



# Annual Audit Report | **2023-2024**

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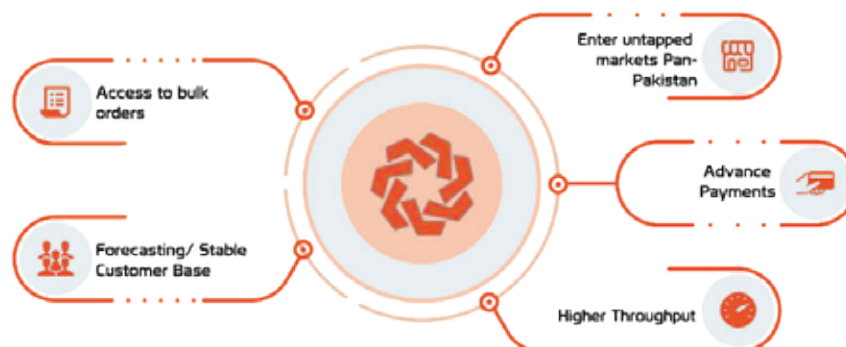
About :



Our Commodities :



Why Suppliers Choose Us



## Why Customers Choose us :

One Stop Digital Solution

Stable Supply Chain

Access to Financing

Faster logistics

Storage

Discounts/ Deals & Promotions

Data & Analytics

Quality Assurance

## Our Customer Base



## Our Cutting-Edge Technology :



**20 years + commodities data**



**Inbuilt AI & ML functionalities**



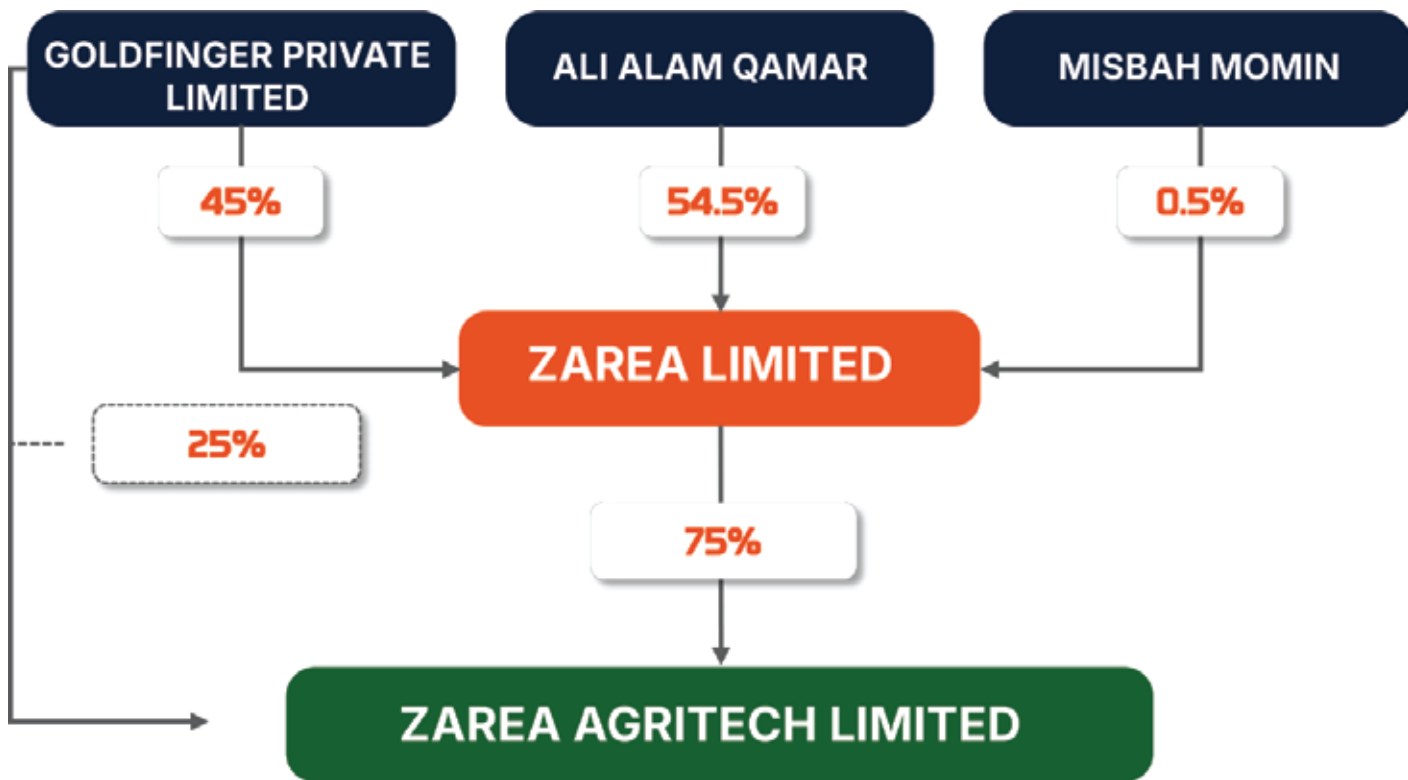
**Live Order Tracking**



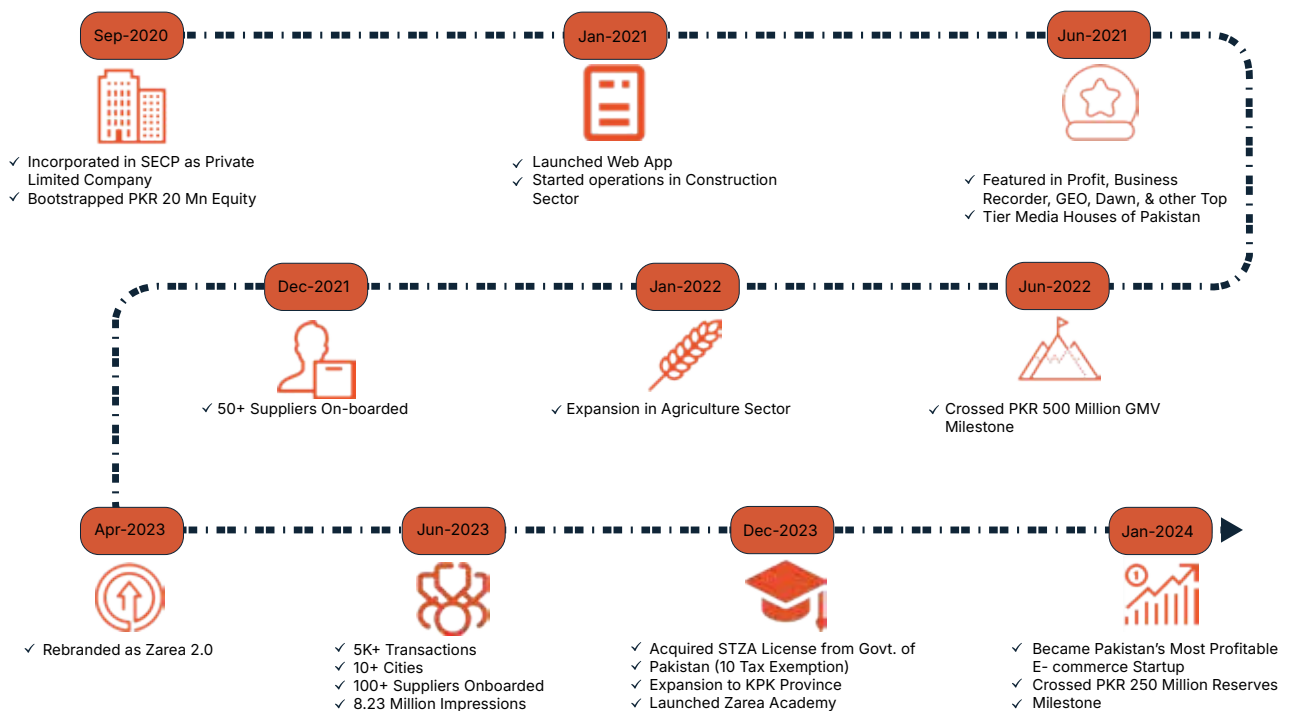
**Digital User Dashboards**



## Our Share Holding Structure :



## Our Journey and Milestone Achieved :



# Commodities:

**AI-generated Commodity Trading Insights**  
Zarea's platform leverages cutting-edge AI for real-time market analysis, predicting price movements and identifying lucrative trading opportunities, helping traders make informed decisions and maximize returns.

**20+ Commodities**  
The platform offers daily live prices for over 20 commodities, real-time market trends, and 20 years of historical data for analytics. Users can compare commodities, shop by brand or city, and access AI-based price forecasting and daily market news updates.

**Daily Market News Updates**  
Stay ahead with Zarea Platform's Daily Market News Updates, providing real-time, comprehensive coverage on global markets. Receive timely updates on trends, economic events, and key financial developments to make informed decisions and stay competitive in commodity trading.

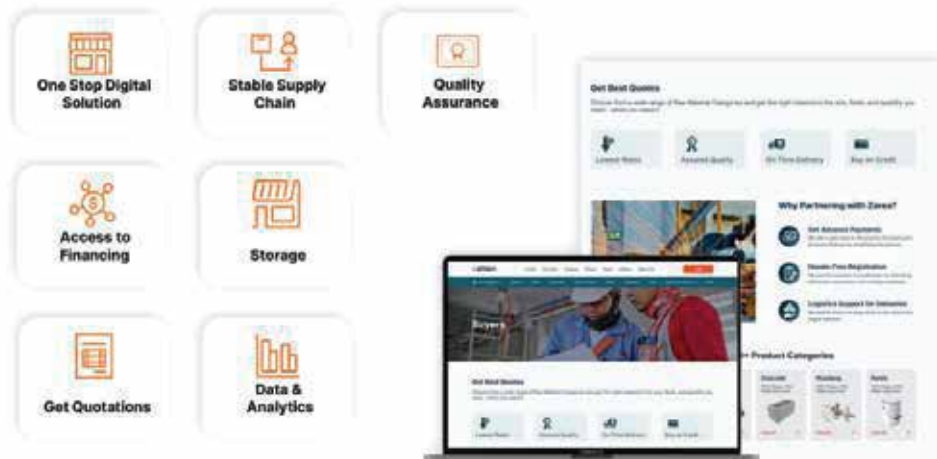


## SERVICES



Zarea offers a diverse range of services to cater to various business needs. Their logistics and warehousing solutions ensure efficient storage and distribution of goods. They provide automated credit scoring and approval services, utilizing AI-based technology for accurate and swift financial assessments. Additionally, Zarea handles import and export operations, facilitating smooth international trade. They also specialize in data and analytics, offering insights and strategic information to help businesses make informed decisions.

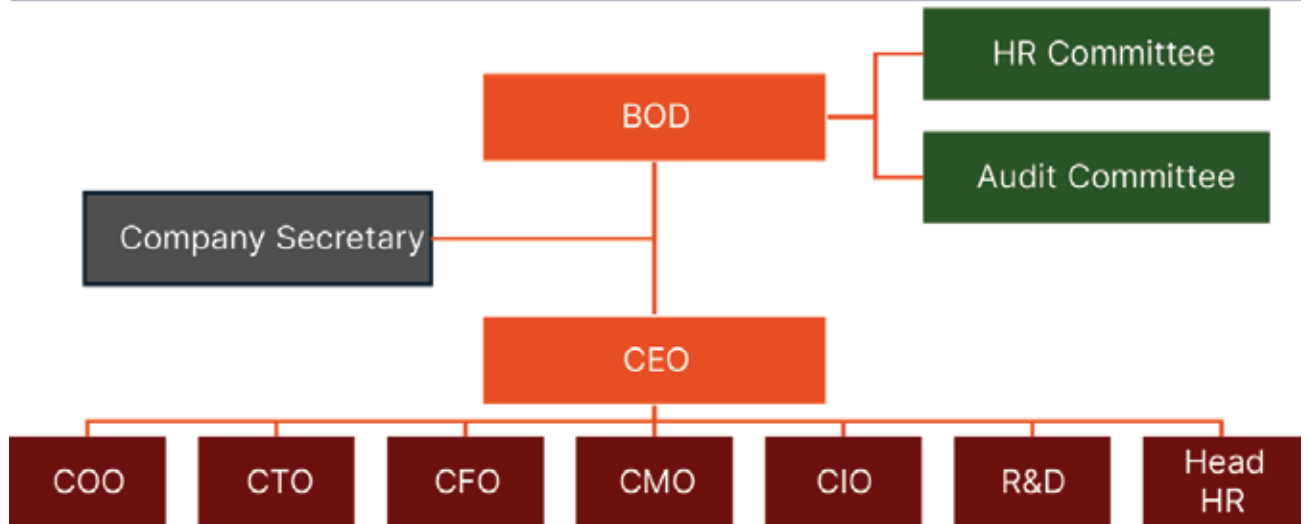
## FOR BUYERS



# Technology

- 20 Years + Commodities Data
- Inbuilt AI & ML functionalities
- Digital User Dashboards for Buyers
- Digital User Dashboards for Suppliers
- Cuttingedge, modern UI focused on B2B
- End-to-end thirdparty integrations
- Whatsapp Login Via OTP
- Site Map
- FAQ's
- Live Order Tracking
- 24/7 Customer Support
- Multiple Digital Payments channels & COD
- Online Cart & Check-out

## CURRENT HIERARCHY



- Management
- Operations
- Sales & Marketing
- Accounts & Finance
- Supply Chain
- Technology

# SWOT Analysis





# PASTEL Analysis

01



## Political

The construction industry in Pakistan is influenced by government policies related to infrastructure development & construction projects. Changes in policies may impact demand for construction materials.

