

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
 STATEMENT OF FINANCIAL POSITION
 HALF YEAR ENDED DECEMBER 31, 2023(Un-Audited)

	Note	31.12.2023 Rupees	2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	33,650,265	21,836,857
Long term deposits	5	1,420,000	1,420,000
Long term investments	6	62,391,438	62,391,438
Intangible assets	7	2,500,000	2,500,000
Deferred tax asset	8	20,423,258	20,423,258
		120,384,961	108,571,552
CURRENT ASSETS			
Short term investment	9	181,863,160	132,999,598
Trade receivables	10	184,098,861	166,009,790
Advances	11	49,983,354	35,779,152
Deposits and other receivables	12	54,588,151	14,583,519
Cash and bank balances	13	233,728,071	103,441,967
		704,261,597	451,814,027
TOTAL ASSETS		824,646,557	560,385,579
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	14	187,000,000	110,000,000
Capital reserve:			
Deposit for shares		-	65,000,000
Revenue reserve:			
Unappropriated profit		146,632,917	125,155,017
		333,632,917	300,155,017
CURRENT LIABILITIES			
Trade and other payables	15	281,105,489	109,329,705
Accrued interest	16	8,338,426	11,235,051
Short term bank borrowings	17	201,569,726	138,267,232
Provision for taxation	18	-	1,398,594
		491,013,641	260,230,582
TOTAL EQUITY AND LIABILITIES		824,646,557	560,385,579
CONTINGENCIES AND COMMITMENTS	19	-	-


 DIRECTOR



ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
 STATEMENT OF PROFIT OR LOSS
 FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-Audited)

	Note	31.12.2023 Rupees	2023 Rupees
Revenue	20	80,903,720	70,730,901
Capital gain (loss) realised - net		(4,114,719)	(20,976,421)
Unrealized fair value gain/(loss) on investment remeasurement-FVTPL - net	21.1	2,886,783	14,364,860
		79,675,784	64,119,360
Direct expenses	22	(35,153,412)	(68,024,187)
		44,522,372	(3,904,827)
Operating expenses	23	(13,937,696)	(21,201,764)
		30,584,675	(25,106,592)
Financial charges	24	(20,223,400)	(38,207,529)
Other income	25	11,116,448	1,945,505
Profit/(loss) before taxation		21,477,723	(61,368,617)
Taxation	26	177	14,707,767
Net profit/(loss) after taxation		21,477,900	(46,660,850)



 DIRECTOR



ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-Audited)

		31.12.2023	2023
	Note	Rupees	Rupees
Net (loss)/ profit for the year		21,477,900	(46,660,850)
Items that may not be reclassified to profit or loss:		-	-
Total comprehensive (loss) / income for the year		21,477,900	(46,660,850)

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



DIRECTOR



ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-Audited)

	31.12.2023	2023
Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/ profit before tax	21,477,723	(51,368,617)
Adjustments for non-cash and other items:		
Depreciation	2,141,290	4,105,827
Financial charges	20,223,400	38,207,529
Gain on disposal	-	(354,154)
Provision for bad debts	-	(313)
Unrealized (gain)/loss on short term investment	(2,886,783)	(14,364,880)
	<u>19,477,907</u>	<u>27,594,008</u>
	40,955,630	(33,774,609)
Working capital changes		
(Increase) / decrease in current assets		
Short term investment	(45,976,779)	5,623,654
Trade receivables	(19,089,071)	(23,300,359)
Loans and advances	(14,204,202)	15,918,777
Deposits, prepayments and other receivables	(38,695,370)	5,006,242
	(117,965,422)	3,146,305
Increase / (decrease) in current liabilities	171,775,784	(45,183,884)
	94,765,991	(75,812,188)
Finance charges paid	(23,120,005)	(30,656,884)
Income tax paid	(2,707,678)	(1,481,371)
Net cash generated from operating activities	<u>68,938,308</u>	<u>(107,950,443)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of assets	-	5,200,000
Fixed capital expenditure	(13,954,698)	(6,640,114)
Net cash (used in) investing activities	<u>(13,954,698)</u>	<u>(1,440,114)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share deposit money	12,000,000	65,000,000
Long term loan received / (repaid)	63,302,494	(18,416,422)
Net cash inflow from financing activities	<u>75,302,494</u>	<u>46,583,578</u>
Net increase / (decrease) in cash and cash equivalents	130,286,104	(62,806,979)
Cash and cash equivalents at the beginning of the year	103,441,967	166,248,946
Cash and cash equivalents at the end of the year	13 <u>233,728,071</u>	<u>103,441,967</u>

