

Zillion Capital Securities (Private)  
Limited  
Financial Statements  
For the year ended  
June 30, 2023







# 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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Website: www.zcs.com.pk | Facebook: facebook.com/zcspak | Twitter: twitter.com/zcspak

## 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 30<sup>th</sup> June 2023. The Summarized results for the year ended 30<sup>th</sup> June 2023 are as under:

### Financial Results

2023

Operating Revenue	5,619,556
Profit before Taxation	8,386,503
Taxation	2,437,005
Profit after Tax	10,823,508

### 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:

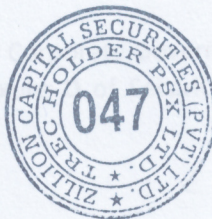
The Directors appreciate assistance and co-operation extended by customers and employees of the company.

For and on behalf of the Board

Chief Executive

Date: October 7, 2023

Karachi



Director



## 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, 2023** 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, 2023 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 7, 2023


UDIN: AR202310215glzc8kPwQ

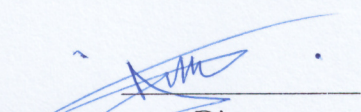


**ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**

	Note	2023 (Rupees)	2022 (Rupees)
<b><u>ASSETS</u></b>			
<b><u>NON CURRENT ASSETS</u></b>			
Property and equipment	4	12,311,118	4,376,403
Intangible assets	5	2,750,000	2,750,000
Investment at fair value through OCI	6	8,000,836	11,060,615
Long term deposits	7	7,350,000	7,350,000
		30,411,954	25,537,018
<b><u>CURRENT ASSETS</u></b>			
Trade debts	8	47,879,759	21,924,821
Investment at fair value through profit & loss	9	10,608,341	27,429,704
Advances, deposits, prepayments and other receivables	10	10,144,147	12,950,076
Cash and bank balances	11	2,678,410	9,015,509
		71,310,657	71,320,110
		<u>101,722,611</u>	<u>96,857,128</u>
<b><u>SHARE CAPITAL AND RESERVES</u></b>			
Authorized capital	12.1	<u>150,000,000</u>	<u>150,000,000</u>
<b>Share capital</b>			
Issued, subscribed and paid-up capital	12.2	101,500,000	101,500,000
<b>Capital Reserves</b>			
Surplus on revaluation of property and equipment	12.3	6,205,400	-
Surplus / (Deficit) - Investment at FVTOCI		(726,876)	2,532,903
Capital contribution from director		3,663,645	1,471,534
<b>Revenue reserves</b>			
Accumulated Profit/(Loss)		(26,677,749)	(37,501,257)
		83,964,420	67,803,180
<b><u>NON-CURRENT LIABILITIES</u></b>			
Long term loan	13	5,307,889	6,028,466
<b><u>CURRENT LIABILITIES</u></b>			
Trade and other payable	14	4,738,059	13,420,531
Short term running finance	15	7,712,243	9,604,951
		12,450,302	23,025,482
Contingencies and commitments	16		
		<u>101,722,611</u>	<u>96,857,128</u>

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

  
 Chief Executive

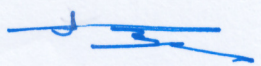
  
 Director

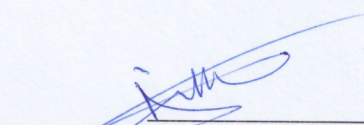


**ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 (Rupees)	2022 (Rupees)
Revenue from contract with customers	17	5,619,556	4,477,677
Operating and administrative expenses	18	(13,139,108)	(12,664,145)
Operating (Loss)		<u>(7,519,552)</u>	<u>(8,186,468)</u>
Finance cost	19	(3,236,535)	(3,212,891)
Other income	20	<u>19,142,590</u>	<u>(38,843,053)</u>
<b>NET PROFIT/(LOSS) BEFORE TAXATION</b>		<b>8,386,503</b>	<b>(50,242,412)</b>
Taxation	21	2,437,005	(474,947)
<b>NET PROFIT/ (LOSS) AFTER TAXATION</b>		<b><u>10,823,508</u></b>	<b><u>(50,717,359)</u></b>
<b>Earning / (loss) per share-basic and diluted</b>		<b><u>10.66</u></b>	<b><u>(49.97)</u></b>

