currency**

These financial statements are presented in Pakistan Rupees which is also the company's financial currency.

**ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021(Un-Audited)**

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**2.4 Use of significant estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards requires management to make judgment, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision effects only that period, or in the period of the revision and future periods if the revision effects both current and future periods. Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

**3 Summary of significant accounting policies**

Significant accounting policies adopted in the preparation of these financial statements are:

**3.1 Taxation**

The provision for current taxation is based on taxable income at the current rates of taxation. Company provides for the deferred taxation, if any, using the liability method. A deferred tax liability is recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and the carryforward of unused tax losses. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted at the statement of financial position date.

**3.2 Property and equipment**

- i These are stated at cost less accumulated depreciation and impairment losses, if any;
- ii Depreciation on operating assets is charged on reducing balance method. A full month's depreciation is charged in the month of addition and no depreciation is charged in the month of disposal;
- iii Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized;
- iv Gain and losses on disposal of fixed assets, if any, included in profit and loss account currently;
- v The Company reviews the useful lives and residual value of its assets on regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge.

**3.3 Impairment of non-financial assets**

Assets that are subject to depreciation/amortization are reviewed at each statement of financial position date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. As impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original costs of the asset.

**3.4 Intangible assets**

An intangible asset is recognized as an asset if it is probable that the economic benefits attributable to the assets will flow to the company and cost of the asset can be measured reliably.

**ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021(Un-Audited)**

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**3.5 Revenue recognition**

Brokerage and commission is recognized as and when such services are provided.  
Capital gains or losses on sale of investments are recognized in the year in which they arise.  
Dividend income is recognized at the time of book closure of the Company declaring the dividend.

**3.6 Trade debts**

These are stated transaction cost less provision for doubtful debts. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification. The provision for the year is provided as following:

Balance due within 360 days = 10%

Balance due above 360 days = 100%

**3.7 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash with banks on current account.

**3.8 Financial instruments**

**Initial Recognition**

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

**Classification of financial assets:**

The Company classifies its financial instruments in the following categories:

- At Fair Value Through Profit or Loss (FVTPL)
- At Amortized Cost

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

**Classification of financial liabilities**

The Company classifies its financial liabilities in the following categories:

- At Fair Value Through Profit or Loss (FVTPL)
- At Amortized Cost

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

**Subsequent Measurement**

**i) Financial assets and liabilities at amortized cost**

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

**ii) Financial assets and liabilities at FVTPL**

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss in the period in which they arise.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk

will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

**Impairment of financial asset**

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

The impairment loss is recognized immediately in the statement of profit or loss and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.



**ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021(Un-Audited)**

**Derecognition**

**i) Financial assets**

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in profit or loss.

**ii) Financial liabilities**

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognised in the statement of profit or loss.

**4 Property and equipment**

	Office Building	Furniture and Fixture	Air Conditioners	Office Equipment	Motorcycle	Electronic Equipments	Computers	Generator	Telephone Installation	Motor Vehicle	Total
Rupees											
<b>Year ended June 30, 2021</b>											
Opening Net Book Value	7,062,797	1,405,147	119,551	63,320	16,833	458,465	942,537	1,252	183,065	-	10,253,058
Additions	91,946	336,503	238,000	24,261	-	-	162,937	-	9,425	4,529,979	5,793,051
Depreciation Charge	(710,874)	(234,069)	(20,908)	(15,492)	(2,525)	(68,770)	(313,830)	(203)	(28,523)	(389,748)	(1,764,942)
Disposal Adjustment	-	-	-	-	-	-	-	-	-	-	-
Net Book Value	6,443,839	1,507,581	336,643	72,089	14,308	389,695	791,644	1,149	163,967	4,560,230	14,281,167
<b>As at June 30, 2021</b>											
Cost	9,066,946	3,119,313	632,107	151,941	167,925	772,885	3,314,977	19,100	336,047	4,929,979	22,511,220
Accumulated depreciation	(2,623,107)	(1,611,732)	(295,464)	(79,852)	(153,617)	(383,190)	(2,523,333)	(17,951)	(172,080)	(369,748)	(8,230,053)
Net book value	6,443,839	1,507,581	336,643	72,089	14,308	389,695	791,644	1,149	163,967	4,560,230	14,281,167
<b>Half year ended December 31, 2021</b>											
Opening Net Book Value	6,443,839	1,507,581	336,643	72,089	14,308	389,695	791,644	1,149	163,967	4,560,230	14,281,167
Additions	-	800,775	303,584	-	-	254,562	466,502	-	11,036	5,161,927	6,998,386
Depreciation Charge	(322,192)	(162,577)	(45,972)	(5,407)	(1,073)	(45,137)	(175,265)	(86)	(12,888)	(637,800)	(1,408,499)
Disposal Adjustment	-	-	-	-	-	-	-	-	-	-	-
Net Book Value	6,121,647	2,145,779	594,255	66,683	13,235	599,120	1,082,880	1,063	162,034	9,084,358	19,671,054
<b>As at December 31, 2021</b>											
Cost	9,066,946	3,920,088	935,691	151,941	167,925	1,027,447	3,781,479	19,100	347,083	10,091,906	29,509,606
Accumulated depreciation	(2,945,299)	(1,774,310)	(341,436)	(85,258)	(154,690)	(428,327)	(2,698,599)	(18,037)	(185,049)	(1,007,548)	(9,638,552)
Net book value	6,121,647	2,145,779	594,255	66,683	13,235	599,120	1,082,880	1,063	162,034	9,084,358	19,671,054
Rate of depreciation	10%	15%	15%	15%	15%	15%	30%	15%	15%	15%	

**ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021(Un-Audited)**

	Note	31.12.2021 Rupees	2021 Rupees
<b>5 Long term deposits</b>			
Security deposits with:			
National Clearing Company of Pakistan Limited		1,200,000	1,200,000
Pakistan Stock Exchange Limited		200,000	200,000
Mobile phones		20,000	20,000
		<u>1,420,000</u>	<u>1,420,000</u>
<b>6 Long term investment</b>			
ISE REIT Management company Limited	6.1	47,097,039	47,097,039
		<u>47,097,039</u>	<u>47,097,039</u>
<b>6.1</b>	Pursuant to the promulgation of the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012 (The Act) the ownership in a Stock Exchange has been segregated from the right to trade on the Exchange. Accordingly, the company has received equity shares of ISE and Trading Right Entitlement Certificate (TREC) in lieu of membership card of ISE. The company entitlement in respect of ISE shares is determined on the basis of valuation of assets and liabilities of ISE as approved by SECP and the company has been allotted 3,034,603 shares of the face value of Rs 10/= each. These includes 60% shares of ISE, held in separate CDC blocked account to restrict the sale of these shares by the members whereas stock exchange will dispose off these shares under the provisions of the Act, however the proceeds of these shares and right to dividend/bonus are vested with the company whereas voting rights attached to these shares are suspended.		
	The company has recorded a surplus of Rs. 30.746 million on conversion of membership card of ISE to shares and TREC in the equity through profit and loss account during the year 2014-2015.		
	In absence of an active market for these shares, the company has taken has valued them at Rs.15.52/share(2020: 14.2/share), which is the value approved by the Board of Directors of PSX and intimated to SECP for the base minimum capital. This fact indicates an acceptable level of value for ISE REIT shares which is also used by the stock exchange for risk management and to safeguard investors' interest.		
<b>7 Intangible assets</b>	<b>Note</b>		
Trading Right Entitlement Certificate (TREC)	7.1	2,500,000	2,500,000
		<u>2,500,000</u>	<u>2,500,000</u>
<b>7.1</b>	In the absence of an active market for TREC, the company has taken the cost of TREC at Rs 2.5 million, which is the value approved by the Board of Directors of ISE and intimated to SECP. This fact indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and to safeguard the investors' interest.		
<b>8 Deferred tax asset/(liability)</b>	<b>Note</b>		
Tax losses and credits - asset	8.1	3,274,917	3,274,917
Property and equipment - liability		(713,571)	(713,571)
		<u>2,561,346</u>	<u>2,561,346</u>
<b>8.1 Business Losses and tax credits will expire as follows:</b>			
<b>Year of Expiry</b>		<b>Minimum Tax</b>	
2025		2,205,443	
2024		632,565	
2023		10,456	

Deferred tax has been provided at 29% and charged to profit or loss statement.

