

FUTURE INNOVATIVE ENTERPRISE (PVT) LTD

**Financial Statements
For the year ended
30 June 2023**

**Amin & Co.
Chartered Accountants**





Amin & Co.
CHARTERED ACCOUNTANTS

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The Board of Directors
Future Innovative Enterprise Private Limited
Lahore

18 August 2023
CA: B-32

Gentlemen

FINANCIAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2023

1. We are enclosing five copies of the above financial statements along with our report initialed by us. We shall be glad to sign our report after:
 - (i) the financial statements have been approved and signed by the Directors;
 - (ii) We have received management representation letter on the lines of the draft provided to Chief executive officer of the company.
 - (iii) Providing legal confirmation
2. We wish to place on record our appreciation for the courtesy and cooperation extended to us by the entity's personnel during the course of audit.

Sincerely

Shaukat Amin Shah



INDEPENDENT AUDITOR'S REPORT

To the members of Future Innovative Enterprise (Pvt) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Future Innovative Enterprise (Pvt) Limited, which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other 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 profit or loss and other 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 30 June 2023 and of the profit and 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 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.

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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 Director's 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 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 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.

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

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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.

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- 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 and other 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) investments made, expenditure incurred and guarantees extended during the year 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 1908).

The engagement partner on the audit resulting in this independent auditor's report is Shaukat Amin Shah.


Amin & Co.
Chartered Accountants
Lahore

21 AUG 2023

FUTURE INNOVATIVE ENTERPRISE (PVT) LTD
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

		2023 (Rupees)
Assets	Note	
Non-current assets		
Property, plant and equipment	3	28,611,489
Long term security deposit	4	600,000
Long term investments	5	2,570,000,000
Deferred tax assets		7,159,694
		2,606,371,183
Current assets		
Trade and other receivables	6	14,956,625
Advance taxes	7	3,686,608
Cash and bank balances	8	113,636,986
		132,280,219
TOTAL ASSETS		2,738,651,402
 CAPITAL AND LIABILITIES		
Share capital and reserves		
Authorised capital		
2,000,000 ordinary shares of Rs. 100 each		200,000,000
Issued, subscribed and paid up capital		
1,600,000 ordinary shares of Rs 100 each fully paid in cash		160,000,000
Accumulated profits		(12,176,347)
		147,823,653
Non-current liability		
Long term liabilities	9	2,580,520,000
		2,580,520,000
Current liabilities		
Trade and other payables	10	7,368,034
Accrued expenses and other liabilities	11	2,939,715
		10,307,749
Contingencies and commitments	12	-
TOTAL CAPITAL AND LIABILITIES		2,738,651,402

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



Chief Financial Officer



Chief Executive



Director

**FUTURE INNOVATIVE ENTERPRISE (PVT) LTD
STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE 2023**

	Note	2023 (Rupees)
Sales		-
Cost of sales		-
Gross profit		<u>-</u>
General and administrative expenses	13	(42,667,727)
Selling and marketing expenses	14	(1,239,132)
Operating profit		<u>(43,906,859)</u>
Financial charges	15	(9,570)
Other income	16	24,580,388
Profit before taxation		<u>(19,336,041)</u>
Taxation	17	7,159,694
Profit after taxation		<u>(12,176,347)</u>

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


Chief Financial Officer


Chief Executive


Director

**FUTURE INNOVATIVE ENTERPRISE (PVT) LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2023**

	2023 (Rupees)
Profit / (loss) for the year	(12,176,347)
Other comprehensive income for the year	-
Total comprehensive income / (loss)	<u><u>(12,176,347)</u></u>

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

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Chief Financial Officer



Chief Executive



Director

FUTURE INNOVATIVE ENTERPRISE (PVT) LTD
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2023

	2023 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES	
Profit before taxation	(19,336,041)
Adjustment for:	
Depreciation and amortization	1,061,512
Finance cost	9,570
	1,071,082
Cash flow before working capital changes	(18,264,959)
(Increase) / decrease in current assets	
(Increase)/decrease in trade debts and other receivables	(14,956,625)
(Increase)/decrease in advance tax	(3,686,608)
Increase/(decrease) trade and other payables	7,368,034
Increase/(decrease) accrued expenses and other Liabilities	2,939,715
	(8,335,484)
Cash generated from operations	(26,600,443)
Finance cost paid	(9,570)
Cash (used in) / generated from operating activities	(26,610,013)
CASH FLOW FROM INVESTING ACTIVITIES	
Acquisition of property and equipment	(29,673,001)
Payment for security deposit	(600,000)
Long term investment	(2,570,000,000)
Net cash (used) in investing activities	(2,600,273,001)
CASH FLOW FROM FINANCING ACTIVITIES	
Share issued for cash	160,000,000
Long term liability	2,580,520,000
Net cash (used) in investing activities	2,740,520,000
Net increase (decrease) in cash and cash equivalents	113,636,986
Cash and cash equivalents at beginning of period	
Cash and cash equivalents at the end of the period	113,636,986