02



## Economic

The overall economic stability of Pakistan affects consumer purchasing power. Economic fluctuations may impact the demand for construction materials and, consequently, Zarea.pk's sales.

03



## Social

Understanding and adapting to changing consumer preferences in construction materials is essential for Zarea.pk to stay competitive.

04



## Technological

Dependence on a robust digital infrastructure is critical for Zarea.pk's online platform. Any issues with internet connectivity or technology infrastructure may impact the business.

05



## Environmental

Increasing awareness of environmental issues may drive demand for sustainable & eco-friendly construction materials. Zarea.pk should consider incorporating environmentally friendly options in its product portfolio.

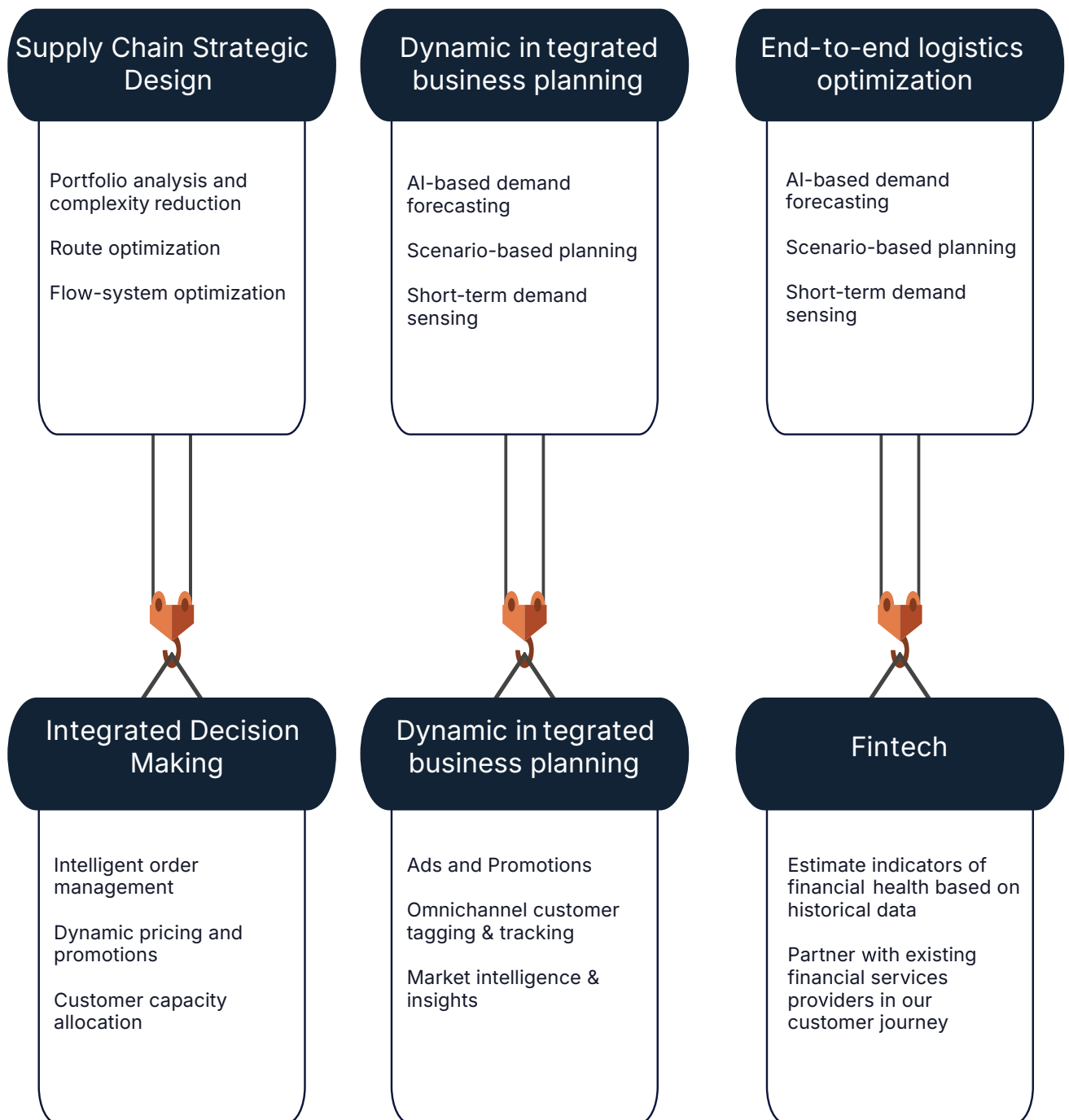
06



## Legal

Adherence to labor laws and regulations in the construction sector is essential. Any changes in labor laws may impact costs and operational efficiency for Zarea.pk.

# Our Proprietary Supply Chain Engine



## Company Information

### Board Of Directors

#### Chairperson / Director

Mrs. Misbah Momin

#### C.E.O / Director

Mr. Ali Alam Qamar

#### Independent Director

Mr. Sohail Wajahat Siddiqui

#### Independent Director

Mr. Muhammad Afzal Chaudhry

#### Director

Mr Juneid Akram

#### Director

Mr. Nouman ul Hassan

#### Director

Mrs. Meezan Fahd Mukhtar

Chief Financial Officer

Muhammad Usman Ameer

Company Secretary

Syed Muhammad Akram

Company Registration

0158011

Company National Tax Number

8379488

Head Office

Zarea Limited, Delta 6 Office  
No. 6011, NASTP, Abid Majeed  
Road Lahore Cantt.

Other Offices

Zarea Limited, Pak Austria  
Fachhochschule: Institute of  
Applied Science and Technology  
(Special Technology Zone),  
Mang, Haripur.

Auditors

Naveed Zafar Ashfaq Jaffery & Co.

Legal Counsel

Mohsin Tayebaly & Co.

Share registrar

THK Associates (Pvt.) Limited

Bankers

Meezan Bank, Al- Falah Bank, UBL

# Board Of Directors



## Misbah Momin (Chairperson)



Misbah Momin is an entrepreneur, philanthropist, and social activist. She is the President of Misbah Momin Foundation and MM Talks, and Editor-in-Chief of Mindful Magazine. She has experience in communications and business development with Bonds Travel Bureau and Flying Group of Companies. Misbah is a core member of the CARE Foundation and has served on the National Commission on the Status of Women (NCSW) in Pakistan.



## Ali Alam Qamar (CEO\Director)



Ali brings expertise in operations, supply chain management, and finance. He secured \$100 million for a 7,700 tons/day cement line at Flying Cement, expanded sales to two provinces, and served 2,500 clients. Ali also created a local coal supply chain, delivering 600 million tons daily.



## Sohail Wajahat Siddiqui (Director)



A prominent corporate leader and former Federal Minister for Petroleum and Natural Resources, he significantly increased order intake, share price, and dividends as MD of Siemens Pakistan. With 30+ years in the energy sector, he restructured PSO, saving millions. Holder of a master's in Electronics Engineering and the Sitara-e-Imtiaz award, he developed a respected energy plan saving billions. He also served as Chapter Chair of YPO/YPO Gold and President of OICCI and MAP.



## M. Afzal Chaudhry (Director)



He holds a Postgraduate degree in Economics from Punjab University and a Diploma in Banking with "Role of Honour" from the Institute of Bankers, Pakistan. With a 43-year banking career, he worked at UBL, Commercial Bank of Oman, First Women Bank, and Silk Bank. He served as Chief of Special Assets Management, Senior Credit Officer, Deputy General Manager, and Regional Head, gaining extensive experience in commercial, corporate, industrial, and banking sectors.



## Nouman Ul Hassan (Director)



Nouman ul Hassan brings over 10 years of extensive experience in software development and digital marketing to our company. He has honed his skills in reputable organizations such as IBEX and has established himself as a top-rated professional on platforms like Upwork and Fiverr. His proficiency spans a diverse range of technical and strategic areas. He is adept at leveraging cutting-edge technologies to develop robust software solutions and has a deep understanding of digital marketing dynamics.



## Juneid Akram (Non-Executive Director)



Juneid Akram is a seasoned leader and ex-bureaucrat with over 30 years of experience in Pakistan's Federal Board of Revenue (FBR), where he played a pivotal role in tax administration and customs operations. As Director General, he led key initiatives in policy implementation, tax collection and customs enforcement. As Collector of Customs at Port Qasim, Karachi, and Director of Intelligence and Investigation in Lahore, Juneid was instrumental in significantly increasing national revenue. His contributions to national projects like the Sales Tax Automated Refund Repository (STARR) and the Pakistan Automated Customs Clearance System (PACCS) modernized the country's tax and customs operations. Post-retirement, Juneid transitioned into the private sector. His deep expertise in risk management, strategic planning, and organizational transformation brings strong oversight and valuable insights to the board.



## Meezan Fahd Mukhtar (Director)



Meezan holds a Bachelor of Arts and Sciences from the prestigious School of Oriental and African Studies (SOAS), University of London. She is a dynamic entrepreneur in the fashion industry, bringing innovative ideas and a keen sense of style to her ventures. With a strong academic background and a passion for creativity, Meezan has successfully established herself as a prominent figure in the fashion world. She is married to Fahd Mukhtar, sponsor and director of Fatima Group

# CEO's Review

## Dear Shareholders

I am honored to address you in this annual report as we reflect on remarkable another year at Zarea limited through its E-commerce Platform" Zarea.pk", a leading player in the dynamic landscape of e-commerce for construction materials. As we navigate the challenges of the global market, I am pleased to report that our commitment to innovation, efficiency, and customer satisfaction has positioned us for continued success.

In the ever-evolving world of e-commerce, our company has remained at the forefront of the construction materials industry, providing a seamless platform for the procurement of essential items such as cement, steel, wires, and sand. The past year has been a testament to our resilience and adaptability, with robust growth in both revenue and market share.

Our success is driven by a relentless focus on customer needs. We understand the critical role construction materials play in the development of infrastructure and the success of projects. Therefore, we have continued to invest in enhancing our platform, ensuring a user-friendly experience, and expanding our product offerings to meet the diverse requirements of our valued customers

Innovation has been a cornerstone of our strategy. Our state of the art technology platform has not only streamlined the purchasing process but has also allowed us to offer personalized solutions, ensuring that our customers have access to the right materials at the right time. From sourcing to delivery, we are committed to leveraging technology to create efficiencies across the supply chain.

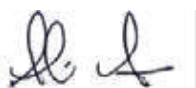
Sustainability remains a key focus for Zarea limited. We recognize our responsibility to contribute to a more sustainable future for the construction industry. In the past year, we have intensified our efforts to source environmentally friendly materials, reduce our carbon footprint, and promote responsible practices throughout our network.

Our partnerships with suppliers and stakeholders continue to strengthen, fostering a collaborative ecosystem that benefits everyone involved. We extend our gratitude to our dedicated team, whose hard work and commitment have been instrumental in achieving the milestones we celebrate today. Looking ahead, we are optimistic about the opportunities that lie before us. The construction industry is evolving, and Zarea limited is well positioned to lead the way. We will continue to invest in technology, expand our product offerings, and explore new avenues for growth. As we pursue these goals, we remain steadfast in our commitment to delivering value to our shareholders, customers, and the communities we serve.

I want to express my sincere appreciation to our shareholders for their continued trust and support. Together, we will build on the successes of the past and create a future that is not only prosperous for Zarea limited but also contributes to the advancement of the construction industry as a whole.

Thank you for being part of our journey.

Sincerely,



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Ali Alam Qamar  
CEO, Zarea limited

# DIRECTOR'S REPORT

## Dear Shareholders,

On behalf of the Board of Directors of Zarea Limited, we are pleased to present the annual audited financial statements and the Auditor's Report for the year ended June 30, 2024.

## UNCONSOLIDATED RESULTS

The year under review reflects strong growth, with the company achieving a net profit before tax of Rs. 291,786,145, compared to Rs. 103,676,968 in the corresponding year. This represents a significant increase in net profit margin from 69% to 281.44%, driven primarily by a substantial rise in sales.

