



KPMG Taseer Hadi & Co.  
Chartered Accountants

**Symmetry Group Limited**

Financial Statements  
For the period ended 31 March  
2022



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 35685847, Fax +92 (21) 35685095

## **INDEPENDENT AUDITOR'S REPORT**

**To the members of Symmetry Group Limited**

**Report on the Audit of Unconsolidated Financial Statements**

### **Opinion**

We have audited the annexed unconsolidated financial statements of **Symmetry Group Limited** ("the Company"), which comprise the unconsolidated statement of financial position as at **31 March 2022**, and the unconsolidated statement of profit and loss and other comprehensive income, the unconsolidated statement of changes in equity, and the unconsolidated statement of cash flows for the period then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statement give a true and fair view of the financial position as at 31 March 2022 and of its financial performance and its cash flows for the period then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### **Basis for Opinion**

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

### **Other Matter**

We draw attention to the fact that:

- we have not audited the accompanying unconsolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine months ended 31 March 2021, or any of the related notes and accordingly, we do not express an opinion on them.
- these unconsolidated financial statements have been prepared for onward submission to Pakistan Stock Exchange together with the application for listing of the



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Company. As a result, these unconsolidated financial statements may not be suitable for another purpose.

### **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 is 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.



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- 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is **Moneeza Usman Butt**.

Date: 05 August 2022

Karachi  
UDIN: AR202210102UFSMcD9Jv

KPMG Taseer Hadi & Co.  
Chartered Accountants

Symmetry Group Limited  
 Unconsolidated Statement of Financial Position  
 As at 31 March 2022

	Note	31 March 2022	30 June 2021
----- (Rupees) -----			
<b>ASSETS</b>			
<b>Non current assets</b>			
Property and equipment	5	8,081,728	7,740,660
Right-of-use assets	6	6,009,838	9,233,246
Intangible assets	7	3,047,907	4,050,375
Long-term investments	8	10,996,000	10,996,000
Deferred taxation	9	-	265,345
Long-term deposits	10	1,384,000	1,858,900
		<u>29,519,473</u>	<u>34,144,546</u>
<b>Current assets</b>			
Trade debts	11	83,447,196	90,101,281
Contract assets	12	83,879,559	65,011,280
Advances and prepayments	13	1,713,850	621,940
Interest accrued on short term investments		399,216	181,312
Short term investments	14	6,825,000	14,275,000
Due from related parties	15	78,127,705	85,856,850
Cash and bank balances	16	332,284	164,204
		<u>254,724,810</u>	<u>256,211,867</u>
<b>Total assets</b>		<u><b>284,244,283</b></u>	<u><b>290,356,413</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital 300,000,000 (30 June 2021): 100,000,000 ordinary shares of Rs. 1/- each		<u>300,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital	17	197,010,230	85,000,000
Unappropriated profit		19,502,752	102,866,639
		<u>216,512,982</u>	<u>187,866,639</u>
<b>Non current liabilities</b>			
Lease liabilities	6	1,340,407	3,381,104
Long-term borrowings	18	-	4,680,589
Deferred income - government grant	19	-	489,565
Deferred taxation	9	1,224,834	-
		<u>2,565,241</u>	<u>8,551,258</u>
<b>Current liabilities</b>			
Trade and other payables	20	15,075,512	25,556,116
Current portion of lease liabilities	6	2,698,175	3,237,685
Current portion of long-term borrowings	18	6,521,186	7,340,539
Current portion of deferred income - government grant	19	137,325	532,798
Short term finance	21	16,097,399	21,243,329
Taxation - net		54,039	18,724,279
Loan payable to a related party	22	24,582,424	17,303,770
		<u>65,166,060</u>	<u>93,938,516</u>
<b>Total equity and liabilities</b>		<u><b>284,244,283</b></u>	<u><b>290,356,413</b></u>
<b>Contingencies and commitments</b>			
	23		

The annexed notes 1 to 37 form an integral part of these financial statements.

  
 Chief Executive

  
 Director

## Symmetry Group Limited

## Unconsolidated Statement of Profit or Loss and Other Comprehensive Income

For the nine months ended 31 March 2022

	Note	For the nine months ended 31 March 2022	For the nine months ended 31 March 2021
		(Audited) ----- (Rupees) -----	(Unaudited) -----
Revenue - net	24	98,587,079	137,700,181
Administrative and general expenses	25	(99,977,619)	(78,184,466)
		<u>(1,390,540)</u>	<u>59,515,715</u>
Impairment loss on financial assets		-	(18,807)
Other income	26	45,994,424	9,936,299
<b>Operating profit</b>		<u>44,603,884</u>	<u>69,433,207</u>
Finance costs	27	(6,211,235)	(3,274,271)
<b>Profit before taxation</b>		<u>38,392,649</u>	<u>66,158,936</u>
Taxation	28	(9,746,306)	(17,977,860)
<b>Profit after taxation</b>		<u>28,646,343</u>	<u>48,181,076</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<u><u>28,646,343</u></u>	<u><u>48,181,076</u></u>
Basic and diluted earnings per share	29	<u><u>0.28</u></u>	<u><u>0.47</u></u>

The annexed notes 1 to 37 form an integral part of these financial statements.