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



Chief Financial Officer



Chief Executive



Director

**FUTURE INNOVATIVE ENTERPRISE (PVT) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023**

	<u>Share capital</u>	<u>Un-appropriated profit</u>	<u>Total</u>
Rupees.....		
Balance as at 1 July 2022	-	-	-
Issued of ordinary shares for Rs 10 each	160,000,000	-	160,000,000
Net profit / (loss) for the period	-	(12,176,347)	(12,176,347)
Balance as at 30 June 2023	<u>160,000,000</u>	<u>(12,176,347)</u>	<u>147,823,653</u>

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

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Chief Financial Officer



Chief Executive



Director

FUTURE INNOVATIVE ENTERPRISE (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

1 CORPORATE AND GENERAL INFORMATION

1.1 LEGAL STATUS AND OPERATIONS

Future Innovative (Private) Limited (the Company) was incorporated on may 20, 2022 under the Companies Act, 2017 as a private limited Company.

The registered office of the company is situated at House # 227-C, Street # 75, F-11/1, Islamabad.

2 BASIS OF PREPARATION

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

- Provision of and directives issued under the Act.

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

2.2 BASIS OF MEASUREMENT AND PREPARATION

These financial statements have been prepared under the historical cost convention otherwise specifically stated.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistani Rupees, which is the functional currency of the Company and figures are rounded off to the nearest Rupee.

2.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses.

The estimates and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are continually evaluated. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgments made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas involving significant estimates or judgments are:

- i. Useful life, residual value and depreciation method of property, plant and equipment [note 3]
- ii. Revenue from contracts with customers [note 3.10]
- iii. Useful lives, residual values and amortization method of intangible assets.[note 3.11]
- iv. Impairment loss of non-financial assets other than inventories [note 3.2]
- v. Expected credit loss allowance [note 3.3]
- vi. Estimation of provisions [note 3.7]
- vii. Estimation of current and deferred tax [note 3.5]
- viii. Estimation of contingent liabilities [note 3.8]

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

2.5 The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2022 and that are irrelevant for the Company's financial statements have not been detailed here.

2.6 The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning from the dates specified below:

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of Liabilities as Current or Non-current (effective for annual reporting periods beginning on or after January 1, 2023). The amendments provide more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.

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Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies (effective for annual reporting periods beginning on or after January 1, 2023). The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'-Definition of Accounting Estimates (effective for annual reporting periods beginning on or after January 1, 2023). The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

Amendments to IAS 12 'Income Taxes'-Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted). The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date.

Amendment to IAS 16 'Property, plant and equipment' (effective for annual reporting periods beginning on or after January 1, 2022). The amendments clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Amendment to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts: Cost of Fulfilling a Contract (effective for annual reporting periods beginning on or after January 1, 2022). The amendments specify the costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

On May 14, 2020, the IASB issued 'Annual Improvements to IFRS Standards 2018-2020' (Amendments to IAS 41, IFRS 1, IFRS 9, and IFRS 16). The amendments are effective for annual periods beginning on or after 1 January 2022.

Amendment to IFRS 3 'Business Combinations' (effective for annual reporting periods beginning on or after January 1, 2022). The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements.

On June 25, 2020, the IASB issued Amendment to IFRS 4 'Insurance Contracts' The fix expiry date for the exemption in IFRS 4 from applying IFRS 9 for an entity choosing to apply the deferral approach is now January 1, 2023.

In addition to the above new standards and amendments to standards, improvements to various accounting standards (under the annual improvements 2018 - 2020 cycle) have also been issued by the IASB in May 2020. Such improvements are generally effective for accounting periods beginning on or after January 1, 2022.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation/disclosures.

- 2.7 Further, the following new standards and interpretations have been issued by the IASB, which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First-time adoption of International Financial Reporting Standards
IFRS 17 Insurance Contracts

- 2.8 The following interpretation issued by the IASB has been waived off by SECP.