## FINANCIAL HIGHLIGHTS

Description	2024 (Rs.)	2023 (Rs.)
Profit from Operations	281,060,855	114,912,232
Administrative and General Expenses	(24,740,049)	(5,200,902)
Selling and Distribution Expenses	(28,759,730)	(8,882,572)
Financial Charges	(79,577)	(70,133)
Other Income	64,204,646	2,918,342
Profit Before Tax	291,786,145	103,676,968
Taxation	1,024,940	(22,424,895)
Profit / (Loss) After Tax	292,711,085	81,252,073
Earnings Per Share	3.99	40.63

## BUSINESS REVIEW

In a challenging business environment, the Financial Year 2023-2024 was another year of strong performance with sales of Rs. 281.06 million. The after-tax profit was Rs. 292.71 million. The Directors and Management closely monitored the performance with a focus on continuous improvements in trading and efficiency.

## KEY ACHIEVEMENTS

During the year, 2024, Zarea has following key achievements.

### **Expansion of Product Offerings and Geographic Reach:**

Zarea expanded its presence across various cities, increasing its supplier network and diversifying its product offerings to include Industrial, Agricultural and Energy related commodities.

### **Sustainability and Renewable Energy Initiatives:**

Zarea introduced solar products promoting energy-efficient solutions in line with sustainable development.

### **Financial Performance:**

Despite a challenging economic environment, Zarea delivered strong financial performance, with revenue growth of 144% driven by increased sales in customer retention and user acquisition.

### **Innovation in Technology and Customer Experience:**

We invested in new technologies aimed at improving customer experience, including enhanced supply chain management systems, and faster order processing. These investments have resulted in reduction in order fulfillment times and higher customer satisfaction ratings.

### **Acknowledgement**

The directors would like to express their appreciation for the hard work and dedication of all employees who have contributed to the company's success. We also extend our gratitude to our stakeholders for their continued trust and support.

### **Conclusion**

Zarea has once again demonstrated its ability to adapt, innovate, and thrive in a rapidly changing market. We remain committed to delivering value to our customers, shareholders, and partners, and we are confident that our strategic initiatives will drive continued success in the coming years.



---

Ali Alam Qamar  
CHIEF EXECUTIVE

For and on behalf of the Board  
Lahore  
Dated: 27 August, 2024



**Ratios and Analysis**  
For the Year ended 30 June 2024

**Horizontal and Vertical Analysis Statement of Financial Position**

Vertical analysis	2024	2023		2021
		-----Percentage (%)-----		
Property and equipments	4.1	5.0	4.7	7.0
Intangible Assets	3.5	1.7	0.7	1.4
Long term Security Deposits	0.4	-	-	-
Investment in Subsidiary	0.1	-	-	-
<b>Total Non-Current Assets</b>	<b>8.1</b>	<b>6.7</b>	<b>5.4</b>	<b>8.5</b>
Investments held for trading	11.2	14.7	24.0	59.7
Advances for Commodities	38.4	29.5	-	-
Trade and Other receivables	25.0	21.8	49.0	9.4
Advances & Prepayments	2.4	-	0.3	6.5
Cash and bank balances	14.8	27.3	21.3	15.9
<b>Total Current Asstes</b>	<b>91.9</b>	<b>93.3</b>	<b>94.6</b>	<b>91.5</b>
<b>Total Assets</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Equities and Liabilities</b>				
Share Capital	31.8	8.1	15.1	29.8
Reserves	63.2	44.6	21.7	7.5
Loan from Sponsors/Shareholders	-	33.9	40.5	62.6
<b>Liabilities</b>				
Deferred tax Liability	-	0.4	0.4	0.0
Trade and Other Payables	5.1	13.1	22.3	0.0
<b>Total Equities and Liabilities</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Horizontal analysis</b>				
Property and equipments	211.5	195.6	127.6	100.0
Intangible Assets	511.8	475.7	90.0	100.0
Long term Security Deposits	100.0	-	-	-
Investment in Subsidiary	100.0	-	-	-
Investments held for trading	195.5	113.8	76.2	100.0
Advances for Commodities	332.2	100.0	-	-
Trade and Other receivables	293.5	82.8	992.5	100.0
Advances & Prepayments	100.0	-	8.4	100.0
Cash and bank balances	137.9	240.0	252.9	100.0
Share Capital	1,000.0	100.0	100.0	100.0
Reserves	361.8	383.7	569.0	100.0
Loan from Sponsors/Shareholders	-	156.1	127.4	100.0
Deferred tax Liability	-	201.4	164.63	100.0
Trade and Other Payables	98.8	109.0	1,216.72	100.0

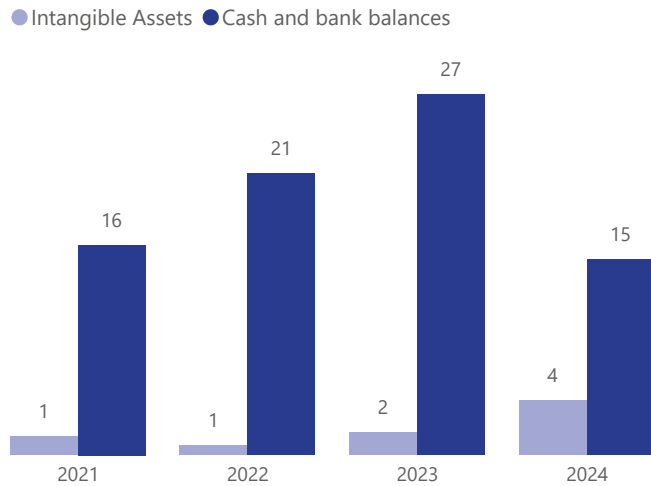
**Ratios and Analysis**  
**For the Year ended 30 June 2024**  
**Horizontal and Vertical Analysis Profit Or Loss Statement**

<b>Vertical analysis</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	-----Percentage (%)-----			
Platform Usage revenue	100.00	100.00	100.00	100.00
Administrative and General Expenses	(8.77)	(4.53)	(5.14)	(26.42)
Selling and Distribution Expenses	(10.23)	(7.73)	(12.11)	(12.82)
Investments Gain/(Loss)	22.84	2.54	(23.77)	(2.66)
Finance Costs	(0.03)	(0.06)	(0.00)	(0.11)
Other Income	-	-	0.49	-
Profit Before Taxation	103.82	90.22	59.46	58.00
Taxation	0.36	(19.51)	(16.03)	(15.16)
Profit After Taxation	104.18	70.71	43.43	42.83

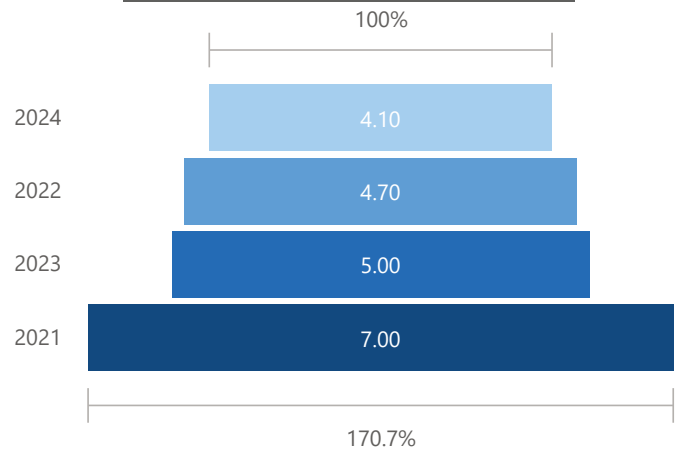
<b>Horizontal Analysis</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
		-----Percentage (%)-----		
Platform Usage revenue	244.59	211.40	462.51	100.00
Administrative and General Expenses	473.76	186.00	90.06	100.00
Selling and Distribution Expenses	323.78	134.95	436.84	100.00
Investments Gain/(Loss)	2,200.04	(22.59)	4,134.82	100.00
Finance Costs	113.47	8,260.66	6.74	100.00
Other Income	-	100.00	-	-
Profit Before Taxation	281.44	320.75	474.21	100.00
Taxation	(4.57)	257.32	488.99	100.00
Profit After Taxation	360.37	344.17	468.97	100.00

# Vertical Analysis

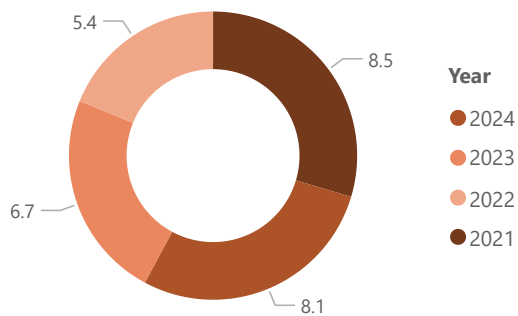
**Intangible Assets, Cash and bank balances by Year(%)**



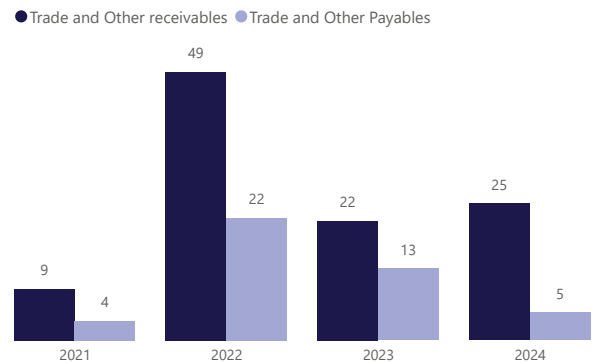
**Property and Equipments by Year(%)**



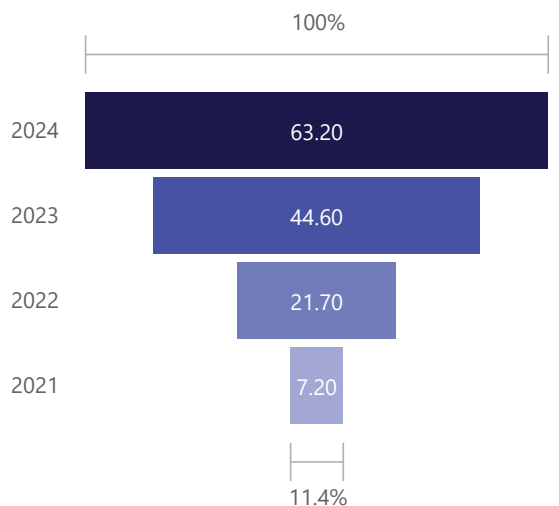
**Total Non-Current Assets by Year (%)**



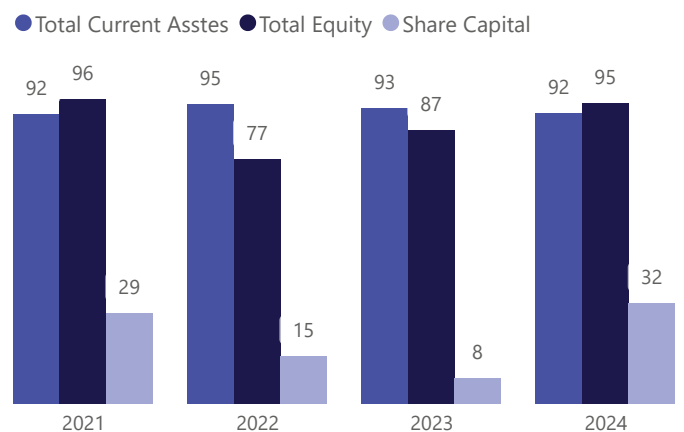
**Trade and Other receivables and Trade and Other Payables by Year (%)**



**Reserves by Year (%)**

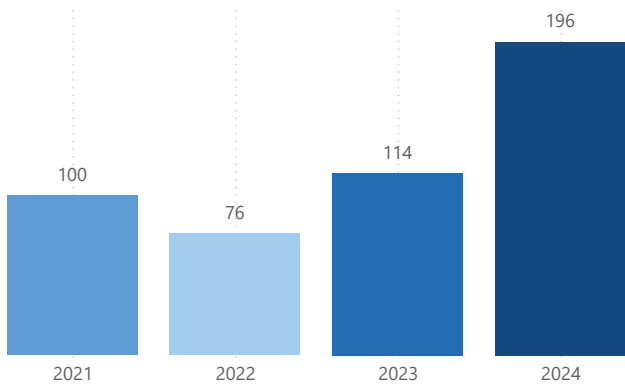


**Total Current Asstes, Total Equity and Share Capital by Year (%)**

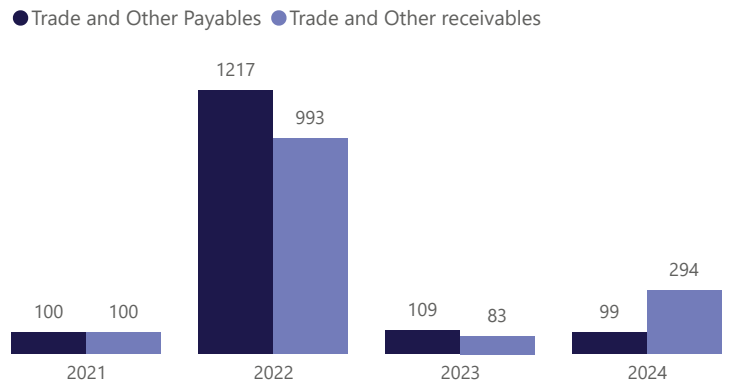


# Horizontal Analysis

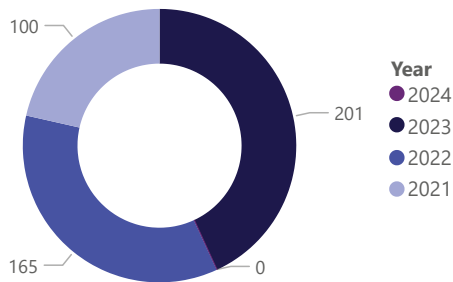
**Investments held for trading by Year (%)**