  
Chief Executive



  
Director

Symmetry Group Limited  
 Unconsolidated Statement of Changes in Equity  
 For the nine months ended 31 March 2022

	Issued, subscribed and paid-up share capital	Unappropriated profit	Total
	----- (Rupees) -----		
Balance as at 01 July 2020 (audited)	85,000,000	35,593,145	120,593,145
<i>Total comprehensive income for the period (unaudited)</i>			
Profit for the period	-	48,181,076	48,181,076
Other comprehensive income	-	-	-
	-	48,181,076	48,181,076
Balance as at 31 March 2021 (unaudited)	85,000,000	83,774,221	168,774,221
<b>Balance as at 1 July 2021 (audited)</b>	<b>85,000,000</b>	<b>102,866,639</b>	<b>187,866,639</b>
<i>Total comprehensive income for the period</i>			
Profit for the period	-	28,646,343	28,646,343
Other comprehensive income	-	-	-
	-	28,646,343	28,646,343
<i>Transaction with owners of the Company</i>			
Issuance of bonus shares	112,010,230	(112,010,230)	-
<b>Balance as at 31 March 2022 (audited)</b>	<b>197,010,230</b>	<b>19,502,752</b>	<b>216,512,982</b>

The annexed notes 1 to 37 form an integral part of these financial statements.


  
 Chief Executive

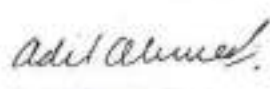
  
 Director

Symmetry Group Limited  
 Unconsolidated Statement of Cash Flows  
 For the nine months ended 31 March 2022

	Note	For the nine months ended 31 March 2022	For the nine months ended 31 March 2021
		(Audited)	(Un-Audited)
		------(Rupees)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	30	34,015,882	38,017,050
Finance costs paid		(5,824,786)	(2,958,383)
Income taxes paid		(26,926,367)	(26,414,285)
Long-term deposits - net		474,900	411,074
<b>Net cash generated from operating activities</b>		<b>1,739,629</b>	<b>9,055,456</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(2,888,700)	(1,586,540)
Interest received on short term investments		201,025	189,002
Redemption of short term investments		7,450,000	-
<b>Net cash generated from / (used in) investing activities</b>		<b>4,762,325</b>	<b>(1,397,538)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loans from related parties - net		7,278,654	2,196,666
Repayment of long-term borrowings		(5,499,942)	(7,802,430)
Payment of lease liabilities		(2,966,656)	(1,849,272)
<b>Net cash used in financing activities</b>		<b>(1,187,944)</b>	<b>(7,455,036)</b>
Net increase in cash and cash equivalents		5,314,010	202,882
Cash and cash equivalents at beginning of the period		(21,079,125)	(22,718,432)
<b>Cash and cash equivalents at end of the period</b>		<b>(15,765,115)</b>	<b>(22,515,550)</b>
<b>Cash and cash equivalents comprise of the following:</b>			
Cash and bank balances		332,284	45,674
Short term running finance		(16,097,399)	(22,561,224)
		<b>(15,765,115)</b>	<b>(22,515,550)</b>

The annexed notes 1 to 37 form an integral part of these financial statements.

  
 Chief Executive

  
 Director



Symmetry Group Limited  
Notes to the Unconsolidated financial statements  
For the nine months ended 31 March 2022

**1. STATUS AND NATURE OF BUSINESS**

Symmetry Group Limited ('the Company') was incorporated in Pakistan as a private limited company on 3 February 2012 under the repealed Companies Ordinance, 1984. In 2018, the Company was converted to a public company with effect from 31 May 2017. The principal activities of the Company is digital media, internet marketing and display advertising digital design, web development and other related activities.

The registered office of the Company is situated at 3rd and 4th Floor, Plot 45-C, Shahbaz Lane 4, Phase VI, D.H.A. Karachi.

These financial statements are separate financial statements of the Company in which investment in subsidiary is accounted for on the basis of cost rather than on the basis of reported results. Consolidated financial statements are prepared separately.

Detail of Company's investment in subsidiary companies is given in note 8 to these financial statements.

These financial statements include the results of the Company for the nine months ended 31 March 2022, and are prepared for onward submission to Pakistan Stock Exchange together with the application for listing of the Company.

