



1st QUARTER FINANCIAL REPORT

Zarea Limited **2024-25**

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Company Information

Board of Directors

Mrs. Misbah Momin	Chairperson/Director
Mr. Ali Alam Qamar	C.E.O/Director
Mr. Sohail Wajahat Siddiqui	Independent Director
Mr. Muhammad Afzal Chaudhry	Independent Director
Mr. Juneid Akram	Non-Executive Director
Mr. Nouman Ul Hassan	Executive Director
Mrs. Meezan Fahd	Non-Executive Director

Chief Financial Officer

Muhammad Usman Ameer

Company Secretary

Syed Muhammad AKram

Company Registration

0158011

Company National Tax Number

8379488

Auditors

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountant

Legal Counsel

Mohsin Tayebaly & Co.

Share Registrar

THK Associates (Pvt.) Limited

Bankers

Meezan Bank
Al-Falah Bank
Faysal Bank
UBL Bank

Head Office

Office No. 6011, NASTP, Special
Technology Zone, Delta 6, Abid Majeed Rd,
Cantt, Lahore

Other Office

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

Director's Report

Dear Shareholders,

On behalf of the Board of Directors of Zarea Limited, we are pleased to present the financial statements for the first quarter ended September 30, 2024.

UNCONSOLIDATED RESULTS

The first quarter of 2024-25 has marked a period of robust growth and strategic advancements for Zarea Limited. We are pleased to report a net profit before tax of PKR 107.8 million, more than double the corresponding period last year. This growth reflects a 109.7% increase in operational profit, driven by higher sales volumes, expanding customer base, and improved market penetration.

	Quarter ended September 30, 2024	Quarter ended September 30, 2023	Variation %
FINANCIAL HIGHLIGHTS			
Profit from Operations	110,532,000	52,698,910	109.7%
Administrative and General Expenses	(9,708,674)	(4,620,009)	101.4%
Selling and Distribution Expenses	(10,355,729)	(5,392,449)	92.04%
Financial Charges	(22,992)	(14,921)	54.09%
Investments Gain/(Loss)	17,402,527	10,223,364	70.22%
Profit Before Tax	107,847,132	52,894,895	103.89%
Taxation	-	192,176	(100%)
Profit / (Loss) After Tax	107,847,132	53,087,071	103.15%
Earnings Per Share	0.54	2.65	

BUSINESS PERFORMANCE REVIEW

Amid improving economic conditions, Zarea has continued to excel. With total sales of PKR 110.5 million, our strong performance is a testament to our resilient business model and effective management. Our team has focused on continuous improvement across operations, enhancing both efficiency and profitability.

KEY MILESTONES

1. Expansion of Operations

Zarea expanded its operations across Pakistan, strengthening its presence in key markets and enhancing its network of suppliers to meet the growing demands of our customers, reinforcing Zarea's position as a comprehensive digital marketplace for a wide range of commodities.

2. Initial Public Offering (IPO).

The directors of Zarea Limited are optimistic about the company's growth trajectory and view its Initial Public Offering (IPO) as a pivotal step to fuel strategic expansion in Pakistan's rapidly evolving e-commerce sector. The IPO's entire issue of 62.5 million shares will be offered through the book-building method, providing investors with a unique opportunity to participate in Zarea's growth story. Successful bidders in the book-building process will receive a provisional allotment of 75% of the shares (46.875 million), with the remaining 25% (15.625 million) available to retail investors through a general public offering. Priced attractively at a floor price of PKR 16 per share, with a P/E multiple of 10.93x (during submission of draft prospectus), the offering represents a significant discount to the industry average, aimed at fostering substantial shareholder value. With proceeds from the IPO, Zarea intends to enhance its technology infrastructure, expand product offerings, and deepen market reach, establishing itself as a frontrunner in Pakistan's digital commodities marketplace. The directors are confident that Zarea's growth-focused strategy and the high demand anticipated for the IPO will drive long-term value, contributing positively to both the company's and shareholders' future prospects.

3. Technological Advancements and Customer Experience

Investments in technology have improved our user experience and reduced order fulfilment times, enhancing customer satisfaction. These enhancements reinforce Zarea's commitment to superior customer experience, driving customer retention and attracting new users to our platform.

Resilience Amid Evolving Market Dynamics

The Company achieved a remarkable 109% revenue growth in Q1, fueled by strong customer retention and new acquisitions. This performance highlights the effectiveness of our business strategy and Zarea's capacity to thrive in an evolving market environment.