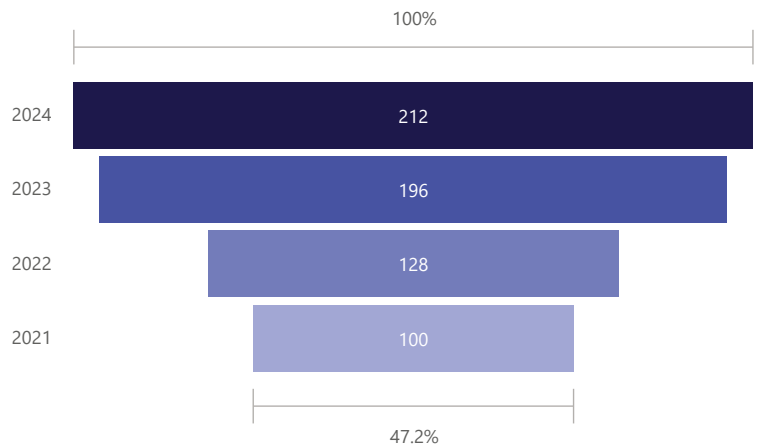
**Trade and Other Payables & Receivables with Year (%)**



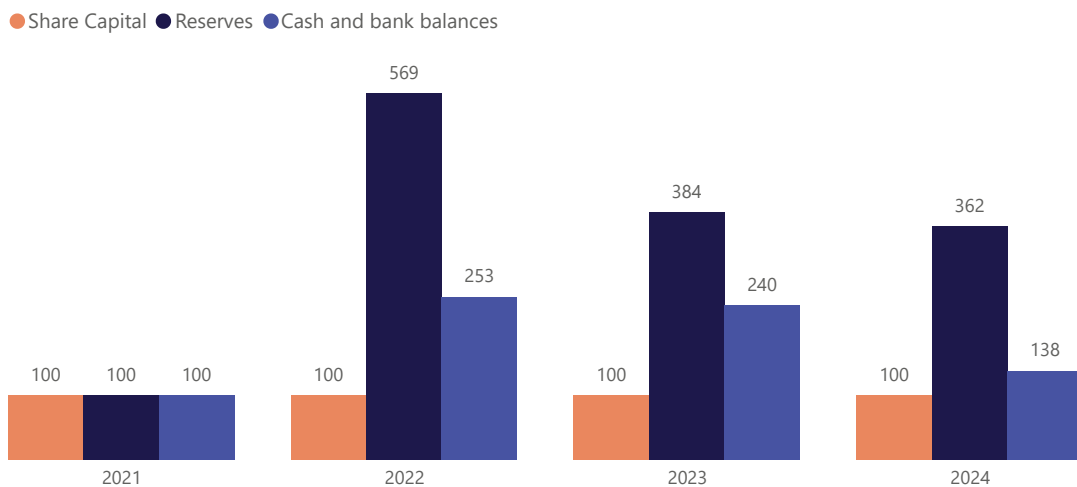
**Deferred tax Liabilities by Year (%)**



**Property and Equipments by Year (%)**



**Share Capital, Reserves and Cash and bank balances by Year (%)**



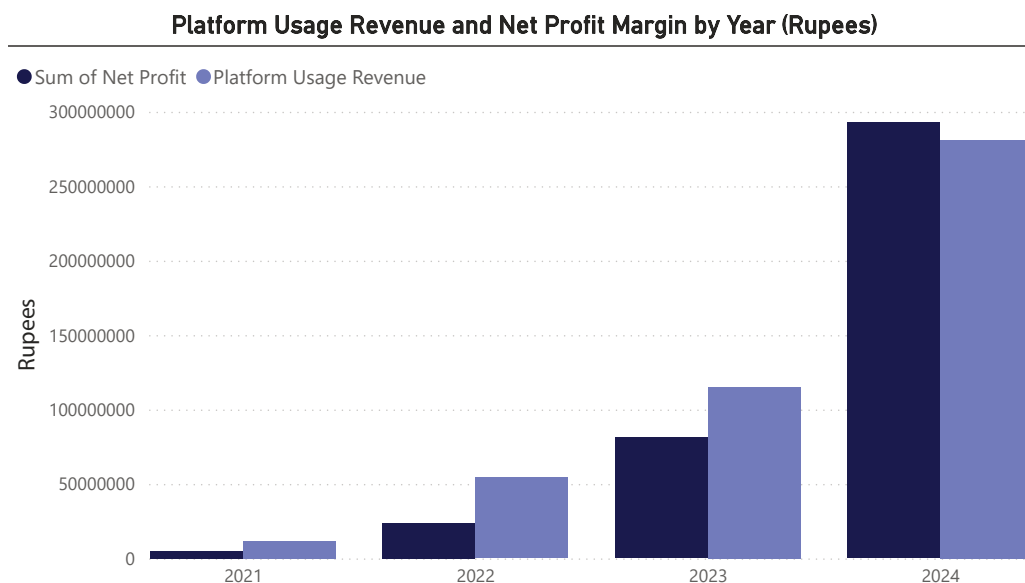
## Financial Ratio Analysis

### Revenue Vs Net Profit Growth

From 2021 to 2024, Zarea Ltd's platform usage revenue grew exponentially, increasing from 11.75 million PKR in 2021 to 281.06 million PKR in 2024. This reflects the company's successful scaling efforts, improved platform functionality, and expanding market presence.

Zarea Ltd's net profit followed a similar trend, rising dramatically from 5.03 million PKR in 2021 to 292.81 million PKR in 2024. This growth indicates that the company is not only increasing revenue but also efficiently managing its expenses, investing its funds in more profitable securities, leading to greater profitability.

	2024	2023	2022	2021
	-----Rupees-----			
Platform Usage Revenue	281,060,855	114,912,232	54,357,649	11,752,862
Net Profit	292,811,085	81,252,073	23,608,201	5,034,033



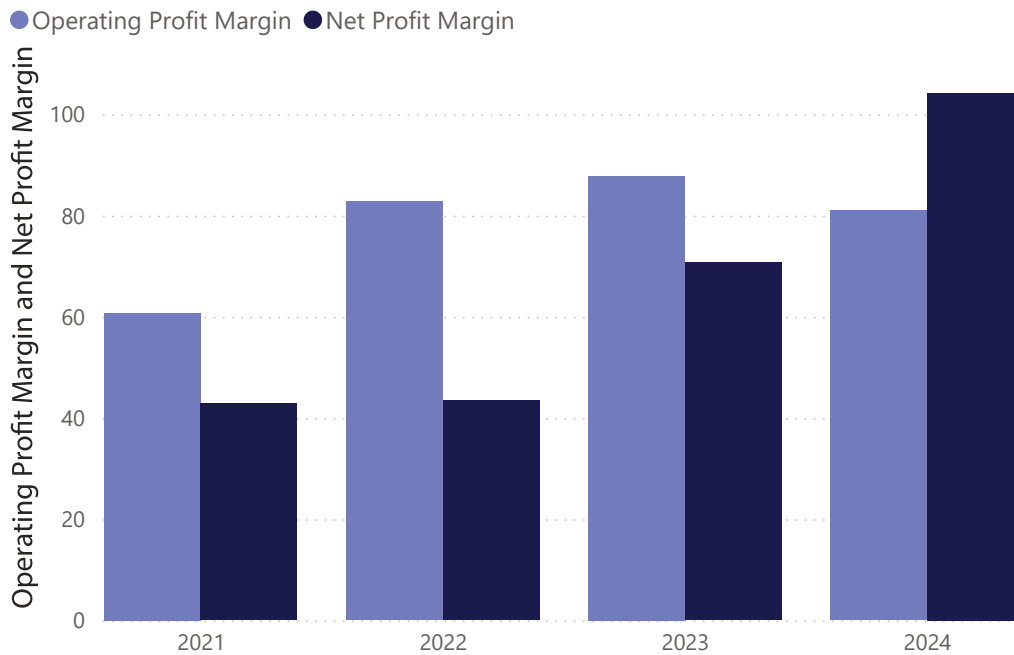
### Operating and Net Profit Margin

Zarea Ltd has shown excellent operational efficiency, with its operating profit margin improving consistently from 2021 to 2023. The slight dip in 2024 reflect increased costs and strategic investments, but the overall level remains high, indicating strong operational health.

The net profit margin has seen an even more pronounced increase, particularly in 2023 and 2024. The jump to 104.18% points to significant non-operational income, which zareas invested in different equity shares of other listed companies.

	2024	2023	2022	2021
	-----Percentage-----			
Operating Profit Margin	81.00	87.74	82.75	60.76
Net Profit Margin	104.18	70.71	43.43	42.83

## Operating and Net Profit Margin by Year (%)



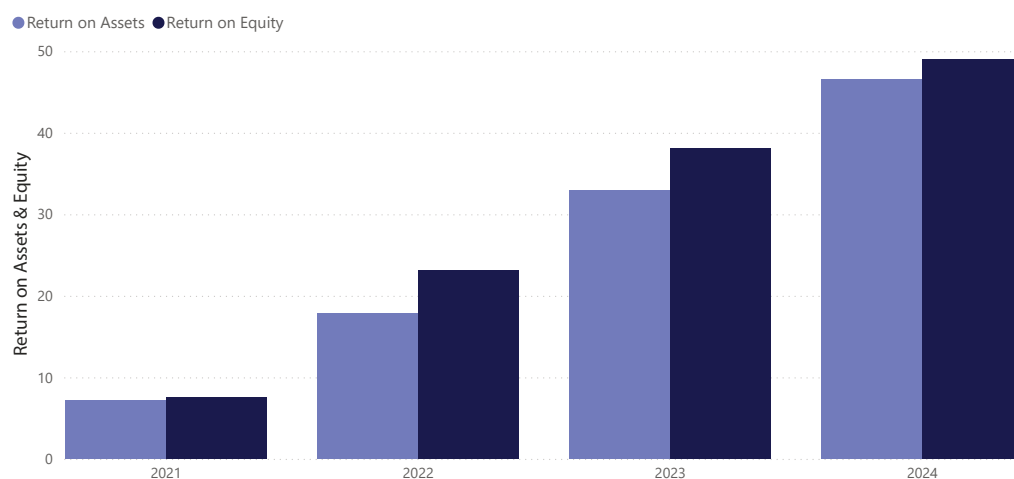
### Return on Assets & Equity

The Return on Assets (ROA) ratio measures how efficiently a company is using its assets to generate profit. Zarea Ltd has shown a strong upward trend in ROA from 2021 to 2024. This consistent improvement signals that the company is becoming increasingly efficient in its use of assets to generate profits, likely due to better operational management, increased sales, and strategic

The ROA reaching 46.52% in 2024 is a remarkable achievement, indicating the company is using its assets extremely well to maximize profits. This high ROA might also suggest that Zarea Ltd has successfully optimized its asset base, potentially divesting underperforming assets or scaling efficiently. Just like ROA Return on Equity is also remarkable as shown below;

	2024	-----2023-----	Percentage	2022	2021
Return on Assets	46.52	32.95		17.86	7.22
Return on Equity	48.99	38.08		23.11	7.51

### Return on Assets and Equity by Year (%)

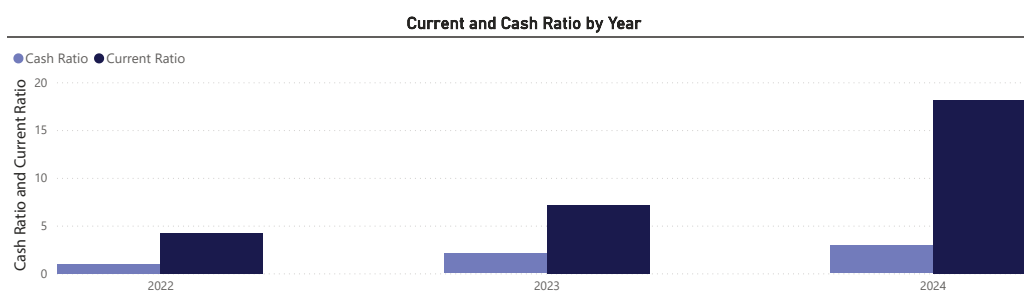


## Current and Cash Ratios

The Current Ratio measures a company's ability to cover its short-term liabilities with its short-term assets and the Cash Ratio measures a company's ability to cover its short-term liabilities with its cash and cash equivalents.