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, 2023 (Un-Audited)

	SHARE CAPITAL	REVENUE RESERVE	CAPITAL RESERVE	TOTAL
		ACCUMULATED PROFIT / (LOSS)	DEPOSIT FOR SHARES	
	-----Rupees-----			
Balance as at July 01, 2022	110,000,000	171,815,867	-	281,815,867
Deposit for shares	-	-	65,000,000	65,000,000
Total comprehensive loss for the year	-	(46,660,850)	-	(46,660,850)
Balance as at June 30, 2023	110,000,000	125,155,017	65,000,000	300,155,017
Balance as at July 01, 2023	110,000,000	125,155,017	65,000,000	300,155,017
Deposit for shares	-	-	12,000,000	12,000,000
Shares Allotment	77,000,000		(77,000,000)	-
Total comprehensive loss for the year	-	21,477,900	-	21,477,900
Balance as at December 31, 2023	187,000,000	146,632,917	-	333,632,917

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



 DIRECTOR



ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-Audited)

1 The Company and its operations

The company was incorporated in Pakistan on May 05, 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 05, 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
Chakiala Branch	51-C 1st Floor, Aneeq Plaza Street 12, Commercial area Chakiala Scheme-III, Rawalpindi
Abbottabad Branch	01, 2nd Floor, Zaman Plaza, Near Ayub Teaching Hospital, Main Mansehra Road, Abbottabad
City Branch	201, 2nd Floor, Dubai Orakzai Plaza, Murree Road, Rawalpindi
Pindigheh Branch	Office No.1, Malik Saeed Market, Near Chief Chowk, Pindigheh
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	03, 1st Floor, Plot # 1315, NPF Housing Scheme PWD, Opposite Tehzeeb Bakers, 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.

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 functional currency.

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 affect 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.

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-Audited)

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 recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized 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. An 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 sell 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.

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.
Interest income is recognized on time apportionment basis when right is established.

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 recognized 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 after deducting the value of secured amounts.

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 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-Audited)

3.9 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, amortized 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.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

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 amortized 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 amortized cost are initially recognized at fair value, and subsequently carried at amortized 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. Realized and unrealized 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 recognize a financial liability at FVTPL, any charges 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.

Derecognition

i) Financial assets

The Company derecognizes 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 amortized cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognized in profit or loss.

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-Audited)