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 Chief Executive

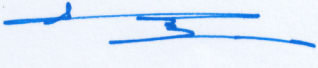
  
 Director

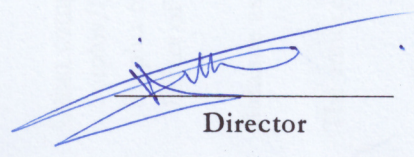


**ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023 (Rupees)	2022 (Rupees)
Profit/(loss) for the year	10,823,508	(50,717,359)
<b>Other comprehensive income:</b>		
Items that will not be subsequently reclassified in profit or loss		
Unrealised loss on revaluation of investments at fair value through OCI	(3,059,779)	(13,060,824)
Surplus on revaluation of property and equipment	6,205,400	-
Increase in capital contribution from director	2,192,111	1,471,534
	5,337,732	(11,589,290)
<b>TOTAL COMPREHENSIVE INCOME/LOSS</b>	<b>16,161,240</b>	<b>(62,306,649)</b>

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

  
 Chief Executive


  
 Director

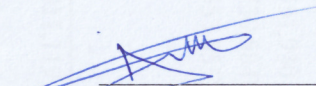


**ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Share capital	Capital Reserves			Revenue Reserves	Total
	Issued, subscribed and paid-up capital	Revaluation surplus	Surplus/ (Deficit) - Investment- (FVTOCI)	Capital contribution from director	Accumulated Profit/ (Loss)	
	-----Rupees-----					
Balance as at June 30, 2021	101,500,000	-	15,393,727	-	13,216,102	130,109,829
Net loss for the year	-	-	-	-	(50,717,359)	(50,717,359)
<u>Other comprehensive income:</u>						
Surplus/(Deficit) on Investment at fair value through OCI	-	-	(13,060,824)	-	-	(13,060,824)
Effect of discounting of long term loan from directors	-	-	-	1,471,534	-	1,471,534
Balance as at June 30, 2022	101,500,000		2,332,903	1,471,534	(37,501,257)	67,803,180
Net (loss) for the year	-	-	-	-	10,823,508	10,823,508
<u>Other comprehensive income:</u>						
Surplus/(Deficit) on Investment at fair value through OCI	-	-	(3,059,779)	-	-	(3,059,779)
Surplus on revaluation of property and equipment	-	6,205,400	-	-	-	6,205,400
Effect of discounting of long term loan from directors	-	-	-	2,192,111	-	2,192,111
Balance as at June 30, 2023	101,500,000	6,205,400	(726,876)	3,663,645	(26,677,749)	83,964,420

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

  
 Chief Executive

  
 Director



**ZILLION CAPITAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOW**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023 (Rupees)	2022 (Rupees)
Note		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	8,386,503	(50,242,412)
<b><u>Adjustment for non-cash items:</u></b>		
Depreciation	997,085	943,328
Capital Gain/(loss)-Investment at FVTPL	621,582	41,351,930
Dividend income	(182,331)	(1,730,584)
Gain on disposal	(5,000,000)	(553,555)
Loss on extinguishment of liability	523,256	-
Unwinding of long term loan from director	948,278	-
Reversal of expected credit loss	(12,794,262)	-
Operating profit before working capital changes	(14,886,392)	40,011,119
<b><u>Changes in working capital</u></b>		
(Increase)/decrease in trade debts	(13,160,676)	39,219,355
(Increase)/Decrease in advances, deposits and prepayments	(4,731,707)	4,632,949
Increase/(Decrease) in trade and other payable	(8,682,472)	(29,193,653)
<b>Net changes in working capital</b>	(26,574,855)	14,658,651
Taxes paid	7,440,041	(435,014)
<b>Net cash generated from operating activities</b>	(25,634,703)	3,992,344
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(191,800)	(2,863,169)
Diposal of property and equipment	5,000,000	1,515,000
Proceeds from sale of Investment	16,199,781	50,433,901
Dividend received	182,331	1,730,584
<b>Net cash generated from investing activities</b>	21,190,312	50,816,316
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term running finance	(1,892,708)	(52,811,616)
<b>Net cash generated from financing activities</b>	(1,892,708)	(52,811,616)
Net increase in cash and cash equivalent	(6,337,099)	1,997,044
Cash and cash equivalent at beginning of the year	9,015,509	7,018,465
Cash and cash equivalent at end of the year	2,678,410	9,015,509

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

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Chief Executive

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Director