From 2022 to 2024, the significant increases in both the Current Ratio and Cash Ratio indicate substantial improvements in the company's liquidity. The company is now in a much stronger position to cover its short-term obligations. The Current Ratio's sharp rise could suggest a conservative approach to managing current assets or a significant increase in these assets. Meanwhile, the Cash Ratio's improvement indicates a better cash position, reflecting improved liquidity and

	2024	2023	2022
	-----Times-----		
Current Ratio	18.19	7.15	4.23
Cash Ratio	2.92	2.09	0.95

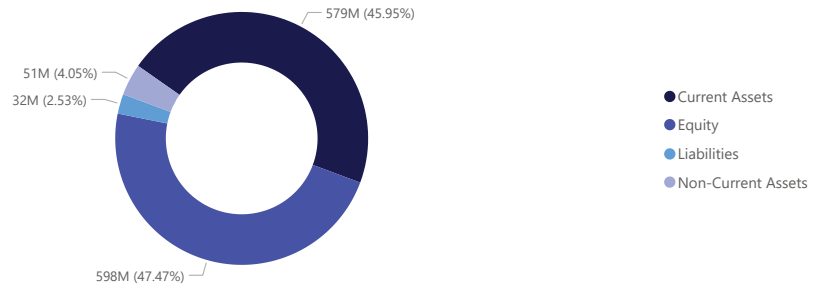


## Financial Position of the Company

The company shows a strong financial position with substantial current assets relative to liabilities with 100% equity financed at year end. The significant proportion of current assets suggests excellent liquidity, while the low level of liabilities indicates minimal financial risk. The high equity relative to total assets reflects a robust financial health and a strong capital base.

	Non-Current Assets	Current Assets	Equity	Liabilities
	-----Rupees-----			
Financial Position	50,930,665	578,517,338	597,644,357	31,803,646

### Financial Position (Rupees)



### Conclusion

Overall, Zarea Ltd's financial performance from 2021 to 2024 showcases strong operational efficiency, substantial profitability, robust asset management, and improved liquidity. The company's strategic investments and scaling efforts have positioned it for sustained long-term growth, while its conservative financial management ensures stability and risk mitigation.



# AUDITED FINANCIAL STATEMENTS (Unconsolidated)

## ZAREA LIMITED For the Year Ended 30 June 2024

Submitted by

Naveed Zafar Ashfaq Jaffery & Co.  
Chartered Accountants

A member firm of



An Association of  
Independent Accounting Firms

A member firm of



An Association of  
Independent Accounting Firms

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Zarea Limited**

**Report on the Audit of the Financial Statements for the year ended 30th June 2024**

### Opinion

We have audited the annexed financial statements of Zarea Limited (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting

and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) expenditure incurred during the year was for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Shahid Mohsin Shaikh(FCA)

Signature: 

Lahore

Date: August 27<sup>th</sup>, 2024

UDIN: AR202410575HDTwoaB1P

**ZAREA LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
As at June 30, 2024

	<i>Notes</i>	<b>June 2024 <i>Rupees</i></b>	<b>June 2023 <i>Rupees</i></b>
<b><u>NON-CURRENT ASSETS</u></b>			
Property and equipments	4	25,891,413	12,239,641
Intangible Assets	5	22,058,377	4,309,771
Long term Security Deposits		2,230,875	-
Investment in Subsidiary	8	750,000	-
		<b>50,930,665</b>	<b>16,549,412</b>
<b><u>CURRENT ASSETS</u></b>			
Investments held for trading	6	70,653,024	36,131,603
Advances for Commodities	7	241,982,657	72,845,210
Trade and Other receivables	9	157,503,596	53,663,495
Advances & Prepayments	10	15,364,620	-
Cash and bank balances	11	93,013,441	67,426,298
		<b>578,517,338</b>	<b>230,066,606</b>
		<b>629,448,003</b>	<b>246,616,018</b>
<b><u>TOTAL ASSETS</u></b>			
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share capital</b>			
<b>Authorized capital</b>			
300,000,000 ordinary shares of Rs. 1/- each		<b>300,000,000</b>	25,000,000
<b>Issued, subscribed &amp; paid-up capital</b>			
200,000,000 ordinary shares of Rs.1/- each fully paid in cash	12	200,000,000	20,000,000
Reserves		397,644,357	109,894,307
		<b>597,644,357</b>	129,894,307
Loan from Sponsors/Shareholders	13	-	83,500,000
		<b>597,644,357</b>	<b>213,394,307</b>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Deferred tax Liability	14	-	1,024,940
		-	1,024,940
<b><u>CURRENT LIABILITIES</u></b>			
Trade and Other Payables	15	31,803,646	32,196,771
		<b>31,803,646</b>	32,196,771
		<b>629,448,003</b>	<b>246,616,018</b>
<b><u>TOTAL EQUITY AND LIABILITIES</u></b>			
<b>Contingencies and Commitments</b>			
		-	-

*23/24/24*

*The annexed notes 1 to 30 form an integral part of these financial statements.*



Ali Alam Qamar  
CHIEF EXECUTIVE



Nouman Ul Hassan  
DIRECTOR

**ZAREA LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the Year ended 30 June 2024

	<i>Notes</i>	June 2024 Rupees	June 2023 Rupees
Platform Usage revenue	17	281,060,855	114,912,232
Administrative and General Expenses	18	(24,640,049)	(5,200,902)
Selling and Distribution Expenses	19	(28,759,730)	(8,882,572)
Investments Gain/(Loss)	20	64,204,646	2,918,342
Finance Costs	21	(79,577)	(70,133)
<b>Profit before taxation</b>		<b>291,786,145</b>	<b>103,676,968</b>
Taxation	22	1,024,940	(22,424,895)
<b>Net profit after taxation</b>		<b>292,811,085</b>	<b>81,252,073</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income</b>		<b>292,811,085</b>	<b>81,252,073</b>
<b>Basic &amp; Diluted earning per share</b>	26	<b>3.99</b>	<b>40.63</b>

The annexed notes 1 to 30 form an integral part of these financial statements.

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Ali Alam Qamar  
CHIEF EXECUTIVE



Nouman Ul Hassan  
DIRECTOR

**ZAREA LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
For the Year ended 30 June 2024

Particulars	Issued, subscribed and paid-up capital	Loan from Shareholders/ Sponsors	Reserves		Total Equity
			Revenue Reserves Unappropriated profit	Capital Reserves Unrealized (loss)/gain on investment at fair value through OCI	
<b>BALANCE AS AT July 01, 2022</b>	20,000,000	53,500,000	28,642,234	-	102,142,234
Profit for the year	-	-	81,252,073	-	81,252,073
Other Comprehensive income	-	-	-	-	-
Incremental Depreciation (Net of Tax)	-	-	-	-	-
Loan from Shareholders / Sponsors	-	30,000,000	-	-	30,000,000
Issuance of shares	-	-	-	-	-
<b>Balance as at July 1, 2023</b>	<b>20,000,000</b>	<b>83,500,000</b>	<b>109,894,307</b>	<b>-</b>	<b>213,394,307</b>
Profit for the year	-	-	292,811,085	-	292,811,085
Other Comprehensive income	-	-	-	-	-
Incremental Depreciation (Net of Tax)	-	-	-	-	-
Loan from Shareholders / Sponsors	-	96,500,000	-	-	96,500,000
Issuance of shares	180,000,000	(180,000,000)	-	-	-
Share Issuance Expense	-	-	(5,061,035)	-	(5,061,035)
<b>Balance as at June 30, 2024</b>	<b>200,000,000</b>	<b>-</b>	<b>397,644,357</b>	<b>-</b>	<b>597,644,357</b>

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The annexed notes 1 to 30 form an integral part of these financial statements.



Ali Alam Qamar  
CHIEF EXECUTIVE



Nouman Ul Hassan  
DIRECTOR

**ZAREA LIMITED**  
**STATEMENT OF CASH FLOWS**  
For the Year ended 30 June 2024

Notes	June 2024 Rupees	June 2023 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	291,786,145	103,676,968
<b>Adjustment for non-cash items</b>		
Depreciation & Amortization	2,613,621	1,177,288
Capital Loss	6,974,809	8,815,056
Unrealised (Gain) / loss	(41,496,230)	(1,200,648)
Finance costs	79,576	70,133
<b>Operating profit before working capital changes</b>	<b>259,957,921</b>	<b>112,538,796</b>
<b>Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Trade and Other Receivables	(103,840,100)	11,136,597
Advances, Deposits and Prepayments	(15,364,620)	379,976
Investment in Commodities	(169,137,447)	(72,845,210)
<b>Increase / (decrease) in current liabilities</b>		
Trade and Other Payables	2,291,737	(19,246,660)
Income Tax Paid	(2,684,860)	-
Finance Costs paid	(79,577)	(70,133)
	<b>(288,814,867)</b>	<b>(80,645,430)</b>
<b>Net cash flows from operating activities</b>	<b>(28,856,946)</b>	<b>31,893,366</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in share Capital	180,000,000	-
Loan from Sponsors / Shareholders	(83,500,000)	30,000,000
Share Issuance Expense	(5,061,035)	-
<b>Net cash flows from financing activities</b>	<b>91,438,965</b>	<b>30,000,000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Office Equipment and Furniture Acquired	(15,414,001)	(7,000,072)
Software	(18,600,000)	(3,563,628)
Investment in Securities	-	(12,000,000)
Long term security Deposits	(2,230,875)	-
Investment in Subsidiary	(750,000)	-
<b>Net cash flows from investing activities</b>	<b>(36,994,876)</b>	<b>(22,563,700)</b>
Net increase in cash and cash equivalents	25,587,143	39,329,666
Cash and cash equivalents at the beginning of the year	67,426,298	28,096,632
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>93,013,441</b>	<b>67,426,298</b>

The annexed notes 1 to 30 form an integral part of these financial statements.



Ali Alam Qamar  
CHIEF EXECUTIVE



Nouman UI Hassan  
DIRECTOR



**ZAREA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 30 June 2024**

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**1 Legal status and Nature of Business**

Zarea Limited is registered as a public limited company in Pakistan . The company was incorporated on 16 September 2020 under the Companies Act, 2017.

The principal activity of the company is to act as an online market place that has created a software application through which customers and vendors connect for purchase and sale. The company charges a platform usage fee for allowing access to its software application.

The company's registered office is situated at 6011-Delta-6, NASTP, Abid Majeed Rd,Lahore Cantt.

**2 Basis of preparation**

The significant accounting policies applied in the preparation of these financial statements are set out below:

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of measurement**

These financial statements have been prepared under 'historical cost convention' except as otherwise stated in respective accounting policies notes.

The preparation of financial statements in conformity with the Accounting and Financial Reporting Standards for Medium-Sized Entities issued by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount 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 the judgments about carrying values 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 the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables, slow moving inventory and deferred taxation. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

**2.3 Functional and presentation currency**

The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation Currency.

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**ZAREA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 30 June 2024**

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**2.4 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- determining residual values and useful life of assets;
- provisions;
- recognition of taxation;
- contingencies and commitments.

**3 Summary of significant accounting policies**

The significant accounting policies adopted in the preparation of these financial statements are set out below:

**3.1 Property, plant and Equipment**

**(a) Owned assets**

Property and equipment are stated at cost less accumulated depreciation and any identified impairment loss. Depreciation is charged to profit or loss using the straight line method whereby the cost less residual value of an operating asset is written off over its estimated useful life. Depreciation is charged on additions from the month of its acquisition whereas no depreciation is charged on assets disposed off during the month. The rates of depreciation are stated in note 4 to the financial statements. The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if impact on depreciation is significant.

The Company assesses at each reporting date whether there is any indication that property and equipment may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit or loss currently. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit or loss during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in the period in which it is incurred.

**(b) Capital Work In Process**

Capital work in progress is stated at cost less any identified impairment loss.

*23/2/2024*

**ZAREA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 30 June 2024**

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**3.2 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

**Capital work-in-progress**

Capital work in progress is stated at cost less any identified impairment loss

**3.3 Trade and Other Receivables**

Trade receivables and other receivables are recognised at transaction price less an allowance for impairment.

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.

**3.4 Advances, Deposits and Prepayments**

These are stated at cost less estimates made for any doubtful receivables based on a review of all outstanding amounts at the balance sheet date. Balances considered bad and irrecoverable are written off when identified.

**3.5 Investment in Subsidiary**

Investment in Subsidiary is stated as cost less accumulated Impairment, if any.

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**ZAREA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 30 June 2024**

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**3.6 Investment held for trading**

Investments in shares held for trading are initially recognized at fair value and subsequently measured at fair value through profit or loss (FVTPL) as per IFRS 9. These investments are acquired with the intention of short-term profit-taking, and any unrealized gains or losses arising from changes in fair value are recognized directly in the income statement. Transaction costs related to the acquisition of these investments are expensed as incurred. Upon disposal, the difference between the carrying amount and the sale proceeds is recognized in the income statement. Dividends from these investments are recognized in profit or loss when the company's right to receive payment is established.

**3.7 Cash and Cash Equivalents**

Cash and cash equivalent, for the purpose of statement of cash flows, comprise of cash in hand and balance at bank, including both current and non checking bank accounts

**3.8 Trade and Other Payables**

Trade payables and other payables are recognized initially at fair value plus directly attributable cost, if any and subsequently measured at amortized cost.