ii) Financial liabilities

The Company derecognizes 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 derecognized and the consideration paid and payable, including any noncash assets transferred or liabilities assumed, is recognized 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											
Year ended June 30, 2023											
Opening Net Book Value	5,79,441	19,3,132	65,832	97,275	12,162	66,301	1,19,111	871	189,924	13,4,633	24,14,815
Additions	-	171,211	-	-	-	25,802	2,945,474	-	-	3,662,692	6,942,114
Depreciation Charge	(579,942)	(212,942)	(84,972)	(8,191)	(1,824)	(66,946)	(662,111)	(147)	(32,236)	(2,041,121)	(4,195,627)
Disposal	-	-	-	-	-	-	-	-	-	(8,794,721)	(8,794,721)
Adjustment	-	-	-	-	-	-	-	-	-	1,327,665	1,327,665
Net Book Value	5,79,502	1,83,528	60,860	62,085	10,338	60,256	3,198,111	824	157,688	(5,362,261)	2,158,894
As at June 30, 2023											
Cost	9,78,938	4,29,238	1,26,591	1,01,941	1,07,925	1,92,447	7,146,111	9,122	34,123	12,69,898	24,69,134
Accumulated depreciation	(4,01,436)	(2,45,710)	(65,731)	(39,856)	(97,587)	(1,32,191)	(3,947,997)	(8,298)	(18,435)	(11,711,211)	(19,922,247)
Net book value	5,79,502	1,83,528	60,860	62,085	10,338	60,256	3,198,111	824	157,688	(5,362,261)	2,158,894
Half Year ended December 31, 2023											
Opening Net Book Value	5,79,502	1,83,528	60,860	62,085	10,338	60,256	3,198,111	824	157,688	(5,362,261)	2,158,894
Additions	(2,264,921)	(60,838)	(82,322)	(103,752)	(198,323)	(629,746)	(4,429,111)	(18,322)	(229,178)	(2,098,204)	(15,363,537)
Depreciation Charge	(602,598)	(153,624)	(47,362)	(13,406)	(779,111)	(47,823)	(947,111)	(62)	(119,827)	(779,827)	(3,147,263)
Disposal	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-	-
Net Book Value	16,721,803	2,249,742	1,11,276	49,178	1,562	694,201	1,662,111	766	137,861	(9,623,094)	22,692,213
As at December 31, 2023											
Cost	21,131,821	4,889,938	1,266,961	1,01,941	1,07,925	1,279,095	8,711,111	19,122	34,123	12,698,898	49,672,862
Accumulated depreciation	(4,410,020)	(2,640,196)	(1,155,685)	(103,752)	(198,323)	(629,746)	(4,429,111)	(18,322)	(229,178)	(2,098,204)	(15,363,537)
Net book value	16,721,803	2,249,742	1,11,276	49,178	1,562	694,201	1,662,111	766	137,861	(9,623,094)	22,692,213
Rate of depreciation	10%	10%	10%	10%	10%	10%	30%	10%	10%	10%	

5 Long term deposits

Security deposits with
National Clearing Company of Pakistan Limited
Pakistan Stock Exchange Limited
Mobile phones

	31.12.2023 Rupees	2023 Rupees
Note		
	1,200,000	1,200,000
	200,000	200,000
	20,000	20,000
	1,420,000	1,420,000

6 Long term investment

Trading right entitlement share holders

6.1	62,391,438	62,391,438
	62,391,438	62,391,438

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-Audited)

- 6.1 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. 30.745 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 20.56/share(2022: 17.46/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. The related deferred tax has not been provided on unrealized gain since the market value taken here is break up value as per accounts of investee and its real market value is not available however some recent transactions these shares privately have been made at below cost.

	Note	31.12.2023	2023
		Rupees	Rupees
7 Intangible assets			
Membership card	7.1	2,500,000	2,500,000
		<u>2,500,000</u>	<u>2,500,000</u>

- 7.1 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.

	Note	31.12.2023	2023
		Rupees	Rupees
8 Deferred tax asset/(liability)			
Tax credits		912,110	912,110
Provision for bad debt		4,123,944	4,123,944
Property and equipment - liability		(112,261)	(112,261)
Tax losses		15,499,466	15,499,466
		<u>20,423,258</u>	<u>20,423,258</u>

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

	Note	31.12.2023	2023
		Rupees	Rupees
9 Short term investment			
Financial assets at fair value through profit or loss			
Investment in quoted equity securities		181,863,160	132,999,598
		<u>181,863,160</u>	<u>132,999,598</u>

	Note	31.12.2023	2023
		Rupees	Rupees
10 Trade receivables			
Trade debts		198,319,356	179,230,285
Less: Provision for bad debts	10.1	(14,220,495)	(14,220,495)
		<u>184,098,861</u>	<u>165,009,790</u>