IFRIC 12 Service concession arrangements

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3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 PROPERTY, PLANT AND EQUIPMENT

a) Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of the asset. Assets having cost exceeding the minimum threshold as determined by the management are capitalized.

Depreciation is charged to the profit or loss applying the reducing balance method by applying rates (as stated in note 4). Full month's depreciation is charged on additions during the month, while no depreciation is charged on assets disposed off during the month.

No depreciation is charged if the asset's residual value exceeds its carrying amount. Residual values and the useful lives are reviewed at each date of statement of financial position and adjusted if expectations differ significantly from previous estimates.

Residual values are determined by the management as the amount it expects it would receive currently for an item of property, plant and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

The carrying values of property, plant and equipment are reviewed at each reporting date for indications that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the asset or cash generating unit is written down to its recoverable amount. The recoverable amount of property, plant and equipment is the greater of fair value less cost to sell or value in use.

Normal repairs and maintenance are charged to profit or loss as and when incurred. Major renewals and improvements, if any, are capitalized, when it is probable that future economic benefits will flow to the Company.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on disposals are determined by comparing proceeds with carrying amount of the relevant assets. These are included in profit or loss.

b) Capital work in progress

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when assets are available for use.

3.2 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of non-financial assets other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "Cash-Generating Unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment loss recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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3.3 TRADE DEBTS AND OTHER RECEIVABLES

Trade debts and other receivables are classified as financial assets at amortized cost.

Trade debts are initially recognised at original invoice amount which is the fair value of the consideration to be received and subsequently measured at cost less allowance for expected credit loss. For measurement of loss allowance for trade debts, the Company applies **IFRS 9 simplified approach** to measure the expected credit losses. IFRS 9 introduces the Expected Credit Loss (ECL) model which requires the Company to recognize an allowance for doubtful debt on all financial assets carried at amortized cost (including, for example, trade debts and other receivables), as well as debt instruments classified as financial assets carried at fair value through other comprehensive income, since initial recognition, irrespective whether a loss event has occurred. Debts considered irrecoverable are written off.

Exchange gains and losses arising in respect of trade and other receivables in foreign currency are added to the carrying amount of the receivables.

3.4 ADVANCES, DEPOSITS AND PREPAYMENTS

These are recognized at cost, which is the fair value of the consideration given.

3.5 TAXATION**CURRENT TAX**

Provision for current taxation is the amount computed on taxable income at the current rates of taxation or alternative corporate tax computed on accounting income or minimum tax on turnover, whichever is higher, and taxes paid / payable on final tax basis, after taking into account tax credit available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from the assessments made / finalized during the year.

DEFERRED TAX

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

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 taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of the deferred tax asset is reviewed at each date of statement of financial position and is recognised only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred tax assets are reassessed at each date of statement of financial position and are recognized to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the financial position date.

3.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and bank balances.

3.7 PROVISIONS

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed periodically and adjusted to reflect the current best estimates.

3.8 CONTINGENT LIABILITIES

Contingent liability is disclosed when:

- i. there is a possible obligation that arises from past events and its existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- ii. there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

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3.9 TRADE AND OTHER PAYABLES

Liabilities for trade and other payables are carried at their amortized cost, which is approximately the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

3.10 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

3.11 INTANGIBLE ASSETS

Intangible Assets acquired are initially recorded at cost. After initial recognition, these are measured at cost less accumulated amortization and accumulated impairment losses. Cost associated with routine maintenance of intangible assets are recognized as an expense when incurred. However, cost that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life is recognized as capital improvement and added to the original cost of Amortization is charged so as to allocate the cost of assets over their estimated useful life, using the straight-line method.

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.12 FINANCE COST

Finance cost comprises of bank charges and commissions.

3.13 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated in Pakistani rupees (functional and presentation currency) at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani rupees at the rates of exchange approximating those prevalent at the date of statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

3.14 FINANCIAL INSTRUMENTS

3.16.1. FINANCIAL ASSETS

The Company classifies its financial assets at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow that are characteristics of the financial asset.

a) Financial assets at amortized cost

Financial assets at amortized cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

b) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows, selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently re-measured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets / mutual funds are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss.