**3.9 Basic and diluted earning per share**

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**3.10 Related party transactions**

Transactions involving related parties arising in the normal course of business are conducted at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Parties are said to be related if they are able to influence the operating and financial decisions of the Company and vice versa.

**3.11 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

The financial assets of the Company mainly include trade debts, loans, deposits, short-term investments, other receivables and cash and bank balances.

On initial recognition, a financial asset is classified as measured at: Amortised cost, Fair Value through Other Comprehensive Income (FVOCI) - debt investment; FVOCI - equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Based on the business model of the Company, the financial assets of the Company are measured and classified under IFRS 9 as follows;

Trade debts, short-term investments and other financial assets are measured at amortised cost using the effective interest rate method less an allowance for expected credit losses, if any.

23/24/2024

**ZAREA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 30 June 2024**

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**Derecognition**

A financial asset, a part of a financial asset or part of a group of similar financial assets is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either the Company has transferred substantially all the risks and rewards of the asset or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Financial Liabilities**

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. For the purpose of subsequent measurement financial liabilities are either classified at amortised cost or fair value through profit or loss. The Company does not have any financial liability at fair value through profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the unconsolidated statement of profit or loss.

**Impairment of financial as allowance for expected credit losses**

ECLS are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

At each date of statement of financial position, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset

The Company uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

**3.12 Off Setting of Financial Assets and Financial Liabilities**

Financial assets and financial liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

23/24/2024

**ZAREA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 30 June 2024**

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**3.13 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the services in the ordinary course of the Company's activities. Revenue is recognized as follows:

**Platform Usage Revenue**

This is the platform usage fee charged by the company for allowing access to the application. The Company charges a platform usage fee of each transaction.

**Gain on Disposal of Commodities**

The company recognizes gains on the disposal of commodities when the risks and rewards of ownership are transferred to the buyer, typically upon delivery or as specified in the sale agreement. The gain is measured as the difference between the net sales proceeds and the carrying amount of the commodity. Gains are recognized in the income statement as part of other operating income, ensuring that they are recorded in the period in which the disposal occurs. This policy complies with relevant accounting standards and reflects the company's conservative approach to revenue recognition

**3.14 Taxation**

Income tax comprises of current tax and deferred tax.

Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity (if any), in which case the tax amounts are recognized directly in other comprehensive income or equity.

**Current Tax**

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

**Deferred Tax**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the unconsolidated statement of profit or loss, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

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**ZAREA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year ended 30 June 2024

4

Property & Equipment

Particulars	2023				2024					
	COST		DEPRECIATION		COST		DEPRECIATION			
	As at July 01, 2022	Additions	Disposals	As at June 30, 2023	As at July 01, 2022	For the year Adjustment	As at June 30, 2023	As at June 30, 2024	Net book value as at June 30, 2023	
	<i>R u p e e s</i>				<i>R u p e e s</i>					
Computers	5,479,123	2,471,897	-	7,951,020	10	844,943	643,738	-	1,488,681	6,462,339
Office Equipment	826,450	2,627,950	-	3,454,400	10	28,707	187,197	-	215,904	3,238,496
Furniture	1,000,000	1,900,225	-	2,900,225	10	175,000	186,421	-	361,421	2,538,804
	<b>7,305,573</b>	<b>7,000,072</b>	<b>-</b>	<b>14,305,645</b>		<b>1,048,650</b>	<b>1,017,356</b>	<b>-</b>	<b>2,066,006</b>	<b>12,239,639</b>

Particulars	2023				2024					
	COST		DEPRECIATION		COST		DEPRECIATION			
	As at July 01, 2023	Additions	Disposals	As at June 30, 2024	As at July 01, 2023	For the year Adjustment	As at June 30, 2024	As at June 30, 2024	Net book value as at June 30, 2024	
	<i>R u p e e s</i>				<i>R u p e e s</i>					
Computers	7,951,020	4,220,940	-	12,171,960	10	1,488,681	913,762	-	2,402,444	9,769,516
Office Equipment	3,454,400	4,477,531	-	7,931,931	10	215,904	471,547	-	687,450	7,244,480
Furniture	2,900,225	6,715,530	-	9,615,755	10	361,421	376,918	-	738,339	8,877,416
	<b>14,305,645</b>	<b>15,414,001</b>	<b>-</b>	<b>29,719,646</b>		<b>2,066,006</b>	<b>1,762,227</b>	<b>-</b>	<b>3,828,233</b>	<b>25,891,413</b>

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**ZAREA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year ended 30 June 2024

6 <u>Investment held for trading</u>	Carring Value		Fair Value	
	2024 June	2023 June	2024 June	2023 June
Investment in Shares	58,217,271	66,562,749	70,653,024	36,131,603
	58,217,271	66,562,749	70,653,024	36,131,603
6.1 Investment is measured at fair value through profit or loss				
7 <u>Advances for Commodities</u>				
Advances for Commodities ( Unsecured - Considered Good )			241,982,657	72,845,210
			241,982,657	72,845,210
8 <u>Investments in Subsidiary</u>				
Investment in Subsidiary - At cost			750,000	-
			750,000	-
8.1 This represents 75% shareholding in Zarea Agri Tech Pvt Ltd.				
9 <u>Trade and Other Receivables</u>				
Trade Receivables ( Unsecured - Considered Good )			157,503,596	53,663,495
			157,503,596	53,663,495
10 <u>Advances &amp; Prepayments</u>				
Advances to employees ( Unsecured - Considered Good )			14,964,620	-
Prepayments			400,000	-
			15,364,620	-
11 <u>Cash and Bank Balances</u>				
Cash in hand			59,003,405	45,743,202
Cash at bank			34,010,036	21,683,097
			93,013,441	67,426,298
12 <u>Share Capital</u>				
<u>Authorized Share Capital</u>				
Authorized share capital			300,000,000	25,000,000
300,000,000 (2023: 2,500,000) ordinary shares of Rs. 1 (2023: Rs 10) each fully paid in cash			300,000,000	25,000,000
<u>Issued, subscribed and-paid up capital</u>				
Issued, subscribed and-paid up capital			200,000,000	20,000,000
200,000,000 (2023: 2,000,000) ordinary shares of Rs. 1 (2023: Rs 10) each fully paid in cash			200,000,000	20,000,000

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## NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 30 June 2024

	2024 June	2023 June
<b>13 <u>Loan from Sponsors / Shareholders</u></b>		
Loan from Sponsors / Shareholders	90,000,000	58,500,000
Loan from Related Parties	90,000,000	25,000,000
	180,000,000	83,500,000
Right share issued	(180,000,000)	-
	-	83,500,000

The loans provided by sponsors / shareholders are for business expansion. This is interest free and repayable at the discretion of the entity. This loan shall be paid through banking channels. During the year all loan from shareholders / sponsors and Related parties has been converted in to right shares. The Company has issued Right shares against Loan amount.

<b>14 <u>Deferred Tax Liability</u></b>		
Deferred Tax	-	1,024,940
	-	1,024,940
<b>15 <u>Trade and Other Payables</u></b>		
Creditors	-	-
Accrued Expenses	1,983,124	300,000
Advances from customers	-	-
Taxation Payable	29,820,522	31,896,771
	31,803,646	32,196,771

**16 Contingencies and Commitments**

There are no contingencies and commitment appearing at the date of statement of financial position of the Company.

<b>17 <u>Revenue</u></b>		
Platform Usage Revenue	281,060,855	114,912,232
	281,060,855	114,912,232

This is the platform usage fee charged by the company for allowing access to the application. The company charges a platform usage fee of each transaction.

**18 Administrative and General Expenses**

Salaries, Benefits and Allowances		15,793,238	2,474,166
Repair and Maintenance		643,990	317,319
Legal and Professional Charges		386,900	10,370
Fee and Subscription		766,000	25,320
General Office Expenses		2,944,175	698,685
Software maintenance Expenses		356,725	147,754
Charity and Donation	18.1	535,400	50,000
Auditor's remuneration		600,000	300,000
Depreciation		1,762,227	1,017,356
Amortization		851,394	159,932
		24,640,049	5,200,902

18.1 Donation to following organisation exceeds 10% of the company's total amount of donation or 1 million, whichever is higher.

- MM Foundation	464,000	50,000
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*23/24/25/26*

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year ended 30 June 2024

	2024 June	2023 June
<b>19 <u>Selling and Distribution Expenses</u></b>		
Salaries, Benefits and Allowances	17,812,835	6,331,547
Travelling and Conveyance	4,843,004	1,693,500
Entertainment Expenses	243,964	130,515
Postage, Telephone and Telegram	378,210	255,745
Advertisement & Marketing expenses	5,481,717	471,265
	<u>28,759,730</u>	<u>8,882,572</u>
<b>20 <u>Investments Gain/(Loss)</u></b>		
Unrealized Gain / ( Losses ) on investments	41,496,230	1,200,648
Realized Gain / ( Losses ) on investments	(6,974,809)	(8,815,056)
Gain on disposal of Commodities	29,683,225	10,532,750
	<u>64,204,646</u>	<u>2,918,342</u>
Commodities- Sales	160,700,997	44,153,994
Commodities- Cost of Sales	(131,017,772)	(33,621,244)
Gain <span style="float: right;">20.1</span>	<u>29,683,225</u>	<u>10,532,750</u>

20.1 Gain on Investments shows gain from trading of Commodities during the year.

<b>21 <u>Finance Cost</u></b>		
Bank Charges	79,577	70,133
	<u>79,577</u>	<u>70,133</u>
<b>22 <u>Income tax</u></b>		
Current Tax	-	21,564,978
Prior year Adjustment-2021	-	343,942
Deferred Tax	(1,024,940)	515,975
	<u>(1,024,940)</u>	<u>22,424,895</u>

**23 Chief Executive and Directors Remuneration**

Chief Executive and no director withdraw any salary and other benefits from the company.

**24 TRANSACTIONS WITH RELATED PARTIES**

The related parties of the Company comprise of directors and key management personnel. Transactions with related parties include advance for working capital requirements. These transactions are as follows:

Name of the related party	Relationship with related party	Nature of Transactions	2024 June Rupees	2023 June Rupees
Ali Alam Qamar	Director	Loan from Sponsors	90,000,000	58,500,000
Goldfinger Private Limited	Common Directorship	Loan from Sponsors	90,000,000	25,000,000
			<u>180,000,000</u>	<u>83,500,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year ended 30 June 2024

**25 Financial Instruments**

	Amortized Cost		Total	
	June 2024	June 2023	June 2024	June 2023
<b>Financial Assets</b>				
----- Rupees -----				
Trade and Other receivables	157,503,596	53,663,495	157,503,596	53,663,495
Cash and bank balances	93,013,441	67,426,298	93,013,441	67,626,298
	<u>250,517,037</u>	<u>121,089,793</u>	<u>250,517,037</u>	<u>121,289,793</u>
<b>Financial liabilities</b>				
Trade and other payables	31,803,646	32,478,445	31,803,646	32,478,445
	<u>31,803,646</u>	<u>32,478,445</u>	<u>31,803,646</u>	<u>32,478,445</u>

**26 Earning per Share - Basic & Diluted**

There is no dilutive effect on the basic earnings per share which is based on:

Profit after taxation	292,811,085	81,252,073
Weighted average number of ordinary shares	<u>73,309,589</u>	<u>2,000,000</u>
Basic earning per share	<u>3.99</u>	<u>40.63</u>

Profit after taxation for the year ended June 30, 2023 had been inadvertently shown as Rs. 103,676,968, which has now been rectified and the corresponding effect on Earnings per Share has also been incorporated.

Basic Earning per Share calculated on the basis of outstanding shares at June 20, 2024 is Rs 1.46 ( 2023: 40.63).

**27 Number of Employees**

Total number of employees	<u>29</u>	<u>23</u>
Average number of employees	<u>33</u>	<u>23</u>

**28 Subsequent Events**

There are no subsequent events as at year end.

**29 Date of Authorization for issue**

27<sup>th</sup> Aug, 2024

These financial statements were issued on-----by the board of directors of the Company.

**30 General**

Figures have been rounded off to the nearest rupee.



Ali Alam Qamar  
CHIEF EXECUTIVE



Nouman Ul Hassan  
DIRECTOR

# AUDITED FINANCIAL STATEMENTS

## CONSOLIDATED AUDITED FINANCIAL STATEMENTS

For the Year Ended 30 June 2024

Submitted by

Naveed Zafar Ashfaq Jaffery & Co.