	Note	31.12.2023	2023
		Rupees	Rupees
10.1 Movement in provision for bad debts			
Balance at beginning of the year		14,220,495	14,220,608
Charged during the year		-	(313)
Balance at end of year		<u>14,220,495</u>	<u>14,220,495</u>

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-Audited)

	31.12.2023	2023
	Rupees	Rupees
11 Advances	Note	
Advances - unsecured & considered good		
To staff against salary	20,796,004	6,339,152
Advance for purchase of building	28,140,000	29,440,000
Advance for Tradelinks	1,047,350	-
	<u>49,983,354</u>	<u>35,779,152</u>
12 Deposits and other receivables		
Deposits		
Withholding income taxes	4,165,632	2,856,371
Security deposit	460,000	460,000
Margin deposit - Pakistan Stock Exchange Limited	30,142,149	6,306,360
Security deposit - Central Depository Company of Pakistan	75,000	75,000
Security deposit - Pakistan Mercantile Exchange	750,000	750,000
Clearing Deposit with PMEX	6,879,428	1,606,916
	<u>42,472,208</u>	<u>12,054,647</u>
Other receivables		
Due from National Clearing Company of Pakistan Limited	12,108,569	2,287,088
Other receivable	7,373	241,765
	<u>12,115,942</u>	<u>2,528,872</u>
	<u>54,588,151</u>	<u>14,583,519</u>
13 Cash and bank balances		
Cash in hand	1,102,204	2,808,353
Cash at bank - current accounts	232,625,866	100,633,613
	<u>233,728,071</u>	<u>103,441,967</u>
14 Share capital and reserves		
Authorized		
2,000,000 ordinary shares of Rs. 100/- each	200,000,000	110,000,000
Issued, subscribed, and paid up		
1,870,000 ordinary shares of Rs. 100/- each in cash	187,000,000	110,000,000
	<u>187,000,000</u>	<u>110,000,000</u>
15 Accrued and other liabilities		
Trade payables	265,421,756	96,848,880
Other Liabilities	849,899	1,088,116
Sales tax / FED payable	3,268,460	403,675
Commission payable	3,275,631	2,804,234
Audit fee payable	300,000	300,000
Unclaimed dividend	7,598,599	7,654,486
Security Payable	70,000	-
Withholding tax payable	321,143	230,314
	<u>281,105,489</u>	<u>109,329,705</u>

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-Audited)

	Note	31.12.2023 Rupees	2023 Rupees
16 Accrued interest		3,832,674	4,123,127
MCB Bank Limited		4,505,752	7,111,904
JS bank		8,338,426	11,235,031
17 Short term bank borrowings			
Muslim Commercial Bank Limited	17.1	67,087,940	53,721,738
JS bank Limited	17.2	134,481,786	84,545,494
		201,569,726	138,267,232

- 17.1** The facility with MCB Bank Limited is available to the tune of Rs. 10 million (2022 : 10 million) against Shares running finance-1(RF-I)
 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

The facility with MCB Bank Limited is available to the tune of Rs. 75 million (2022 : 75 million) against the running finance (RF - II)
 RF - II
 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;
- Collateral: Registered mortgage of Rs 0.1 million and rest through equitable mortgage of residential property plot no 07 & 09, Street 13 Sector C, DHA, phase 1, Islamabad 1533 02 sq. yard as per site. Although entire area is mortgaged but 1000 sq yards will be considered for collateral coverage.