**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 as applicable in Pakistan comprise of:

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

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

**2.2 Basis of measurement**

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

The comparative statement of financial position is extracted from the audited annual financial statements as of 30 June 2021 whereas comparative statements of profit or loss and other comprehensive income, changes in equity and cash flows are extracted from unaudited financial statements of the Group for the nine-month period ended 31 March 2021.

**2.3 Functional and presentation currency**

These financial statements are presented in Pakistan rupees which is Company's functional currency. All financial information has been rounded to the nearest rupee, unless otherwise stated.

**2.4 Use of estimates and judgments**

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.



The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgments made by the management in the application of the accounting policies, that have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

- Lease (note 4.2)
- Property and equipment (note 4.1)
- Intangible assets (note 4.3)
- Financial assets (note 4.5)
- Taxation (note 4.10)
- Provisions (note 4.11)
- Government grants (note 4.13)

### 3 CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS

#### Changes in accounting policy resulting from adoption of new standard during the period

The following new or amended standards and interpretations became effective during the period which are not considered to be relevant to the Company's financial statements:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

#### Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2022:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.
  - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
  - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
  - IAS 41 - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the IASB has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – 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 are effective for periods beginning on or after 1 January 2023, and 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.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – 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. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments / interpretations does not likely to have an effect on the financial statements of the Company.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies set out below are consistently applied for all periods presented in these financial statements.

##### **4.1 Property and equipment**

###### **4.1.1 Recognition and measurement**

Items of property and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

###### **4.1.2 Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

###### **4.1.3 Depreciation**

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives of property and equipment for current and comparative periods are disclosed in note 5.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

##### **4.2 Leases**

###### *Right-of-use assets*

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Right-of-use assets comprise of apartment and motor car which is depreciated over period of lease on straight line basis ranging from one year to five years. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

###### *Lease liabilities*

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### *Short-term leases*

The Company applies the short-term lease recognition exemption to its short-term leases where the lease term is of 12 months or less from the commencement date and do not contain a purchase option and leases for which the underlying asset is of low value. Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

### **4.3 Intangible assets**

At inception, the Company recognizes any intangible asset acquired at cost. The Company then carries the intangible asset at cost less accumulated amortization and impairment losses, if any. Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed out as incurred.

Amortization is charged to statement of profit or loss account on reducing balance method at the rates specified in respective notes in these financial statements. All intangible assets are systematically tested for impairment at each reporting date. Amortization on additions to intangible assets is charged month during which the asset is available for use. For disposals during the year, amortization is charged up to the month preceding the month of disposal. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

### **4.4 Long-term investment - subsidiary companies**

Subsidiaries are the entities controlled by the Company. The Company controls an entity when it is exposed to or has right to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The investment in subsidiary is initially recognized and carried at cost. The carrying amount of the investment is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated. An impairment loss is recognized if the carrying amount exceeds its recoverable amount. A recoverable amount is higher of its fair value less cost to sell and value in use. Impairment losses are recognized in the statement of profit or loss account. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investment. A reversal of impairment loss is recognized in the statement of profit or loss account. On loss of control of subsidiary company, any gain or loss is recognized in the statement of profit or loss account, being the difference between purchase price and disposal proceeds.

### **4.5 Financial assets**

#### **i. Classification**

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### **Business model assessment**

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objectives for managing the financial assets are achieved and how cash flows are realised.

#### **Assessment of whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment on debt securities, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

## ii. Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in statement of profit or loss account. The Company does hold such assets.
<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective yield method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss account.
<b>Debt securities at FVOCI</b>	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective yield method, foreign exchange gains and losses and impairment are recognised in statement of profit or loss account. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss account. The Company does hold such assets.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in statement of comprehensive income and are never reclassified to statement of profit or loss account. The Company does hold such assets.

## iii. Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

## iv. Impairment of financial assets

### Financial assets at amortised cost and contract assets

The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost and contract assets at an amount equal to life time ECLs except for the following, which are measured at 12 months ECLs:

- bank balances for credit risk (the risk of default occurring over the expected life of the financial instrument) has not increased since the inception;
- loans and advances;
- other receivables and contract assets

Loss allowances for trade receivables are always measured at an amount equal to life time ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset in default when it is more than 90 days past due.

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12 month ECLs are the portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for financial assets as there is no history of default in the company and all the trade receivable balances have been received subsequently.

#### **4.6 Financial liabilities**

All financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

#### **4.7 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when, and only when the Company has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

#### **4.8 Contract assets**

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### **4.9 Cash and cash equivalents**

Cash and cash equivalents comprise of cash in hand and deposits held with banks. Short term borrowing facilities availed by the Company, which are repayable on demand form an integral part of the Company's cash management and are included as part of cash and cash equivalents for the purpose of the cash flow statement.

#### **4.10 Taxation**

##### *Current tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### *Deferred tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### **4.11 Provisions**

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, 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. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

#### **4.12 Earnings per share**

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.