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2021(Un-Audited)

		31.12.2021	2021	
		Rupees	Rupees	
<b>9 Short term investment</b>				
Financial assets at fair value through profit or loss				
Investment in quoted equity securities	9.1	186,490,540	438,976,369	
		<u>186,490,540</u>	<u>438,976,369</u>	
<b>9.1 This represent investment in:</b>				
	2021		2020	
	Symbol of Security	No. of Security	Symbol of Security	
	No. of Security		No. of Security	
	AIRLINK	483.00	UNITY	1,000
	ALAC	100,000.00	ALAC	100,000
	ANL	457,500.00	FCCL	3,000
	ASC	265,000.00	GTYS	102,000
	BAPL	52,500.00	CRTMR2	153,750
	CPHL	10,450.00	HASCOL	100,400
	CRTM	452,500.00	SERF	172,500
	FCCL	3,000	CRTBR2	153,750
	GEMPAPL	4,000	MUGHAL	800
	GGGL	404,000	GGGL	1,168,000
	GGL	1,059,925	PAEL	45,000
	GTECH	300,000	PIBTL	25,000
	GTYS	102,000	PKGI	521,500
	HASCOL	400	PRL	10,000
	HUMNL	50,000	SSGC	7,875
	KAPCO	52,500	TRG	2,088,000
	MUGHAL	920	PPL	27,766
	NRSL	500	BAFL	28,930
	OCTOPUS	6	KAPCO	52,500
	PABC	10,000	ANL	407,500
	PAEL	45,000	CRTM	452,500
	PIBTL	25,000	ASC	155,000
	PKGI	652,500	PSX	100,000
	PPL	27,766	BYCO	50,000
	PRL	10,000		
	SSIC	100,000		
	TRG	988,000		
	TSMF	1,600		
	UNITY	1,000		
	UNITYR3	201		
	WAVES	100,000		
<b>10 Trade receivables</b>				
Trade debts		162,661,176	141,301,672	
Less: Provision for bad debts	10.1	<u>(11,460,234)</u>	<u>(11,460,234)</u>	
		<u>151,200,942</u>	<u>129,841,438</u>	
<b>10.1 Movement in provision for bad debts</b>				
Balance at beginning of the year (restated)		11,460,234	10,376,366	
Charged during the period		-	1,083,868	
Balance at half year ended		<u>11,460,234</u>	<u>11,460,234</u>	
<b>11 Advances</b>				
<b>Advances - unsecured &amp; considered good</b>				
To staff against salary		7,787,526	4,218,750	
Advance for new office establishment		-	530,000	
Advance for purchases of building		86,062,768	138,472,768	
Advance for car		5,998,000	6,804,126	
Advance for Purchases of Reit shares		1,334,429	-	
		<u>101,182,723</u>	<u>150,025,644</u>	

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2021(Un-Audited)

	31.12.2021	2021
	Rupees	Rupees
<b>12 Deposits and other receivables</b>		
<b>Deposits</b>		
Withholding income taxes	12.1 15,467,843	30,490,756
Security deposit - Office premises	310,000	310,000
Margin deposit - Pakistan Stock Exchange Limited	39,696,351	30,913,078
Security deposit - Central Depository Company of Pakistan	75,000	75,000
Security deposit - Pakistan Mercantile Exchange	750,000	750,000
Clearing Deposit with PMEX	1,642,607	2,395,915
	<u>57,941,802</u>	<u>64,934,749</u>
<b>Other receivables</b>		
Due from National Clearing Company of Pakistan Limited	33,099,240	13,243,337
Other Advances	270,413	45,367
Other receivable	40,930	171,746
	<u>33,410,583</u>	<u>13,460,450</u>
	<u>91,352,384</u>	<u>78,395,199</u>
<b>13 Cash and bank balances</b>		
Cash in hand	3,373,879	3,109,016
Cash at bank - current accounts	176,388,641	259,549,645
	<u>179,762,520</u>	<u>262,658,662</u>
<b>14 Share capital and reserves</b>		
Authorized:		
1,100,000 ordinary shares of Rs. 100/= each	110,000,000	110,000,000
Issued, subscribed and paid up:		
550,000 ordinary shares of Rs. 100/= each in cash	55,000,000	55,000,000
	<u>55,000,000</u>	<u>55,000,000</u>
<b>15 Trade and other payables</b>		
Trade payables	177,822,390	241,989,899
Other Liabilities	948,930	4,521,313
Sales tax / FED payable	817,227	4,236,749
Commission payable	18,393,776	66,713,474
Audit fee payable	250,000	250,000
CGT payable	-	58,656,374
PSX Taxes and charges	-	125,283
Withholding tax payable	689,734	3,516,131
	<u>198,922,056</u>	<u>380,009,222</u>
<b>16 Unclaimed dividend</b>		
Unclaimed dividend	7,327,735	6,622,568
	<u>7,327,735</u>	<u>6,622,568</u>

**ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED**  
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		31.12.2021 <u>Rupees</u>	2021 <u>Rupees</u>
<b>17</b>	<b>Accrued interest</b>		
	MCB Bank Limited	-	649,051
	JS bank	-	1,098,693
		<u>-</u>	<u>1,747,744</u>
<b>18</b>	<b>Short term bank borrowings</b>		
	Muslim Commercial Bank Limited	18.1	53,208,417
	JS bank Limited	18.2	98,663,483
		<u>151,871,900</u>	<u>140,069,145</u>
		<u>-</u>	<u>161,462,297</u>

- 18.1** The facility with MCB Bank Limited is available to the tune of Rs. 55 million (2020 : 55 million) against the running finance (RF-II) and running finance-1 (against Shares) of RS. 10 million ( 2020: 10 million)
- RF - I  
TPMR (3 Months Kibor + 2.75% p.a.)  
SMR (TPMR + 5%) (whichever is higher)

These facilities are secured by way of:

Running Finance - I

- Personal guarantees of all the directors covering the entire exposure;
- Pledge of activity traded shares in marketable lots (trading at not less than par value) of eligible listed companies registered with CDC as per MCB's eligible list for financing against shares.

- 18.2** Following Facilities is available from JS Bank:

The Running facility is available to the tune of Rs. 200 million (2020 : 100 million) against JS bank RF at the markup of:

1 months Kibor + 550 bps

These facilities are secured by way of:

- Pledge of shares with minimum 35% margin on shares to be governed by the JSBL list duly approved by BRMC of JSBL. The shares will be pledged and held under CDC subaccount with JSBL.
- Personal guarantees of the directors along with PNWS.

Letter of Gurantee (LG-I) of RS. 7.5 million (2020: Nil) and (LG-II) 22.5 million (2020: Nil) at following terms:

100% cash margin

Comission of 0.3% per quarter

Security collateral: 100% cash margin in margin account and Counter gurantee of the Company.

**19** **Contingencies and commitments**

**Contingencies:**

In previous years, RTO Karachi created demand of Rs. 5,555,749 under section 161/205 of the income tax ordinance related to tax

year 2011 to 2015. The company has deposited 25% of demand and is hopeful that the case will be decided in the favour of company.

**Commitments:**

Currently there are no commitments against the company in foreseeable future.

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
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	Note	31.12.2021 Rupees	2021 Rupees
<b>20 Revenue</b>			
Securities brokerage		67,751,060	246,560,793
Dividend		1,823,886	10,639,044
IPO commission		559,109	14,485
Commodity brokerage		4,974,193	6,701,727
Profit on Margin Deposit		762,390	1,456,295
		<u>75,870,637</u>	<u>265,372,344</u>
<b>22 Quoted Securities</b>			
Market value of investment in shares(Quoted Securities)		186,490,540	438,976,369
Less: Cost of investment		(245,562,955)	(167,200,826)
		<u>(59,072,415)</u>	<u>271,775,543</u>
<b>23 Direct Expenses</b>			
Staff salaries and benefits		20,089,912	28,420,671
Commission		8,638,909	165,830,525
Directors' remuneration		1,686,828	3,263,609
Investor protection fund		89,752	1,002,157
Central Depository Company expense		1,583,988	3,807,872
ISEL/LSEL/NCCPL trading fee		3,013,752	5,343,939
Depreciation		1,408,499	1,764,942
Utilities - Internet		289,901	446,307
Utilities - Telephone		430,752	1,255,519
		<u>37,232,293</u>	<u>211,135,541</u>
<b>24 Operating expenses</b>			
Utilities - Other		1,585,440	2,096,186
Rents, Rates & Taxes		2,494,124	5,872,950
Entertainment		1,660,454	1,774,374
Fee and subscription		343,555	1,706,508
Miscellaneous		777,295	790,413
Printing and stationary		268,373	272,457
Postage and telegram		92,545	142,552
Travelling & Conveyance		247,024	414,448
Office repair and maintenance		239,158	501,771
Audit fee		-	250,000
Software expenses		525,878	3,279,442
Newspapers and periodicals		29,165	60,948
Legal and professional charges		-	85,000
Vehicle running and maintenance		577,104	811,285
Welfare Committee		47,000	84,500
Advertisement		179,181	140,616
Insurance		251,013	157,378
Bad debts written off		-	-
Provision for bad debts		-	1,083,868
		<u>9,317,309</u>	<u>19,524,696</u>