Looking Forward

The Company remains focused on its strategic vision of transforming Pakistan's commodities marketplace. By continuously improving our platform, expanding product offerings, and prioritizing sustainability initiatives, we are well-positioned to deliver strong, long-term growth.

Acknowledgments

We extend our gratitude to our employees for their dedication and hard work, and to our shareholders and stakeholders for their continued trust and support. The achievements of this quarter are a testament to our team's commitment and to the strength of our relationships with our stakeholders.

Conclusion

With a solid foundation, a clear growth strategy, and a commitment to innovation, Zarea is poised to create exceptional value for shareholders, customers, and partners in the coming years. We look forward to another successful year as we continue to build a leading digital commodities marketplace in Pakistan.



Ali Alam Qamar

Chief Executive Officer

For and on behalf of the Board,

Lahore

Dated: October 30, 2024

Zarea Limited

Unconsolidated Financial Statements



ZAREA LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at September 30, 2024

Rupees	Notes	September 2024 (Unaudited)	June 2024 (Audited)
<u>NON-CURRENT ASSETS</u>			
Property and equipments	5	44,721,772	25,891,412
Intangible Assets		26,483,201	22,058,377
Long term Security Deposits		2,230,875	2,230,875
Investment in Subsidiary		750,000	750,000
		<u>74,185,848</u>	<u>50,930,665</u>
<u>CURRENT ASSETS</u>			
Investment held for trading		105,138,063	70,653,024
Investment in Mutual Funds	6	47,505,745	-
Advances for Commodities		184,593,942	241,982,657
Trade and Other receivables		135,325,629	157,503,596
Advances & Prepayments		23,288,770	15,364,620
Cash and bank balances		148,148,788	93,013,441
		<u>644,000,937</u>	<u>578,517,338</u>
		<u>718,186,785</u>	<u>629,448,003</u>
<u>TOTAL ASSETS</u>			
<u>EQUITY AND LIABILITIES</u>			
Share capital			
Authorized capital			
400,000,000 (2024: 300,000,000) ordinary shares of Rs. 1 each		<u>400,000,000</u>	<u>300,000,000</u>
Issued, subscribed & paid-up capital			
200,000,000 (2024: 200,000,000) ordinary shares of Rs. 1 each		<u>200,000,000</u>	<u>200,000,000</u>
Reserves		<u>487,833,656</u>	<u>397,644,357</u>
		<u>687,833,656</u>	<u>597,644,357</u>
		<u>687,833,656</u>	<u>597,644,357</u>
<u>CURRENT LIABILITIES</u>			
Trade and Other Payables		<u>30,353,129</u>	<u>31,803,646</u>
		<u>30,353,129</u>	<u>31,803,646</u>
<u>TOTAL EQUITY AND LIABILITIES</u>			
		<u>718,186,785</u>	<u>629,448,003</u>
Contingencies and Commitments			
		-	-

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

ZAREA LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 For the Quarter ended September 30, 2024 (Unaudited)

Rupees	Notes	September 2024	September 2023
Platform Usage revenue	8	110,532,000	52,698,910
Administrative and General Expenses		(9,708,674)	(4,620,009)
Selling and Distribution Expenses		(10,355,729)	(5,392,449)
Investments Gain/(Loss)	9	17,402,527	10,223,364
Finance Costs		(22,992)	(14,921)
Profit before taxation		107,847,132	52,894,895
Taxation		-	192,176
Net profit after taxation		107,847,132	53,087,071
Other Comprehensive Income		-	-
Total Comprehensive Income		107,847,132	53,087,071
Basic & Diluted earning per share	10	0.54	26.54

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

ZAREA LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the Quarter ended September 30, 2024 (Unaudited)

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	
Balance as at June 30, 2023	20,000,000	83,500,000	109,894,307	-	213,394,307
Profit for the Period	-	-	53,087,071	-	53,087,071
Balance as at September 30, 2023	20,000,000	83,500,000	162,981,378	-	266,481,378
Balance as at June 30, 2024	200,000,000	-	397,644,357	-	597,644,357
Profit for the Period	-	-	107,847,132	-	107,847,132
Share Issuance Expense	-	-	(17,657,833)	-	(17,657,833)
Balance as at September 30, 2024	200,000,000	-	487,833,656	-	687,833,656

Rs _____

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

ZAREA LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the Quarter ended September 30, 2024 (Unaudited)