#### 4.13 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

#### 4.14 Foreign currency transactions

Transactions in foreign currencies are accounted for in rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the reporting date are expressed in rupees at rates of exchange prevailing on that date except where forward exchange cover has been obtained for payment of liabilities, in which case the contracted rates are applied. Exchange gains and losses are included in income currently.

#### 4.15 Segment reporting

Segment results that are reported to the Company's Chief Executive Officer and the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items, if any, comprise mainly corporate assets, head office, expenses and tax assets and liabilities. Management has determined that the Company has a single reportable segment and therefore it has only presented entity wide disclosures.

#### 4.16 Revenue recognition

Revenue from contracts with customers is recognized when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

- Revenue from media buying services is recognized at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.
- Revenue from providing social media management services and website maintenance is recognized on a straight line basis over the line of the respective contracts.
- Revenue from content creation services is recognized at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.
- Revenue from agency commissions and discounts is recognized at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.
- Revenue from website hosting is recognised at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.
- Revenue from providing content design and development is recognised at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.
- Miscellaneous income is recognised at a point in time when it is received.

#### 4.17 Expenses

All expenses are recognised in the statement of profit or loss account on an accrual basis. Finance costs are recognised using effective interest method.

#### 4.18 Dividends and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

### 5. PROPERTY AND EQUIPMENT

	Furniture and fixtures	Office equipment	Computer and ancillary equipment  (Rupees)	Vehicles	Total
<b>As at 1 July 2020</b>					
Cost	1,975,653	787,061	12,838,183	1,085,000	16,685,897
Accumulated depreciation	(344,255)	(540,374)	(5,291,895)	(857,921)	(7,034,445)
Net book value	<u>1,631,398</u>	<u>246,687</u>	<u>7,546,288</u>	<u>227,079</u>	<u>9,651,452</u>
Additions	-	491,500	2,255,548	-	2,747,048
Depreciation charge for the year	(296,408)	(194,678)	(3,972,095)	(194,639)	(4,657,820)
Closing net book value	<u>1,334,990</u>	<u>543,509</u>	<u>5,829,741</u>	<u>32,440</u>	<u>7,740,680</u>
<b>As at 30 June 2021</b>					
Cost	1,975,653	1,278,561	15,093,731	1,085,000	19,432,945
Accumulated depreciation	(640,663)	(735,052)	(9,263,990)	(1,052,560)	(11,692,265)
Net book value	<u>1,334,990</u>	<u>543,509</u>	<u>5,829,741</u>	<u>32,440</u>	<u>7,740,680</u>
<b>As at 1 July 2021</b>					
Cost	<b>1,975,653</b>	<b>1,278,561</b>	<b>15,093,731</b>	<b>1,085,000</b>	<b>19,432,945</b>
Accumulated depreciation	<b>(640,663)</b>	<b>(735,052)</b>	<b>(9,263,990)</b>	<b>(1,052,560)</b>	<b>(11,692,265)</b>
Net book value	<u><b>1,334,990</b></u>	<u><b>543,509</b></u>	<u><b>5,829,741</b></u>	<u><b>32,440</b></u>	<u><b>7,740,680</b></u>
Additions	<b>20,630</b>	<b>206,910</b>	<b>2,661,160</b>	<b>-</b>	<b>2,888,700</b>
Transfer from right-of-use assets	-	-	-	2,058,390	2,058,390
Cost	-	-	-	(939,141)	(939,141)
Accumulated Depreciation	-	-	-	<u>1,119,249</u>	<u>1,119,249</u>
Depreciation charge for the period	<u>(223,854)</u>	<u>(242,350)</u>	<u>(2,988,148)</u>	<u>(212,549)</u>	<u>(3,666,901)</u>
Closing net book value	<u><u>1,131,766</u></u>	<u><u>508,069</u></u>	<u><u>5,502,753</u></u>	<u><u>939,140</u></u>	<u><u>8,081,728</u></u>
<b>As at 31 March 2022</b>					
Cost	<b>1,996,283</b>	<b>1,485,471</b>	<b>17,754,891</b>	<b>3,143,390</b>	<b>24,380,035</b>
Accumulated depreciation	<b>(864,517)</b>	<b>(977,402)</b>	<b>(12,252,138)</b>	<b>(2,204,250)</b>	<b>(16,298,307)</b>
Net book value	<u><b>1,131,766</b></u>	<u><b>508,069</b></u>	<u><b>5,502,753</b></u>	<u><b>939,140</b></u>	<u><b>8,081,728</b></u>
Depreciation rates (% per annum)	<u>15</u>	<u>30</u>	<u>30</u>	<u>15</u>	

5.1 The depreciation charge for the year / period has been allocated to administrative and general expenses. The cost of fully depreciated assets still in use at the reporting date is Rs. 8,048,323 (30 June 2021: Rs. 1,485,020).