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Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

3.16.2. FINANCIAL LIABILITIES

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where 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 and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

3.15 OFF SETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

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3 Property, plant and equipment

Particulars	COST				Rate (%)	Accumulated depreciation			W.D.V as at June - 2023
	As at July 01, 2022	Addition	Deletion	As at June - 2023		As at July 01, 2022	Charge for the period	As at June - 2023	
Rupees.....				Rupees.....			
Furniture and fixture	-	1,825,275		1,825,275	20%	-	94,582	94,582	1,730,693
Electric equipments	-	1,895,314		1,895,314	20%	-	97,049	97,049	1,798,265
Computer equipments	-	1,474,495		1,474,495	33%	-	111,990	111,990	1,362,505
Motor vehicle	-	22,966,998		22,966,998	20%	-	735,250	735,250	22,231,748
Building improvements	-	1,510,919		1,510,919	10%	-	22,641	22,641	1,488,278
Total	-	29,673,001	-	29,673,001		-	1,061,512	1,061,512	28,611,489

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2023
(Rupees)

4 Long term security deposit		
Pakistan state oil company (security deposit)		600,000
		600,000
5 Long term investments		
Harobanx Industries (Pvt) Ltd		470,000,000
Qaswa Industries (Pvt) Ltd		1,500,000,000
Stingray Technologies (Pvt) Ltd		600,000,000
		2,570,000,000
6 Trade and other receivables		
Advances to suppliers	6.1	4,500,000
Advances to associates companies	6.1	10,456,625
		14,956,625
6.1 Advances to suppliers		
Indust Motors - Toyota Yaris		1,500,000
Indust Motors - Toyota Yaris		1,500,000
Indust Motors - Toyota Yaris		1,500,000
		4,500,000
6.1 Advances to associates companies		
Harobanx Industries (Pvt) Ltd		1,621,485
Stingray Industries (Pvt) Ltd		4,411,105
Qaswa Industries (Pvt) Ltd		4,424,035
		10,456,625
7 Advance taxes		
GST 17% on supplies input		-
Advance WHT 15% on bank deposit		3,686,608
		3,686,608
8 Cash and bank balances		
Dubai Islamic bank current 45001		195,081
Dubai Islamic bank saving 45002		113,338,045
Cash in hand		103,860
		113,636,986
8.1 Cash and cash equivalents		
Cash and bank balance		113,636,986
Short term investments		-
Short term running finance		-
Cash and cash equivalents as per statement of cash flows		113,636,986



2023
(Rupees)

9

9 Long term liabilities	
Emerging technologies	2,580,520,000
	<u>2,580,520,000</u>
10 Trade and other payables	
Advances from subsidiary companies	7,368,034
	<u>7,368,034</u>
11 Accrued expenses and other Liabilities	
Withholding tax payables	254,115
Provision for employee benefit	2,360,000
Provision for EOBI contribution	65,600
Auditors' remuneration	260,000
	<u>2,939,715</u>
12 Contingencies and commitments	
There were no contingencies at the end of period	
13 General and administrative expenses	
Salaries expenses	27,025,691
Employee end of services benefits	2,360,000
EOBI contribution	65,600
Repair & maintenance building	1,123,202
Repair & maintenance office equipment	20,000
Office rent	2,003,381
Traveling expenses	2,299,476
Employee recruitment expenses	715,616
Professional & consultancy charges	13.1 1,224,159
Fuel expenses	1,045,003
Vehicle repair & maintenance	197,067
Office supplies & consumables	72,316
Telephone & computer accessories	136,290
Electricity & utilities charges	628,012
Insurance expenses	119,000
Pre incorporation expenses	1,700,000
Office expenses	121,461
ERP - O&M	97,020
Depreciation	1,061,512
Miscellaneous	652,921
	<u>42,667,727</u>
13.1 Auditors' remuneration:	
Audit services	
Audit fee	230,000
Out of pocket expenses	30,000
	260,000
Non-audit services	
Certifications for regulatory purposes	-
Tax advisory services	-
	-
	<u>260,000</u>

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2023
(Rupees)

10

14 Selling and marketing expenses

Website & business development

1,239,132

1,239,132

15 Financial charges

Bank charges and commission

9,570

9,570

16 Other income

Profit on bank deposit

24,580,388

24,580,388

17 Taxation

For the year

Current year

Deferred tax

-
7,159,694

7,159,694

18 Date of authorisation for issue

These financial statements were authorized for issue by the board of directors on

21 AUG 2023

19 General

Corresponding figures have been re-arranged or reclassified whenever necessary, for the purpose of comparison.

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Chief Financial Officer



Chief Executive



Director