Chartered Accountants

A member firm of



An Association of  
Independent Accounting Firms

A member firm of



An Association of  
Independent Accounting Firms

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Zarea Limited**

**Report on the Audit of the Financial Statements for the year ended 30th June 2024**

### Opinion

We have audited the annexed consolidated financial statements of Zarea Limited (the Group), which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of financial position, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Group's affairs as at June 30, 2024 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAS) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Group as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) expenditure incurred during the year was for the purpose of the Group's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Shahid Mohsin Shaikh(FCA)

Signature: 

Lahore

Date: August 27<sup>th</sup>, 2024

UDIN: AR202410575HDTwoaB1P



**ZAREA LIMITED**  
**GROUP CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at June 30, 2024

	<i>Notes</i>	June 2024 <i>Rupees</i>	June 2023 <i>Rupees</i>
<b><u>NON-CURRENT ASSETS</u></b>			
Property and equipments	4	25,891,413	12,239,641
Intangible Assets	5	22,058,377	4,309,771
Long term Security Deposits		2,230,875	-
		50,180,665	16,549,412
<b><u>CURRENT ASSETS</u></b>			
Investments held for trading	6	70,653,024	36,131,603
Advances for Commodities	7	241,982,657	72,845,210
Trade and Other receivables	8	157,503,596	53,663,495
Advances & Prepayments	9	15,364,620	-
Cash and bank balances	10	94,013,441	67,426,298
		579,517,338	230,066,606
<b><u>TOTAL ASSETS</u></b>		629,698,003	246,616,018
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Share capital</b>			
<b>Authorized capital</b>			
300,000,000 ordinary shares of Rs. 1/- each		300,000,000	25,000,000
<b>Issued, subscribed &amp; paid-up capital</b>			
200,000,000 ordinary shares of Rs.1/- each fully paid in cash	11	200,000,000	20,000,000
Consolidated Reserves		397,569,357	109,894,307
Non-controlling Interest		225,000	-
		597,794,357	129,894,307
Loan from Sponsors/Shareholders	12	-	83,500,000
		597,794,357	213,394,307
<b><u>NON-CURRENT LIABILITIES</u></b>			
Deferred tax Liability	13	-	1,024,940
		-	1,024,940
<b><u>CURRENT LIABILITIES</u></b>			
Trade and Other Payables	14	31,903,646	32,196,771
		31,903,646	32,196,771
<b><u>TOTAL EQUITY AND LIABILITIES</u></b>		629,698,003	246,616,018
<b>Contingencies and Commitments</b>		-	-

The annexed notes 1 to 29 form an integral part of these financial statements.



Ali Alam Qamar  
CHIEF EXECUTIVE



Nouman UI Hassan  
DIRECTOR

**ZAREA LIMITED**  
**GROUP CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the Year ended 30 June 2024

	<i>Notes</i>	June 2024 Rupees	June 2023 Rupees
Platform Usage revenue	16	281,060,855	114,912,232
Administrative and General Expenses	17	(24,740,049)	(5,200,902)
Selling and Distribution Expenses	18	(28,759,730)	(8,882,572)
Investments Gain/(Loss)	19	64,204,646	2,918,342
Finance Costs	20	(79,577)	(70,133)
<b>Profit before taxation</b>		<b>291,686,145</b>	<b>103,676,968</b>
Taxation	21	1,024,940	(22,424,895)
<b>Net profit after taxation</b>		<b>292,711,085</b>	<b>81,252,073</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income</b>		<b>292,711,085</b>	<b>81,252,073</b>
<b>Attributable to:</b>			
- Owners of Zarea Limited		292,736,085	81,252,073
- NCI		(25,000)	-
<b>Basic &amp; Diluted earning per share</b>	25	<b>3.99</b>	<b>40.63</b>

The annexed notes 1 to 29 form an integral part of these financial statements.

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Ali Alam Qamar  
CHIEF EXECUTIVE



Nouman UI Hassan  
DIRECTOR

**ZAREA LIMITED**  
**GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the Year ended 30 June 2024

Particulars	Issued, subscribed and paid-up capital	Loan from Shareholders/ Sponsors	Consolidated Reserves	Non- Controlling Interest	Total Equity
<b>BALANCE AS AT July 01, 2022</b>					
	20,000,000	53,500,000	28,642,234	-	102,142,234
Profit for the year	-	-	81,252,073	-	81,252,073
Other Comprehensive income	-	-	-	-	-
Incremental Depreciation (Net of Tax)	-	-	-	-	-
Loan from Shareholders / Sponsors	-	30,000,000	-	-	30,000,000
Issuance of shares	-	-	-	-	-
<b>Balance as at July 1, 2023</b>	<b>20,000,000</b>	<b>83,500,000</b>	<b>109,894,307</b>	<b>-</b>	<b>213,394,307</b>
Profit/ (Loss) for the year	-	-	292,736,085	(25,000)	292,711,085
Other Comprehensive income	-	-	-	-	-
Incremental Depreciation (Net of Tax)	-	-	-	-	-
Loan from Shareholders / Sponsors	-	96,500,000	-	-	96,500,000
Issuance of shares	180,000,000	(180,000,000)	-	-	-
Share Issuance Expense	-	-	(5,061,035)	-	(5,061,035)
NCI recognised at acquisition	-	-	-	250,000	250,000
<b>Balance as at June 30, 2024</b>	<b>200,000,000</b>	<b>-</b>	<b>397,569,357</b>	<b>225,000</b>	<b>597,794,357</b>

The annexed notes 1 to 29 form an integral part of these financial statements.

  
Ali Alam Qamar  
CHIEF EXECUTIVE

  
Nouman Ul Hassan  
DIRECTOR

**ZAREA LIMITED**  
**GROUP CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year ended 30 June 2024

<i>Notes</i>	<b>2024</b> <i>Rupees</i>	<b>2023</b> <i>Rupees</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	291,686,145	103,676,968
<b><u>Adjustment for non-cash items</u></b>		
Depreciation & Amortization	2,613,621	1,177,288
Capital Loss	6,974,809	8,815,056
Unrealised (Gain) / loss	(41,496,230)	(1,200,648)
Finance costs	79,576	70,133
<b>Operating profit before working capital changes</b>	<b>259,857,921</b>	<b>112,538,796</b>
<b>Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Trade and Other Receivables	(103,840,100)	11,136,597
Advances & Prepayments	(15,364,620)	379,976
Advance for Commodities	(169,137,447)	(72,845,210)
<b>Increase / (decrease) in current liabilities</b>		
Trade and Other Payables	2,391,737	(19,246,660)
Income Tax Paid	(2,684,860)	-
Finance Costs paid	(79,577)	(70,133)
	<b>(288,714,867)</b>	<b>(80,645,430)</b>
<b>Net cash flows from operating activities</b>	<b>(28,856,946)</b>	<b>31,893,366</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in share Capital	180,000,000	-
Loan from Sponsors / Shareholders	(83,500,000)	30,000,000
Share Issuance Expense	(5,061,035)	-
<b>Net cash flows from financing activities</b>	<b>91,438,965</b>	<b>30,000,000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property and Equipment	(15,414,001)	(7,000,072)
Intangible Assets	(18,600,000)	(3,563,628)
Investment in Securities	-	(12,000,000)
Long term security Deposits	(2,230,875)	-
Acquisition of subsidiary- net of cash	250,000	-
<b>Net cash flows from investing activities</b>	<b>(35,994,876)</b>	<b>(22,563,700)</b>
Net increase in cash and cash equivalents	26,587,143	39,329,666
Cash and cash equivalents at the beginning of the year	67,426,298	28,096,632
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR 10</b>	<b>94,013,441</b>	<b>67,426,298</b>

The annexed notes 1 to 29 form an integral part of these financial statements.



Ali Alam Qamar  
CHIEF EXECUTIVE



Nouman UI Hassan  
DIRECTOR

**ZAREA LIMITED**  
**NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year ended 30 June 2024**

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**1 Legal status and Nature of Business**

**1.1 The Group comprises of :**

- > Zarea Limited - Holding Company
- > Zarea Agri Tech Private Limited - Subsidiary Company ( 75% Owned by Zarea Limited and 25% Owned by Goldfinger Private Limited

Zarea Limited-Holding Company is registered as a public limited company in Pakistan . The company was incorporated on 16 September 2020 under the Companies Act, 2017.

The principal activity of the company is to act as an online market place that has created a software application through which customers and vendors connect for purchase and sale. The company charges a platform usage fee for allowing access to its software application.

The company's registered office is situated at 6011- Delta 6 NASTP, Abid Majeed Rd, Lahore Cantt.

Subsidiary Company (Zarea Agri-Tech) is a Private Limited company . The company was incorporated on 01-March 2024 under the Companies Act, 2017.

The principal activity of the company is to sale and purchase of Commodities

The company's registered office is situated at 6011- Delta 6 NASTP, Abid Majeed Rd, Lahore Cantt.

**2 Basis of preparation**

The significant accounting policies applied in the preparation of these financial statements are set out below:

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of Consolidated**

These Consolidated financial statements include the financial statements of the Holding Company and its Subsidiary.

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Further, the group also considers whether:

It has power to direct the relevant activities of the subsidiaries;

It is exposed to variable returns from the subsidiaries; and

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**ZAREA LIMITED**  
**NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year ended 30 June 2024**

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Decision making power allows the group to affect its variable returns from the subsidiaries. Subsidiaries are consolidated from the date on which the group obtains control and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the holding company, using consistent accounting policies in majority of the cases. The accounting policies of the subsidiaries have been changed to conform with accounting policies of the group, where required.

All intra-group balances, transactions and unrealized gains and losses resulting from intra-group transactions are eliminated in full.

Where the ownership of subsidiary is less than hundred percent and therefore, a non-controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of controls, is accounted for as an equity transaction. If the group loses control over a subsidiary, it derecognizes the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognized in other comprehensive income, and recognizes fair value of considerations received, any investment retained, surplus or deficit in profit or loss, and reclassifies the group's share of components previously recognized in other comprehensive income to profit or loss.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the holding company is eliminated against the subsidiary companies' shareholders' equity in these consolidated financial statements.

### **2.3 Subsidiaries**

Subsidiaries are those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

### **2.4 Functional and presentation currency**

The financial statements are presented in Pakistan Rupees, which is the Group's functional and presentation

### **2.5 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Group's financial statements or where judgments were exercised in application of accounting policies are as follows:

- determining residual values and useful life of assets;
- provisions;
- recognition of taxation;
- contingencies and commitments.

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**ZAREA LIMITED**  
**NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year ended 30 June 2024**

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**2.6 Summary of significant accounting policies**

The significant accounting policies adopted in the preparation of these financial statements are set out below:

**2.7 Property, plant and Equipment**

**(a) Owned assets**

Property and equipment are stated at cost less accumulated depreciation and any identified impairment loss. Depreciation is charged to profit or loss using the straight line method whereby the cost less residual value of an operating asset is written off over its estimated useful life. Depreciation is charged on additions from the month of its acquisition whereas no depreciation is charged on assets disposed off during the month. The rates of depreciation are stated in note 4 to the financial statements. The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if impact on depreciation is significant.

The Group assesses at each reporting date whether there is any indication that property and equipment may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit or loss currently. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit or loss during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in the period in which it is incurred.

**(b) Capital Work In Process**

Capital work in progress is stated at cost less any identified impairment loss.

**2.8 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

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**ZAREA LIMITED**  
**NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year ended 30 June 2024**

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Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

**Capital work-in-progress**

Capital work in progress is stated at cost less any identified impairment loss

**2.9 Good Will**

Goodwill is Initially measured as at the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree; and (b) the net of the acquisition date amount of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Group's interest in the identifiable net assets exceeds the fair value of consideration, the Group recognises the resulting gain in the profit or loss on the acquisition date.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating unit (CGU) (or the groups of CGUs) that are expected to benefit from the synergies of the operations irrespective of whether other assets or liabilities of the acquiree are assigned to these units or group of units.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on pro rata based on the carrying amount of each asset in the CGU. Any impairment loss for goodwill is recognised directly in the consolidated profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

**2.10 Trade and Other Receivables**

Trade receivables and other receivables are recognised at transaction price less an allowance for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group 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.

**2.11 Advances, Deposits and Prepayments**

These are stated at cost less estimates made for any doubtful receivables based on a review of all outstanding amounts at the balance sheet date. Balances considered bad and irrecoverable are written off when identified.

**2.12 Investment in Subsidiary**

Investment in Subsidiary is stated as cost less accumulated Impairment, if any.

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**ZAREA LIMITED**  
**NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year ended 30 June 2024**

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**2.13 Investment held for trading**

Investments in shares held for trading are initially recognized at fair value and subsequently measured at fair value through profit or loss (FVTPL) as per IFRS 9. These investments are acquired with the intention of short-term profit-taking, and any unrealized gains or losses arising from changes in fair value are recognized directly in the income statement. Transaction costs related to the acquisition of these investments are expensed as incurred. Upon disposal, the difference between the carrying amount and the sale proceeds is recognized in the income statement. Dividends from these investments are recognized in profit or loss when the company's right to receive payment is established.

**2.14 Cash and Cash Equivalents**

Cash and cash equivalent, for the purpose of statement of cash flows, comprise of cash in hand and balance at bank, including both current and non checking bank accounts

**2.15 Trade and Other Payables**

Trade payables and other payables are recognized initially at fair value plus directly attributable cost, if any and subsequently measured at amortized cost.