6. LEASES	Note	31 March 2022	30 June 2021
<b>6.1 Right-of-use assets</b>		----- (Rupees) -----	
Opening balance		9,233,246	6,605,572
Additions		-	3,397,285
Transfer to PPE		(1,119,249)	-
Depreciation		(2,104,159)	(769,611)
Closing balance		<u>6,009,838</u>	<u>9,233,246</u>
<b>6.2 Lease liabilities</b>			
Opening balance		6,618,789	4,649,591
Additions		-	3,397,285
Interest expense	27	386,449	421,185
Payments		(2,966,656)	(1,849,272)
Closing balance		<u>4,038,582</u>	<u>6,618,789</u>
Current		2,898,175	3,237,685
Non-current		<u>1,340,407</u>	<u>3,381,104</u>
		<u>4,038,582</u>	<u>6,618,789</u>

Amounts recognised in the statement of profit or loss for the period / year are as follows:

Depreciation charge of right-of-use assets	2,104,159	769,611
Interest expense on lease liabilities	386,449	421,185
Expense relating to short-term leases	3,613,600	2,694,204
	<u>6,104,208</u>	<u>3,885,000</u>

Amounts recognised in the statement of cashflows for the period / year are as follows:

Total cash outflow for leases	<u>2,966,656</u>	<u>1,849,272</u>
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During the nine months ended 31 March 2021, depreciation charge of right-of-use assets amounted to Rs. 577,208, interest expense on lease liabilities amounted to Rs. 315,889, expense relating to short-term leases amounted to Rs. 5,706,153, and total cash outflow for leases amounted to Rs. 1,849,272.

7. INTANGIBLE ASSETS		31 March 2022	30 June 2021
<i>Computer software</i>		----- (Rupees) -----	
<b>Cost</b>			
Balance as at 1 July		30,000,000	30,000,000
Balance as at 31 March / 30 June		<u>30,000,000</u>	<u>30,000,000</u>
<b>Amortization</b>			
Balance as at 1 July		25,949,625	23,954,664
Amortization for the period / year	7.1	1,002,468	1,994,961
Balance as at 31 March / 30 June		<u>26,952,093</u>	<u>25,949,625</u>
<b>Net book value</b>		<u>3,047,907</u>	<u>4,050,375</u>
<b>Amortization rate (% per annum)</b>		<u>33.00%</u>	<u>33.00%</u>

7.1 The amortization charge for the year / period has been allocated to administrative and general expenses.

8. **LONG-TERM INVESTMENTS - Subsidiaries at cost**

31 March 2022 (Number of shares)	30 June 2021			31 March 2022 ----- (Rupees) -----	30 June 2021
999,800	999,800	Symmetry Digital (Private) Limited	8.1	9,998,000	9,998,000
99,800	99,800	Iris Digital (Private) Limited	8.2	998,000	998,000
<u>1,099,600</u>	<u>1,099,600</u>			<u>10,996,000</u>	<u>10,996,000</u>

8.1 This represents investment in Symmetry Digital (Private) Limited ("Symmetry Digital") at par value of Rupees. 10 each. The Company held 99.98% (30 June 2021: 99.98%) shareholding in Symmetry Digital as at 31 March 2022.

8.2 This represents investment in Iris Digital (Private) Limited ("Iris Digital") at par value of Rupees 10 each. The Company held 99.8% (30 June 2021: 99.8%) shareholding in Iris Digital as at 31 March 2022.

9. **DEFERRED TAXATION**

Deferred taxation	9.1	<u>(1,224,834)</u>	<u>265,345</u>
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9.1 **Deductible / (taxable) temporary differences**

	Net balance at 1 July 2021	Recognised in profit or loss	Net balance at 31 March 2022
Property and equipment	276,210	(393,236)	(117,026)
Intangible assets	396,440	(1,130,778)	(734,338)
Allowance for impairment loss	-	18,125	18,125
Exchange Loss	-	83,343	83,343
Deferred income - government grant	261,551	(261,551)	-
Leases	(668,856)	193,918	(474,938)
	<u>265,345</u>	<u>(1,490,179)</u>	<u>(1,224,834)</u>

10. **LONG-TERM DEPOSITS**

This represents deposits placed with lessors, in respect of the leased offices.

11. **TRADE DEBTS**

Trade debts		83,522,422	90,176,507
less: Allowance for impairment loss	11.1	<u>(75,226)</u>	<u>(75,226)</u>
		<u>83,447,196</u>	<u>90,101,281</u>

11.1 **Allowance for impairment loss**

Opening balance		75,226	-
Expense for the period / year		-	75,226
Closing balance		<u>75,226</u>	<u>75,226</u>

12. **CONTRACT ASSETS**

Contract assets	12.1	<u>83,879,559</u>	<u>65,011,280</u>
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12.1 The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade debts when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer.

