

**Zillion Capital Securities (Private)
Limited
Financial Statements
For the year ended
June 30, 2022**



ZILLION CAPITAL SECURITIES (PVT) LTD.

TREC HOLDER : PAKISTAN STOCK EXCHANGE LIMITED.

TREC Number: 047, Registration Number: BRP: 282

Registered Office: Office No. # 727-729, 7th Floor, Stock Exchange Building,
Stock Exchange Road, Karachi-74000, Pakistan.

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DIRECTOR'S REPORT

On behalf of the Board of Directors I am pleased to present the Annual report together with the company's Audited Financial Statement and Auditors Report for the Financial year ended 30th June 2022. The Summarized results for the year ended 30th June 2022 are as under:

Financial results	2022
Operating Revenue	4,477,677
Loss before Taxation	(50,242,412)
Taxation	(474,947)
Loss after Tax	(50,717,359)

AUDITORS:

The auditors M/S UHY Hassan Naeem & co retire at the conclusion of the meeting being eligible, they have offered themselves for re-appointment.

CONCLUSION:

The Directors appreciate assistance and co-operation extended by customers and employees of the company.

For and on behalf of the Board

Chief Executive



Director

Date: 11 OCT 2022

Karachi

INDEPENDENT AUDITOR'S REPORT

To the members of **ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED** ("the Company"), which comprise the statement of financial position as at **June 30, 2022** and the statement of profit or loss, the statement of changes in equity, and the statement of cash flow 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 profit or loss, the statement of changes in equity and statement of cash flow 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, 2022 and of the loss for the year then ended, the changes in equity and its cash flows for the period 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 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.

Responsibilities of Management and Board of Directors 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 requirement 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 operation, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

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 board of directors 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, the statement of profit or loss, 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) investments made, expenditure incurred and guarantees extended during the period were 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).
- e) the company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the financial statements were prepared

The engagement partner on the audit resulting in this independent auditor's report is **Imran Iqbal**.

UHY Hassan Naeem & Co.

KARACHI

DATE: October 14, 2022

UDIN: AR202210215HfAK6VaB4

ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Property and equipment	4	4,376,403	3,418,006
Intangible assets	5	2,750,000	2,750,000
Investment at fair value through OCI	6	11,060,615	24,121,438
Long term deposits	7	7,350,000	7,350,000
		25,537,018	37,639,444
<u>CURRENT ASSETS</u>			
Trade debts	8	21,924,821	61,144,176
Investment at fair value through profit & loss	9	27,429,704	119,215,535
Advances, deposits, prepayments and other receivables	10	12,950,076	17,622,957
Cash and bank balances	11	9,015,509	7,018,465
		71,320,110	205,001,133
		<u>96,857,128</u>	<u>242,640,577</u>
<u>EQUITY AND LIABILITIES</u>			
<u>CAPITAL RESERVES</u>			
Authorized capital	12.1	150,000,000	150,000,000
Issued, subscribed and paid-up capital	12.2	101,500,000	101,500,000
Unappropriated profit		(37,501,257)	13,216,099
Surplus/(Deficit) - Investment through OCI		2,332,903	15,393,727
Capital contribution from director		1,471,534	-
		67,803,180	130,109,826
<u>LIABILITIES</u>			
<u>NON-CURRENT LIABILITIES</u>			
Long term loan	13	6,028,466	7,500,000
<u>CURRENT LIABILITIES</u>			
Trade and other payable	14	13,420,531	42,614,184
Short term running finance	15	9,604,951	62,416,567
		23,025,482	105,030,751
Contingencies and commitments	16	-	-
		<u>96,857,128</u>	<u>242,640,577</u>

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



ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 (Rupees)	2021 (Rupees)
Revenue from contract with customers	17	4,477,677	7,654,300
Operating and administrative expenses	18	(12,664,145)	(12,119,004)
Operating (Loss)		<u>(8,186,468)</u>	<u>(4,464,704)</u>
Loss Allowance		-	(10,000,000)
Finance cost	19	(3,212,891)	(4,856,156)
Other income	20	<u>(38,843,053)</u>	<u>57,987,636</u>
NET PROFIT/(LOSS) BEFORE TAXATION		(50,242,412)	38,666,776
Taxation	21	(474,947)	(309,013)
NET PROFIT/ (LOSS) AFTER TAXATION		<u>(50,717,359)</u>	<u>38,357,763</u>
(loss) per share-basic and diluted		<u>(49.97)</u>	<u>37.79</u>

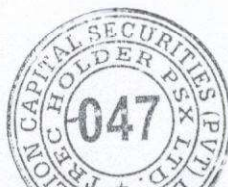
The annexed notes form an integral part of these financial statements.



ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022 <i>(Rupees)</i>	2021 <i>(Rupees)</i>
Profit/(loss) for the year	(50,717,359)	38,357,763
Other comprehensive income:		
Unrealised loss on revaluation of investments at fair value through other comprehensive income	(13,060,824)	13,417,617
TOTAL COMPREHENSIVE INCOME/LOSS	<u><u>(63,778,183)</u></u>	<u><u>51,775,380</u></u>

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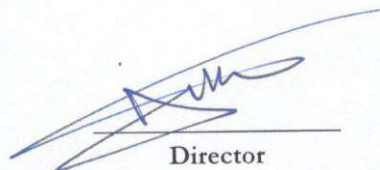
ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid-up capital	Accumulated Profit/(Loss)	Surplus/ (Deficit) - Investment- (FVTOCI)	Capital contribution from director	Total
-----Rupees-----					
Balance as at June 30, 2020	101,500,000	(25,141,664)	1,976,110	-	78,334,446
Net profit for the year	-	38,357,763	-	-	38,357,763
surplus/(Deficit) on Investment at fair value through OCI	-	-	13,417,617	-	13,417,617
Balance as at June 30, 2021	101,500,000	13,216,099	15,393,727	-	130,109,826
Net (loss) for the year	-	(50,717,357)	-	-	(50,717,357)
surplus/(Deficit) on Investment at fair value through OCI	-	-	(13,060,823)	-	(13,060,823)
Effect of discounting of long term loan from directors	-	-	-	1,471,534	1,471,534
Balance as at June 30, 2022	101,500,000	(37,501,258)	2,332,904	1,471,534	67,803,180

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



Chief Executive

Director

ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2022

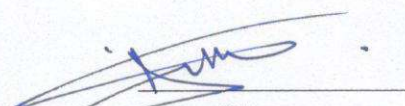
	2022 (Rupees)	2021 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(50,242,412)	38,666,776
Adjustment for non-cash items:		
Depreciation	943,328	821,581
Capital Gain/(loss)-Investment at FVTPL	41,351,930	(55,205,573)
Dividend income	(1,730,584)	(1,291,603)
Gain on disposal	(553,555)	(1,074,271)
Finance cost	3,212,891	5,153,204
Provision for bad debts	-	10,000,000
Operating profit before working capital changes	43,224,010	(41,596,662)
Changes in working capital		
(Increase)/decrease in trade debts	39,219,355	(32,818,546)
Decrease in advances, deposits and prepayments	4,632,949	(4,558,428)
Increase/(Decrease) in trade and other payable	(29,193,653)	26,027,305
Net changes in working capital	14,658,651	(11,349,669)
Finance cost paid	(3,212,891)	(5,153,204)
Taxes paid	(435,014)	(226,198)
Net cash generated from operating activities	3,992,344	(19,658,957)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(2,863,169)	(3,295,559)
Long term deposit	-	100,000
Diposal of property and equipment	1,515,000	2,000,000
Proceeds from sale of Investment	50,433,901	(16,314,936)
Dividend received	1,730,584	1,291,603
Net cash generated from investing activities	50,816,316	(16,218,892)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term running finance	(52,811,616)	34,126,381
Net cash generated from financing activities	(52,811,616)	34,126,381
Net increase in cash and cash equivalent	1,997,044	(1,751,468)
Cash and cash equivalent at beginning of the year	7,018,465	8,769,933
Cash and cash equivalent at end of the year	9,015,509	7,018,465

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



Chief Executive





Director