**2.16 Basic and diluted earning per share**

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Group and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**2.17 Related party transactions**

Transactions involving related parties arising in the normal course of business are conducted at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Parties are said to be related if they are able to influence the operating and financial decisions of the Group and vice versa.

**3 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**3.1 Financial assets**

The financial assets of the Group mainly include trade debts, loans, deposits, short-term investments, other receivables and cash and bank balances.

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Based on the business model of the Group, the financial assets of the Group are measured and classified under IFRS 9 as follows;

Trade debts, short-term investments and other financial assets are measured at amortised cost using the effective interest rate method less an allowance for expected credit losses, if any.

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**ZAREA LIMITED**  
**NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year ended 30 June 2024**

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**Derecognition**

A financial asset, a part of a financial asset or part of a group of similar financial assets is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either the Company has transferred substantially all the risks and rewards of the asset or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**3.2 Financial Liabilities**

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. For the purpose of subsequent measurement financial liabilities are either classified at amortised cost or fair value through profit or loss. The Group does not have any financial liability at fair value through profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

**Impairment of financial as allowance for expected credit losses**

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

At each date of statement of financial position, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset

At each date of consolidated statement of financial position, the Group assesses whether financial assets are credit impaired.

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

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**ZAREA LIMITED**  
**NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year ended 30 June 2024**

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The Group uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

**3.3 Off Setting of Financial Assets and Financial Liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is currently an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**3.4 Revenue recognition**

Revenue from contracts with customers is recognised when the control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods according to the negotiated contractual terms. The Group has generally concluded that it acts as a principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

**Platform Usage Revenue**

This is the platform usage fee charged by the company for allowing access to the application. The Company charges a platform usage fee of each transaction.

**Gain on Disposal of Commodities**

The company recognizes gains on the disposal of commodities when the risks and rewards of ownership are transferred to the buyer, typically upon delivery or as specified in the sale agreement. The gain is measured as the difference between the net sales proceeds and the carrying amount of the commodity. Gains are recognized in the income statement as part of other operating income, ensuring that they are recorded in the period in which the disposal occurs. This policy complies with relevant accounting standards and reflects the company's conservative approach to revenue recognition

**3.5 Taxation**

Income tax comprises of current tax and deferred tax.

Income tax expense is recognised in the statement of profit and loss except to the extent that it relates to items

**Current Tax**

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or minimum tax on turnover or Alternate Corporate Tax whichever is higher in accordance with the provisions of the Income Tax Ordinance, 2001.

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**ZAREA LIMITED**  
**NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year ended 30 June 2024**

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**Deferred Tax**

Deferred tax is recognised using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial consolidated statements. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised.

Deferred tax is recognised for tax losses, minimum tax, alternative corporate tax and depreciation available for carry forward to the extent of realisation of the related tax benefit through future taxable profits, based on projections, is probable. The carrying amount of deferred tax assets is reviewed at each consolidated consolidated statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

As the provision for taxation has been made partially under the normal basis and partially under the final tax regime, therefore, the deferred tax liability has been recognised on a proportionate basis in accordance with TR 27 issued by the Institute of Chartered Accountants of Pakistan.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the consolidated statement of financial position date.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

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## ZAREA LIMITED

### NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended 30 June 2024

Particulars	2023		2024		Net book value					
As at July 01, 2022	Additions	Disposals	As at June 30, 2023	As at July 01, 2023	For the year Adjustment	As at June 30, 2023	as at June 30, 2024			
R u p e e s	R u p e e s		R u p e e s	R u p e e s	R u p e e s	R u p e e s	R u p e e s			
Software	1,006,750	3,563,628	-	4,570,378	10	100,675	159,932	-	260,607	4,309,771
	1,006,750	3,563,628	-	4,570,378	100,675	159,932	-	-	260,607	4,309,771
2024										
Software	4,570,378	18,600,000	-	23,170,378	10	260,607	851,394	-	1,112,001	22,058,377
	4,570,378	18,600,000	-	23,170,378	260,607	851,394	-	-	1,112,001	22,058,377

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**ZAREA LIMITED**  
**NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year ended 30 June 2024

<b>6</b>	<b><u>Investment held for trading</u></b>	<b>Carring Value</b>	<b>Fair Value</b>
		2024 June	2023 June
		2024 June	2023 June
		<u>58,217,271</u>	<u>66,562,749</u>
	Investment in Shares	<u>58,217,271</u>	<u>66,562,749</u>
<b>6.1</b>	Investment is measured at fair value through profit or loss	<u>70,653,024</u>	<u>36,131,603</u>
		<u>70,653,024</u>	<u>36,131,603</u>
<b>7</b>	<b><u>Advances for Commodities</u></b>		
	Advances for Commodities ( Unsecured - Considered Good )	<u>241,982,657</u>	<u>72,845,210</u>
		<u>241,982,657</u>	<u>72,845,210</u>
<b>8</b>	<b><u>Trade and Other Receivables</u></b>		
	Trade Receivables ( Unsecured - Considered Good )	<u>157,503,596</u>	<u>53,663,495</u>
		<u>157,503,596</u>	<u>53,663,495</u>
<b>9</b>	<b><u>Advances &amp; Prepayments</u></b>		
	Advances to employees ( Unsecured - Considered Good )	<u>14,964,620</u>	-
	Prepayments	<u>400,000</u>	-
		<u>15,364,620</u>	-
<b>10</b>	<b><u>Cash and Bank Balances</u></b>		
	Cash in hand	<u>59,003,405</u>	<u>45,743,202</u>
	Cash at bank	<u>35,010,036</u>	<u>21,683,097</u>
		<u>94,013,441</u>	<u>67,426,298</u>
<b>11</b>	<b><u>Share Capital</u></b>		
	<b><u>Authorized Share Capital</u></b>		
	Authorized share capital	<u>300,000,000</u>	<u>25,000,000</u>
	300,000,000 (2023: 2,500,000) ordinary shares of Rs. 1 (2023: Rs 10) each fully paid in cash		
	<b><u>Issued, subscribed and-paid up capital</u></b>		
	Issued, subscribed and-paid up capital	<u>200,000,000</u>	<u>20,000,000</u>
	200,000,000 (2023: 2,000,000) ordinary shares of Rs. 1 (2023: Rs 10) each fully paid in cash		
<b>12</b>	<b><u>Loan from Sponsors / Shareholders</u></b>		
	Loan from Sponsors / Shareholders	<u>90,000,000</u>	<u>58,500,000</u>
	Loan from Related Parties	<u>90,000,000</u>	<u>25,000,000</u>
		<u>180,000,000</u>	<u>83,500,000</u>
	Right share issued	<u>(180,000,000)</u>	-
		<u>-</u>	<u>83,500,000</u>

The loans provided by sponsors / shareholders are for business expansion. This is interest free and repayable at the discretion of the entity. This loan shall be paid through banking channels. During the year all loan from shareholders / sponsors and Related parties has been converted in to right shares. The Company has issued Right shares against Loan amount.

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**NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year ended 30 June 2024

	2024	2023
Note	<u>Rupees</u>	<u>Rupees</u>
<b>13 <u>Deferred Tax Liability</u></b>		
Deferred Tax	-	1,024,940
	<u>-</u>	<u>1,024,940</u>
<b>14 <u>Trade and Other Payables</u></b>		
Creditors	-	-
Accrued Expenses	2,083,124	300,000
Advances from customers	-	-
Taxation Payable	29,820,522	31,896,771
	<u>31,903,646</u>	<u>32,196,771</u>
<b>15 <u>Contingencies and Commitments</u></b>		
There are no contingencies and commitment appearing at the date of statement of financial position of the Company.		
<b>16 <u>Revenue</u></b>		
Platform Usage Revenue	281,060,855	114,912,232
	<u>281,060,855</u>	<u>114,912,232</u>
This is the platform usage fee charged by the company for allowing access to the application. The company charges a platform usage fee of each transaction.		
<b>17 <u>Administrative and General Expenses</u></b>		
Salaries, Benefits and Allowances	15,793,238	2,474,166
Repair and Maintenance	643,990	317,319
Legal and Professional Charges	386,900	10,370
Fee and Subscription	766,000	25,320
General Office Expenses	2,944,175	698,685
Software maintenance Expenses	356,725	147,754
Charity and Donation	535,400	50,000
Auditor's remuneration	700,000	300,000
Depreciation	1,762,227	1,017,356
Amortization	851,394	159,932
	<u>24,740,049</u>	<u>5,200,902</u>
17.1 Donation to following organisation exceeds 10% of the company's total amount of donation or 1 million, whichever is higher.		
- MM Foundation	464,000	50,000
<b>18 <u>Selling and Distribution Expenses</u></b>		
Salaries, Benefits and Allowances	17,812,835	6,331,547
Travelling and Conveyance	4,843,004	1,693,500
Entertainment Expenses	243,964	130,515
Postage, Telephone and Telegram	378,210	255,745
Advertisement & Marketing expenses	5,481,717	471,265
	<u>28,759,730</u>	<u>8,882,572</u>
	2024	2023
Note	<u>Rupees</u>	<u>Rupees</u>

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**NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS**  
For the Year ended 30 June 2024

**19 Investments Gain/(Loss)**

Unrealized Gain / ( Losses ) on investments	41,496,230	1,200,648
Realized Gain / ( Losses ) on investments	(6,974,809)	(8,815,056)
Gain on disposal of Commodities	29,683,225	10,532,750
	<b>64,204,646</b>	<b>2,918,342</b>
	<b>64,204,646</b>	<b>2,918,342</b>
Commodities- Sales	160,700,997	44,153,994
Commodities- Cost of Sales	(131,017,772)	(33,621,244)
Gain	19.1	10,532,750
	<b>29,683,225</b>	<b>10,532,750</b>
	<b>29,683,225</b>	<b>10,532,750</b>

19.1 Gain on Investments shows gain from trading of Commodities during the year.

**20 Finance Cost**

Bank Charges	79,577	70,133
	<b>79,577</b>	<b>70,133</b>
	<b>79,577</b>	<b>70,133</b>

**21 Income tax**

Current Tax	-	21,564,978
Prior year Adjustment-2021	-	343,942
Deferred Tax	(1,024,940)	515,975
	<b>(1,024,940)</b>	<b>22,424,895</b>
	<b>(1,024,940)</b>	<b>22,424,895</b>

**22 Chief Executive and Directors Remuneration**

Chief Executive and no director withdraw any salary and other benefits from the company.

**23 TRANSACTIONS WITH RELATED PARTIES**

The related parties of the Company comprise of directors and key management personnel. Transactions with related parties include advance for working capital requirements. These transactions are as follows:

Name of the related party	Relationship with related party	Nature of Transactions	2024 June Rupees	2023 June Rupees
Ali Alam Qamar	Director	Loan from Sponsors	90,000,000	58,500,000
Goldfinger Private Limited	Common Directorship	Loan from Sponsors	90,000,000	25,000,000
			<b>180,000,000</b>	<b>83,500,000</b>
			<b>180,000,000</b>	<b>83,500,000</b>

*23/24/25/26*

**NOTES TO THE GROUP CONSOLIDATED FINANCIAL STATEMENTS**

For the Year ended 30 June 2024

**24 Financial Instruments**

	Amortized Cost		Total	
	June 2024	June 2023	June 2024	June 2023
<b>Financial Assets</b>				
----- Rupees -----				
Trade and Other receivables	157,503,596	53,663,495	157,503,596	53,663,495
Cash and bank balances	94,013,441	67,426,298	94,013,441	67,626,298
	<u>251,517,037</u>	<u>121,089,793</u>	<u>251,517,037</u>	<u>121,289,793</u>
<b>Financial liabilities</b>				
Trade and other payables	31,903,646	32,478,445	31,903,646	32,478,445
	<u>31,903,646</u>	<u>32,478,445</u>	<u>31,903,646</u>	<u>32,478,445</u>

**25 Earning per Share - Basic & Diluted**

There is no dilutive effect on the basic earnings per share which is based on:

Profit after taxation	292,711,085	81,252,073
Weighted average number of ordinary shares	73,309,589	2,000,000
Basic earning per share	<u>3.99</u>	<u>40.63</u>

Profit after taxation for the year ended June 30, 2023 had been inadvertently shown as Rs. 103,676,968, which has now been rectified and shown as Rs. 81,252,073 and the corresponding effect on Earnings per Share has also been incorporated.

Basic Earning per Share calculated on the basis of outstanding shares at June 20, 2024 is Rs 1.46 ( 2023: 40.63).

**26 Number of Employees**

Total number of employees	29	23
Average number of employees	<u>33</u>	<u>23</u>

**27 Subsequent Events**

There are no subsequent events as at year end.

**28 Date of Authorization for issue**

These financial statements were issued on 27<sup>th</sup> Aug, 2024 by the board of directors of the Company.

**29 General**

Figures have been rounded off to the nearest rupee.



Ali Alam Qamar  
CHIEF EXECUTIVE



Nouman Ul Hassan  
DIRECTOR



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