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
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	31.12.2021 Rupees	2021 Rupees
<b>25 Financial charges</b>		
Markup on running finance facility	2,216,471	8,036,407
Bank charges	158,614	753,328
	<u>2,375,086</u>	<u>8,789,735</u>
<b>26 Taxation</b>		
Current tax	-	23,074,855
Prior year	(55,648)	235,339
Deferred	-	3,903,709
	<u>(55,648)</u>	<u>27,213,903</u>

26.1 The dividend income falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001. Provision

26.2 Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not required in view of minimum,

**27 Financial instruments and related disclosures**

27.1 Financial assets as per statement of financial position

	At Ammortized Cost		At Fair Value Through Profit & Loss	
	31.12.2021	2021	31.12.2021	2021
Long term deposits	1,420,000	1,420,000	-	-
Short term investment			186,490,540	438,976,369
Long term investments			47,097,039	43,091,363
Trade debts	151,200,942	129,841,438	-	-
Deposits, prepayments and other receivables	75,884,541	47,904,443	-	-
Cash and bank balances	179,762,520	262,658,662	-	-
Loans and advances	101,182,723	150,025,644	-	-
	<u>509,450,726</u>	<u>591,850,187</u>	<u>233,587,579</u>	<u>482,067,732</u>

27.2 Financial liabilities as per statement of financial position

	At Ammortized Cost		At Fair Value Through Profit & Loss	
	31.12.2021	2020	31.12.2021	2021
Trade payables	177,822,390	241,989,899	-	-
Short term bank borrowings	151,871,900	161,462,297	-	-
Accrued and other liabilities	21,099,667	139,767,068	-	-
Provision for taxation	-	25,446,204	-	-
	<u>350,793,956</u>	<u>568,665,468</u>	<u>-</u>	<u>-</u>

**ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021(Un-Audited)**

	Note	31.12.2021 Rupees	2021 Rupees
<b>28 Capital Adequacy Level</b>			
Total Assets		783,438,548	1,127,756,863
Less: Total Liabilities		(358,121,691)	(575,288,035)
Less: Revaluation reserves (created upon revaluation of fixed assets)		-	-
		<u>425,316,858</u>	<u>552,468,828</u>

**Note:-**

While determining the Value of total assets of the TREC Holder, Notional Value of the TRE Certificate held by the Zahid Latif Khan

<b>29 Information required by regulation 34 of Securities Broker Regulations 2016</b>	2021	2021
<b>a)</b> Customer shares in the central depository system	159,917,975	151,917,883
Customer's cash in bank account - PKR	178,004,441	241,998,105
<b>b)</b> Securities pledged with financial institutions-customer	Nil	Nil
Securities pledged with financial institutions-house	3,263,825	3,374,000
<b>c)</b> Income from dividends	1,823,886	10,639,044
<b>d)</b> Pattern of shares:		
Zahid Latif Khan (CEO/Director)	549,000	549,000
Ajmal Sultan (Director)	500	500
Muhammad Atif Khan (Director)	500	500
Total no of shares	550,000	550,000
<b>e)</b> Changes in shareholding	NIL	NIL
<b>f)</b> Trade and other receivables are stated at estimated realisable value after each debt has been considered individually. Where the		
<b>g)</b> Aging analysis of amount due from customers		
Due not more than 5 days - PKR	30,513,308	51,081,892
Due more than 5 days - PKR	132,147,868	90,219,780

**30 Remuneration of Chief Executive Officer and Director**

	31.12.2021		2021	
	Chief Executive	Director	Chief Executive	Director
	Rupees			
Managerial remuneration	-	1,686,828	-	3,263,609
Bonus	-	-	-	-
Commission	264,471	-	84,510,517	-
	<u>264,471</u>	<u>1,686,828</u>	<u>84,510,517</u>	<u>3,263,609</u>
Number of person	1	2	1	2

**31 General**

Figures have been rounded off to the nearest rupee

  
**DIRECTOR**