- 17.2** Following Facilities is available from JS Bank:
 The Running facility (RF-I) is available to the tune of Rs. 100 million (2022 : 100 million) against JS bank RF at the markup of

SMR(3 months Kibor + 550 bps)
 TMPR (3 month Kibor + 250 bps)

These facilities are secured by way of:

- Pledge of shares with minimum 35% margin on shares to be governed by the JSBL Iss: 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

The Running facility (RF-II) is available to the tune of Rs. 100 million (2022 : 100 million) as per approved margin against JS bank RF at the markup of

SMR(3 months Kibor + 575 bps)
 TMPR (3 month Kibor + 275 bps)

These facilities are secured by way of:

- TRM of Rs 100,000/ & remaining through EM over commercial property located at Office no 803, 8th floor, Plot No 55-B known as Islamabad stock exchange tower(ISE), Jinnah Avenue, Blue Area, Islamabad
- Personal guarantees of the directors along with PNWS.

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-Audited)

	Note	31.12.2023 Rupees	2023 Rupees
18 Provision for Taxation			
Opening provision		1,398,594	3,377,702
Tax expense during the year		-	1,019,016
Adjusted against advance tax/paid		(1,398,594)	(2,996,124)
Closing provision		-	1,398,594
19 Contingencies and commitments			
Contingencies:			
There are no contingencies as at year end			
Commitments:			
Currently there are no commitments against the company in foreseeable future.			
	Note	31.12.2023 Rupees	2023 Rupees
20 Revenue			
Securities brokerage		62,442,398	59,620,112
Dividend		3,809,140	4,101,483
IPO commission		778	200
Commodity brokerage		13,600,991	4,745,018
Profit on Margin Deposit		1,050,413	2,264,088
		<u>80,903,720</u>	<u>70,730,901</u>
21 Un realized gain on remeasurement of investments at fair value-through profit or loss			
Quoted Securities		2,886,783	8,963,288
Unquoted Securities		-	5,401,593
		<u>2,886,783</u>	<u>14,364,880</u>
21.1 Quoted Securities			
Market value of investment in shares(Quoted Securities)		181,863,160	132,999,598
Less: Cost of investment		(178,976,377)	(124,036,310)
		<u>2,886,783</u>	<u>8,963,288</u>
21.2 Un quoted Securities			
Market value of investment in shares		-	62,391,438
Less: Cost of investment		-	(56,989,845)
		<u>-</u>	<u>5,401,593</u>
22 Direct Expenses			
Staff salaries and benefits		17,243,300	30,337,071
Commission		8,049,902	22,430,958
Directors' remuneration		2,062,504	4,039,063
Investor protection fund		13,750	10,287
Central Depository Company expense		1,610,438	2,794,294
ISEL/SELNCCPL trading fee		2,899,213	2,303,178
Depreciation		2,141,290	4,105,827
Utilities - Internet		532,840	910,904
Utilities - Telephone		600,175	1,092,605
		<u>35,153,412</u>	<u>68,024,187</u>

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-Audited)

	31.12.2023	2023
Note	Rupees	Rupees
23 Operating expenses		
Utilities - Other	2,765,109	3,709,444
Rents, Rates & Taxes	3,642,726	6,030,822
Entertainment	1,813,259	2,255,239
Fee and subscription	1,706,595	2,382,949
Miscellaneous	334,395	1,143,369
Printing and stationary	196,250	295,111
Postage and telegram	73,287	144,133
Travelling & Conveyance	391,291	450,140
Office repair and maintenance	571,636	315,577
Audit fee		300,000
Software expenses	611,339	289,472
Newspapers and periodicals	43,800	65,331
Legal and professional charges	160,000	34,000
Vehicle running and maintenance	1,130,962	2,236,930
Welfare Committee	42,000	98,500
Advertisement	266,850	1,178,664
Insurance	188,197	272,396
Provision for bad debts	-	(313)
	<u>13,937,696</u>	<u>21,201,764</u>
24 Financial charges		
Markup on running finance facility	20,149,003	37,969,650
Bank charges	74,397	237,879
	<u>20,223,400</u>	<u>38,207,529</u>
25 Other income		
Markup on delayed car delivery	-	-
Rental Income	210,000	210,000
Profit on debt	10,906,448	1,381,350
Gain on disposal of fixed assets	-	354,154
	<u>11,116,448</u>	<u>1,945,505</u>
26 Taxation		
Current tax		1,398,594
Prior year	(177)	(379,578)
Deferred		(15,726,783)
	<u>(177)</u>	<u>14,707,767</u>

26.1 The dividend income and capital gain falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001. Provision for income tax is made accordingly. Further, provision against income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001.