Rupees	Notes	September 2024	September 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		107,847,132	52,894,895
<u>Adjustment for non-cash items</u>			
Depreciation & Amortization		1,647,342	1,646,894
Unrealised (Gain) / loss		(7,490,784)	(5,414,618)
Finance costs		22,991	14,921
Operating profit before working capital changes		102,026,681	49,142,092
Working capital changes			
(Increase) / decrease in current assets			
Trade and Other Receivables		22,177,967	5,564,784
Advances, Deposits and Prepayments		(7,924,150)	-
Advances for Commodities		57,388,715	5,138,363
Increase / (decrease) in current liabilities			
Trade and Other Payables		(1,450,516)	(229,173)
Finance Costs paid		(22,992)	(14,921)
		70,169,024	10,459,053
Net cash flows from operating activities		172,195,705	59,601,145
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Issuance Expense		(17,657,833)	-
Net cash flows from financing activities		(17,657,833)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Property and Equipment		(19,652,525)	(15,414,001)
Intangible Assets		(5,250,000)	(18,600,000)
Investment in Securities		(27,500,000)	-
Investment in Alfalah GHP Mutual Fund		(47,000,000)	-
Net cash flows from investing activities		(99,402,525)	(34,014,001)
Net increase in cash and cash equivalents		55,135,347	25,587,143
Cash and cash equivalents at the beginning of the Period		93,013,441	67,426,298
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		148,148,788	93,013,441

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

ZAREA LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Quarter ended September 30, 2024 (Unaudited)

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

2.1 Statement of compliance

These interim 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 Standard (IAS) 34 issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017
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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** This condensed interim financial statements comprises the condensed interim statement of financial position of the Company, as at 30 September 2024 and the related condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof
- 2.3** The condensed interim financial statements do not include all the information and disclosures required in an annual financial statements and should be read in conjunction with the financial statements for the year ended June 30, 2024.
- 2.4** Comparative statement of financial statements numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2024, whereas comparatives of condensed interim statement of profit or loss account and other comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim financial statements of the Company for the three months period ended 30 September 2024.
- 2.5 Functional and presentation currency**

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

3 Key Judgments and estimates

In preparing these condensed interim financial statements management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited financial statements for the year ended 30 June 2024.

4 Significant accounting policies

The accounting policies adopted for the preparation of this condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 30 June 2024

ZAREA LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the Quarter ended September 30, 2024 (Unaudited)

6 INVESTMENT IN MUTUAL FUNDS

Investment in Alfalah GHP-(Fair value through profit or Loss)-Islamic	6.1	47,505,745	-
		47,505,745	-

6.1 This represents investment in 453,148 units (2024: Nil units) of Mutual Funds having cost amounting to Rs.47,000,000/- (2024: Rs. Nil).

7 CONTINGENCIES AND COMMITMENTS

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

8 REVENUE

		2024 September	2023 september
Platform Usage Revenue		110,532,000	52,698,910
		110,532,000	52,698,910

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.

9 INVESTMENT GAIN/(LOSS)

Unrealised Gain on Investments		6,985,039	4,657,759
Net Assets Value Gain on Alfalah GHP Mutual Funds		505,745	-
Gain on disposal of Commodities		9,911,743	5,565,605
		17,402,527	10,223,364
Commodities- Sales		81,312,458	30,131,437
Commodities- Cost of Sales		(71,400,715)	(24,565,832)
Gain	9.1	9,911,743	5,565,605

9.1 Gain on disposal of commodities shows gain from trading of Commodities during the period.

10 Earning per Share - Basic & Diluted

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

Profit after taxation		107,847,132	53,087,071
Weighted average number of ordinary shares	10.1	200,000,000	2,000,000
Basic earning per share		0.54	26.54

10.1 Number of shares in 1st quarter of 2024-25 are 200,000,000 (2023-24 : 2,000,000) face value of Rs. 1 (2023-24 : 10) each.

11 Date of Authorization for issue

These financial statements were issued on October 30, 2024 by the board of directors of the Company.