**13. ADVANCES AND PREPAYMENTS**

	31 March 2022	30 June 2021
	----- (Rupees) -----	
Advance to employees	399,000	266,200
Prepayments:		
- rent	577,314	355,740
- insurance	737,536	-
	1,314,850	355,740
	1,713,850	621,940

**14. SHORT TERM INVESTMENTS**

Investments in Term Deposit Receipts - at amortised cost 6,825,000 14,275,000

14.1 The Term Deposit Receipts are maintained with Bank Al Habib Limited carrying mark-up rate of 6.10% (30 June 2021: ranging from 6.60% to 7.10%) per annum and having maturity upto 23 April 2022.

**15. DUE FROM RELATED PARTIES**

Iris Digital (Private) Limited	33,101,530	19,248,846
Symmetry Digital (Private) Limited	45,026,175	66,608,004
	78,127,705	85,856,850

The maximum aggregate amount due from the related parties at the end of any month during the period / year is as follows:

Iris Digital (Private) Limited	58,714,627	20,111,351
Symmetry Digital (Private) Limited	72,579,304	96,791,349

**16. CASH AND BANK BALANCES**

Cash with banks		8	8
- In saving accounts	16.7	12,476	12,476
- In current accounts		12,484	12,484
Cash in hand		319,800	151,720
		332,284	164,204

16.1 The saving accounts carry markup ranging from 6.5% to 7% per annum. (2021: 6.5% to 7% per annum).

**17. ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

31 March 2022	30 June 2021		31 March 2022	30 June 2021
(Number of shares)			----- (Rupees) -----	
31,462,472	31,462,472	Ordinary shares of Re. 1 each fully paid in cash	31,462,472	31,462,472
165,547,758	53,537,528	Ordinary shares of Re. 1 each issued as bonus shares	165,547,758	53,537,528
197,010,230	85,000,000		197,010,230	85,000,000

*W*

17.1 Share capital was subscribed and paid-up by the following:

31 March 2022	30 June 2021		31 March 2022	30 June 2021
(Percentage holding)			(Number of Shares)	
-	51.00%	Bull's Eye Communication (Private) Limited	-	43,350,000
48.87%	24.50%	Mr. Adil Ahmed	96,288,747	20,825,000
48.87%	24.50%	Mr. Sarosh Ahmed	96,288,747	20,825,000
2.25%	-	Wasim Akram	4,432,730	-
0.01%	-	Others	6	-
			<u>197,010,230</u>	<u>85,000,000</u>

During the period the shareholding of M/s Bulls Eye Communications (Private) Limited in the Company was sold to the other shareholders Mr. Adil Ahmed and Mr. Sarosh Ahmed in equal proportion for a total consideration of Rs. 145,550,000. All shares have equal rights.

18. LONG-TERM BORROWINGS

		31 March 2022	30 June 2021
		(Rupees)	
Loan from conventional financial institutions	18.1	6,521,186	12,021,128
Current portion shown under current liabilities		<u>(6,521,186)</u>	<u>(7,340,539)</u>
		<u>-</u>	<u>4,680,589</u>

18.1 Due to the effects of pandemic, State Bank of Pakistan took various steps to support the economy. SBP introduced a refinance scheme for payment of salaries and wages at subsidized rate of borrowing.

The Company has obtained the said borrowing from Bank Al-Habib Limited ("BAHL") at subsidized rate in five tranches on 21 May 2020, 25 June 2020, 14 July 2020, 24 August 2020 and 13 October 2020 at 3% concessional interest rate which is repayable in October 2022 in 8 quarterly instalments to BAHL under the SBP scheme.

19. DEFERRED INCOME - GOVERNMENT GRANT

Deferred income - government grant	19.1	137,325	1,022,363
Current portion of deferred income - government grant		<u>(137,325)</u>	<u>(532,798)</u>
		<u>-</u>	<u>489,565</u>

19.1 The value of benefit of below-market interest rate on the borrowings disclosed in note 18 to these financial statements has been accounted for as government grant under IAS - 20 Government grants.

20. TRADE AND OTHER PAYABLES

Trade payables	4,353,689	4,456,200
Accrued expenses	9,555,268	9,089,456
Withholding tax payable	925,306	6,062,267
EOBI payable	233,190	187,430
Sales tax payable	8,059	5,750,763
	<u>15,075,512</u>	<u>25,556,116</u>

**21. SHORT TERM FINANCE**

This represents running finance facility obtained from Bank al Habib Limited against available limit of Rs. 20 million, which carries mark-up @ 3 months KIBOR plus 2% payable quarterly in arrears. The facility is secured against hypothecation charge over receivables with 25% margin, mortgage over 100 yards commercial plot situated in Phase - VII (Ext.) DHA, owned by family member of director and personal guarantees of all directors and owner of mortgaged property. Amount unutilized for such facility as at 31 March 2022 was Rs. 3,902 thousand (30 June 2021: Rs. 34,574 thousand).