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

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-Audited)

27 Financial instruments and related disclosures

27.1 Financial assets as per statement of financial position

	At Amortized Cost		At Fair Value Through Profit & Loss	
	31.12.2023	2023	31.12.2023	2023
Long term deposits	1,420,000	1,420,000	-	-
Short term deposits	-	-	181,853,160	132,995,558
Long term investments	-	-	62,391,438	62,391,438
Trade debts	184,098,861	163,009,740	-	-
Deposits, prepayments and other receivables	50,422,519	11,727,145	-	-
Cash and bank balances	233,728,071	103,441,917	-	-
Loans and advances	20,795,004	3,339,112	-	-
	490,465,455	591,850,118	244,254,598	462,067,732

27.2 Financial liabilities as per statement of financial position

	At Amortized Cost		At Fair Value Through Profit & Loss	
	31.12.2023	2023	31.12.2023	2023
Trade payables	203,421,756	55,848,611	-	-
Short term bank borrowings	201,569,726	139,267,211	-	-
Accrued and other liabilities	24,022,189	23,715,811	-	-
Provision for taxation	-	1,398,511	-	-
	429,013,671	520,230,143	-	-

	Note	31.12.2023	2023
		Rupees	Rupees
28 Capital Adequacy Level			
Total Assets		824,646,557	560,385,579
Less: Total Liabilities		(491,013,641)	(260,230,562)
Less: Revaluation reserves (created upon revaluation of fixed assets)		-	-
		333,632,917	300,155,017

Note:-

While determining the Value of total assets of the TREC Holder, Notional Value of the TREC Certificate held by the Zahid Latif Khan Securities (Pvt.) Ltd as determined by Pakistan Stock Exchange has been considered.

29 Information required by regulation 34 of Securities Broker Regulations	31.12.2023	2023
	Rupees	Rupees
a) Customer shares in the central depository system	203,239,797	194,765,699
Customer's cash in bank account - PKR	232,151,669	92,165,645
b) Securities pledged with financial institutions-customer	-	1,291,600
Securities pledged with financial institutions-house	5,717,743	5,650,181
c) Income from dividends	3,809,140	4,101,483
d) Pattern of shares:		
Zahid Latif Khan (CEO/Director)	1,869,000	1,099,000
Ajmal Sultan (Director)	500	500
Muhammad Atif Khan (Director)	500	500
Total no of shares	1,870,000	1,100,000
e) Changes in shareholding - Shares Issued to Zahid Latif Khan		
f) Trade and other receivables are stated at estimated realizable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the statement of profit or loss		
g) Aging analysis of amount due from customers		
Due not more than 5 days - PKR	16,388,797	5,301,327
Due more than 5 days - PKR	181,930,559	173,928,958

ZAHID LATIF KHAN SECURITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE HALF YEAR ENDED DECEMBER 31, 2023 (Un-Audited)

30 Remuneration of Chief Executive Officer and Director
 31.12.2023

	31.12.2023			2023		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	Rupees					
Managerial remuneration	-	2,062,504	-	-	4,030,063	4,609,583
Bonus	-	-	-	-	257,812	-
Commission	8,049,902	-	-	22,410,958	-	-
	<u>8,049,902</u>	<u>2,062,504</u>	<u>-</u>	<u>84,510,517</u>	<u>4,296,875</u>	<u>4,609,583</u>
Number of person	<u>1</u>	<u>2</u>	<u>3</u>	<u>1</u>	<u>2</u>	<u>8</u>

31 General

Figures have been rounded off to the nearest rupee



 DIRECTOR