12 General

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

Zarea Limited

Consolidated Financial Statements



ZAREA LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at September 30, 2024

Rupees	Notes	September 2024 (Unaudited)	June 2024 (Audited)
<u>NON-CURRENT ASSETS</u>			
Property and equipments	5	44,721,772	25,891,413
Intangible Assets		26,483,201	22,058,377
Long term Security Deposits		2,230,875	2,230,875
		<u>73,435,848</u>	<u>50,180,665</u>
<u>CURRENT ASSETS</u>			
Investments held for trading		105,138,063	70,653,024
Investment in Mutual Funds	6	47,505,745	-
Advances for Commodities		184,593,942	241,982,657
Trade and Other receivables		135,225,629	157,503,596
Advances & Prepayments		23,288,770	15,364,620
Cash and bank balances		149,146,932	94,013,441
		<u>644,899,081</u>	<u>579,517,338</u>
		<u>718,334,929</u>	<u>629,698,003</u>
<u>TOTAL ASSETS</u>			
<u>EQUITY AND LIABILITIES</u>			
Share capital			
Authorized capital			
400,000,000 (2024: 300,000,000) ordinary shares of Rs. 1 each.		<u>400,000,000</u>	<u>300,000,000</u>
Issued, subscribed & paid-up capital			
200,000,000 (2024: 200,000,000) ordinary shares of Rs. 1 each.		200,000,000	200,000,000
Consolidated Reserves		487,757,269	397,569,357
Non-controlling Interest		224,531	225,000
		<u>687,981,800</u>	<u>597,794,357</u>
		<u>687,981,800</u>	<u>597,794,357</u>
<u>CURRENT LIABILITIES</u>			
Trade and Other Payables		30,353,129	31,903,646
		<u>30,353,129</u>	<u>31,903,646</u>
TOTAL EQUITY AND LIABILITIES		<u>718,334,929</u>	<u>629,698,003</u>
Contingencies and Commitments		-	-

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

ZAREA LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
 For the quarter ended September 30, 2024 (Unaudited)

Rupees	Notes	September 2024	September 2023
Platform Usage revenue	8	110,532,000	52,698,910
Administrative and General Expenses		(9,708,674)	(4,620,009)
Selling and Distribution Expenses		(10,355,729)	(5,392,449)
Investments Gain/(Loss)	9	17,402,527	10,223,364
Finance Costs		(24,848)	(14,921)
Profit before taxation		<u>107,845,276</u>	<u>52,894,894</u>
Taxation		-	192,176
Net profit after taxation		<u>107,845,276</u>	<u>53,087,070</u>
Other Comprehensive Income		-	-
Total Comprehensive Income		<u>107,845,276</u>	<u>53,087,070</u>
Attributable to:			
- Owners of Zarea Limited		107,845,745	53,087,070
- NCI		(469)	-
Basic & Diluted earning per share	10	<u>0.54</u>	<u>26.54</u>

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

ZAREA LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
 For the quarter ended September 30, 2024 (Unaudited)

Particulars	Issued, subscribed and paid-up capital	Loan from Shareholders/ Sponsors	Consolidated Reserves	Non-Controlling Interest	Total Equity
Balance as at July 1, 2023	20,000,000	83,500,000	109,894,307	-	213,394,307
Profit for the period	-	-	53,087,070	-	53,087,070
Balance as at September 30, 2023	20,000,000	83,500,000	162,981,377	-	266,481,377
Balance as at June 30, 2024	200,000,000	-	397,569,357	225,000	597,794,357
Profit for the Period	-	-	107,845,745	(469)	107,845,276
Other Comprehensive income	-	-	-	-	-
Share Issuance Expense	-	-	(17,657,833)	-	(17,657,833)
BALANCE AS AT SEPTEMBER 30, 2024	200,000,000	-	487,757,269	224,531	687,981,800

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

ZAREA LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the quarter ended September 30, 2024 (Unaudited)

Rupees	Notes	September 2024	September 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		107,845,276	52,894,894
<u>Adjustment for non-cash items</u>			
Depreciation & Amortization		1,647,342	1,646,894
Unrealised (Gain) / loss		(7,490,784)	(5,414,617)
Finance costs		24,848	14,921
Operating profit before working capital changes		102,026,683	49,142,092
Working capital changes			
(Increase) / decrease in current assets			
Trade and Other Receivables		22,277,967	5,564,784
Advances & Prepayments		(7,924,150)	-
Advance for Commodities		57,388,715	6,138,363
Increase / (decrease) in current liabilities			
Trade and Other Payables		(1,550,517)	(229,173)
Finance Costs paid		(24,848)	(14,921)
		70,167,167	11,459,053
Net cash flows from operating activities		172,193,850	60,601,145
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Issuance Expense		(17,657,833)	-
Net cash flows from financing activities		(17,657,833)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Property and Equipment		(19,652,525)	(15,414,001)
Intangible Assets		(5,250,000)	(18,600,000)
Investment in Securities		(27,500,000)	-
Investment in Alfalah GHP Mutual Fund		(47,000,000)	-
Net cash flows from investing activities		(99,402,525)	(34,014,001)
Net increase in cash and cash equivalents		55,133,491	26,587,143
Cash and cash equivalents at the beginning of the Period		94,013,441	67,426,298
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		149,146,932	94,013,441