**22. LOAN PAYABLE TO A RELATED PARTY**

**31 March 2022**      30 June 2021

----- (Rupees) -----

Mrs. Dur-e-Shahwar Fareed	22.1	<u>24,582,424</u>	<u>17,303,770</u>
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**22.1** This includes loan amounting to Rs. 8,600,000 (30 June 2021: Rs. 8,600,000) from Ms. Dur-e-Shahwar (close family member of the Company's shareholders, Mr. Adil Ahmed and Mr. Sarocsh Ahmed) and bearing interest at the rate of 12% (30 June 2021: 15%) per annum. The loan is payable on demand and had been taken to meet working capital needs of the Company. The movement of loan during the period is disclosed in Note 34.4

**23. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at reporting date (30 June 2021: Nil).

**24. REVENUE - NET**

<b>For the nine months ended</b>	<b>For the nine months ended</b>
<b>31 March 2022</b>	<b>31 March 2021</b>
<b>(Audited)</b>	<b>(Un-audited)</b>
----- (Rupees) -----	

Gross sales		<u>295,994,982</u>	272,276,234
Sales tax		<u>(25,320,848)</u>	(19,842,241)
	24.1	<u>270,674,134</u>	252,433,993
Cost of services	24.2	<u>(172,087,055)</u>	(114,733,812)
		<u>98,587,079</u>	<u>137,700,181</u>

**24.1 Disaggregation of revenue**

The Company analyses its net revenue by the following streams:

Media buying	<u>58,413,383</u>	56,695,262
Social media management and retainership	<u>27,422,790</u>	21,337,189
Content creation	<u>116,607,714</u>	69,808,561
Agency commissions and discounts	<u>4,005,081</u>	1,992,378
Web hosting & registration	<u>995,031</u>	-
Designing and development	<u>9,675,635</u>	71,502,210
Website maintenance	<u>3,467,000</u>	2,606,855
Export of IT services	<u>50,087,500</u>	28,491,538
	<u>270,674,134</u>	<u>252,433,993</u>

24.2	Cost of sales	For the nine months ended 31 March 2022 (Audited) ----- (Rupees) -----	For the nine months ended 31 March 2021 (Un-audited)
	Media buying	28,131,514	39,521,004
	Social media management and retainership	1,589,686	3,260,880
	Content creation	142,365,855	71,951,928
		<u>172,087,055</u>	<u>114,733,812</u>
<b>25.</b>	<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>		
	Salaries and other benefits	48,792,758	44,906,882
	Travelling and conveyance	15,682,393	11,816,395
	Depreciation	5,771,060	2,936,004
	Amortisation	1,002,468	1,496,221
	Utilities	5,053,945	4,423,060
	Entertainment	5,222,608	3,967,796
	Advertisement / sales promotion	259,327	46,540
	Rent, rates and taxes	5,590,185	6,123,191
	Legal and professional	2,751,380	362,432
	Fees and subscription	972,407	9,750
	Repairs and maintenance	2,808,887	717,335
	Insurance	1,607,716	204,063
	Office supplies	1,288,297	365,057
	Auditors' remuneration	1,782,000	-
	Printing and stationery	288,155	118,074
	Communication and courier	232,623	47,946
	Others	871,410	643,720
		<u>99,977,619</u>	<u>78,184,466</u>
<b>25.1</b>	<b>Auditors' remuneration</b>		
	Audit fee for financial statements	1,500,000	-
	Sindh sales tax	132,000	-
	Out of pocket expenses	150,000	-
		<u>1,782,000</u>	<u>-</u>
<b>26.</b>	<b>OTHER INCOME</b>		
	Interest income on short term investments	418,929	669,953
	Amortization of deferred income - government grant	885,038	233,142
	Shared service income	42,420,343	8,911,614
	Exchange gain	2,270,114	121,590
		<u>45,994,424</u>	<u>9,936,299</u>

**26.1** This includes salaries of key management personal, utilities, insurance, conveyance, rent, security cost, cleaning, office supplies, computer cost, printing and stationery, courier, advertising and marketing, staff and guest entertainment, repair and maintenance, travelling and accommodation, donations and other miscellaneous expenses allocated among group companies on an agreed basis.