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

ZAREA LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the quarter ended September 30, 2024 (Unaudited)

1 Legal status and Nature of Business

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

2.1 Statement of compliance

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

International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

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

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of (IAS) 34 or the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 This condensed interim financial statements comprises the condensed interim statement of financial position of the Company, as at 30 September 2024 and the related condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof

2.3 The condensed interim financial statements do not include all the information and disclosures required in an annual financial statements and should be read in conjunction with the financial statements for the year ended June 30, 2024.

2.4 Comparative statement of financial statements numbers are extracted from the annual audited financial statements of the Company for the year ended 30 June 2024, whereas comparatives of condensed interim statement of profit or loss account and other comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim financial statements of the Company for the three months period ended 30 September 2024.

2.5 Basis of Preparation

These consolidated condensed interim financial statements include the financial statements of Zarea Limited and its subsidiary – Zarea Agritech private Limited (“referred as the Group”). The financial statements of the subsidiary have been consolidated on line by line basis. All material inter-organization balances, transactions and resulting unrealized profits / losses have been eliminated.

These consolidated condensed interim financial statements have been prepared under the historical cost convention, except as otherwise stated in relevant notes and are presented in Pakistani Rupees (Rs.), which is the functional currency of the Group.

ZAREA LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the quarter ended September 30, 2024 (Unaudited)

These consolidated condensed interim financial statements are unaudited and do not include all the information and disclosures as are required for annual audited consolidated financial statements, and therefore, should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended June 30, 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual audited consolidated financial statements.

3 Summary of significant accounting policies

The significant accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the annual audited consolidated financial statements of the Group for the year ended June 30, 2024, except detailed below or elsewhere. During the period, certain amendments / interpretations became effective and were adopted by the holding company and the subsidiary company. Management has assessed the changes laid down by the amendments / interpretations that became effective during the period or are yet not effective and determined that they do not have any significant impact on these consolidated condensed interim financial statements.

Taxes on income in the interim periods are accrued using tax rate that would be applicable to expected annual profit or loss of the holding company. Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out by the holding company on June 30, 2024. The impact of remeasurement of retirement benefit plan has not been incorporated in the consolidated condensed interim financial statements.

4 Critical accounting estimates and judgments

The preparation of consolidated condensed interim financial statements in conformity with the approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group accounting policies and key sources of estimation of uncertainty were the same as those applied to the annual audited consolidated

financial statements of the Group for the year ended June 30, 2024, except as disclosed otherwise in respective notes.

ZAREA LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
 For the quarter ended September 30, 2024 (Unaudited)

6 INVESTMENT IN MUTUAL FUNDS

Investment in Alfalah GHP-(Fair value through profit or Loss)-Islamic	6.1	47,505,745	-
		<u>47,505,745</u>	<u>-</u>

6.1 This represents investment in 453,148 units (2024: Nil units) of Mutual Funds having cost amounting to Rs.47,000,000/- (2024: Rs. Nil).

7 Contingencies and Commitments

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

8 Revenue

	2024 September	2023 September
Platform Usage Revenue	110,532,000	52,698,910
	<u>110,532,000</u>	<u>52,698,910</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.

9 Investments Gain/(Loss)

Unrealised gain on Investments	6,985,039	4,657,759
Net Assets Value Gain on ALFALAH GHP Mutual Funds	505,745	-
Gain on disposal of Commodities	9,911,743	5,565,605
	<u>17,402,527</u>	<u>10,223,364</u>
Commodities- Sales	81,312,458	30,131,437
Commodities- Cost of Sales	(71,400,715)	(24,565,832)
Gain	9,911,743	5,565,605

9.1 Gain on disposal of commodities shows gain from trading of Commodities during the period.

10 Earning per Share - Basic & Diluted

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

Profit after taxation	107,845,276	53,087,070
Weighted average number of ordinary shares	200,000,000	2,000,000
Basic earning per share	0.54	26.54

10.1 Number of shares in 1st quarter of 2024-25 are 200,000,000 (2023-24 : 2,000,000) face value of Rs. 1 (2023-24 : 10) each.

11 Date of Authorization for issue

These financial statements were issued on October 30, 2024 by the board of directors of the Company.

12 General

Figures have been rounded off to the nearest rupee.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



 zarea.pk  (042) 321 76455

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