27. FINANCE COSTS		For the Nine months ended 31 March 2022	For the nine months ended 31 March 2021
		(Audited)	(Un-audited)
		----- (Rupees) -----	
Markup charges on:			
- short term finance		427,231	455,153
- lease liabilities		386,449	315,889
- long-term borrowings		1,885,372	322,989
- loan payable to a related party		774,707	258,000
		<u>3,473,759</u>	<u>1,352,031</u>
Bank charges		2,737,476	1,922,240
		<u>6,211,235</u>	<u>3,274,271</u>
<b>28. TAXATION</b>			
Current		8,256,127	18,332,163
Deferred		1,490,179	(354,303)
		<u>9,746,306</u>	<u>17,977,860</u>
<b>28.1 Reconciliation of tax charged for the period</b>			
Accounting profit		<u>38,392,649</u>	<u>66,158,936</u>
Tax @ 29% (2021: 29%)		11,133,868	19,186,091
Tax effect of:			
- income assessed under minimum tax regime		8,637,950	15,893,936
- income assessed under final tax regime		(10,972,803)	(20,630,974)
- tax credit		(500,875)	(941,741)
- previously unrecognised temporary differences		1,448,166	4,470,548
		<u>9,746,306</u>	<u>17,977,860</u>
<b>29. BASIC AND DILUTED EARNINGS PER SHARE</b>			
Profit after taxation attributable to ordinary shareholders		<u>28,646,343</u>	<u>48,181,076</u>
Weighted average number of ordinary shares outstanding during the period (in number)		<u>103,395,841</u>	<u>103,395,841</u>
Basic earnings per share		<u>0.28</u>	<u>0.47</u>
There is no dilutive effect on the basic earnings per share of the Company.			
<b>30. CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		38,392,649	66,158,936
Adjustments for:			
- Depreciation	25	5,771,060	2,936,004
- Amortization	25	1,002,468	1,496,221
- Finance costs	27	6,211,235	3,274,271
- Impairment of trade debts		-	18,807
- Amortization of grant income	26	(885,038)	(233,142)
- Interest income on Term deposit receipts	26	(418,929)	(669,953)
Working capital changes	30.1	(16,057,563)	(34,964,094)
		<u>34,015,882</u>	<u>38,017,050</u>

**30.1 Working capital changes**

Changes in:	For the nine months ended 31 March 2022	For the nine months ended 31 March 2021
	(Audited)	(Un-audited)
	----- (Rupees) -----	
Trade debts	6,654,085	(20,865,855)
Contract assets	(18,868,279)	(17,370,461)
Advances and prepayments	(1,091,910)	537,800
Due from related parties	7,729,145	(530,191)
Trade and other payables	(10,480,604)	3,364,413
	<u>(16,057,563)</u>	<u>(34,964,094)</u>

**31. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES**

	For the nine months ended 31 March 2022 (Audited)			For the nine months ended 31 March 2021 (Un-audited)		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	----- (Rupees) -----					
Managerial remuneration	850,149	850,149	5,906,539	1,737,261	1,737,261	12,068,885
Other allowances	598,851	598,851	3,713,474	1,223,739	1,223,739	7,588,402
	<u>1,449,000</u>	<u>1,449,000</u>	<u>9,620,013</u>	<u>2,961,000</u>	<u>2,961,000</u>	<u>19,658,287</u>
Number of persons	<u>1</u>	<u>1</u>	<u>9</u>	<u>1</u>	<u>1</u>	<u>12</u>

**32. NUMBER OF EMPLOYEES**

	31 March 2022	30 June 2021
	Number	
As at 31 March / 30 June	<u>43</u>	<u>48</u>
Average number of employees during the period / year	<u>39</u>	<u>44</u>

**33. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise of the Parent company and other group companies, entities with common directors, major shareholders, staff retirement funds, directors, key management personnel and close members of family of such individuals. Transactions with related parties are carried out at agreed rates.

Transactions with related parties other than those disclosed elsewhere in these financial statements can be summarized as follows:

	For the nine months ended 31 March 2022	For the nine months ended 31 March 2021
	(Audited)	(Un-audited)
	----- (Rupees) -----	
<b>Expenses incurred by / (on behalf of) associated company</b>		
Symmetry Digital (Private) Limited	21,581,829	(665,144)
Iris Digital (Private) Limited	<u>(13,852,684)</u>	<u>9,876,446</u>
<b>Other parties</b>		
Loan obtained from a related party	14,677,129	-
Repayment of loan from a related party	<u>7,398,475</u>	<u>-</u>

**34. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

### 34.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and related parties.

To manage the exposure to credit risk in respect of trade debts, management uses aging of debtors to follow up overdue balances. The Company believes that it is not exposed to any major concentration of credit risk, as its customers represent various sectors of the economy.

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	31 March 2022	30 June 2021
	(Rupees)	
Long-term deposits	1,384,000	1,858,900
Trade debts	83,447,196	90,101,281
Contract assets	83,879,559	65,011,280
Advance to employees	399,000	266,200
Interest accrued on short term investments	399,216	181,312
Short term investments	6,825,000	14,275,000
Due from related parties	78,127,705	85,856,850
Bank balances	12,484	12,484
	<u>254,474,160</u>	<u>257,563,307</u>

#### Long-term deposits

The Company has provided security deposits as per the contractual terms with counter parties as security and does not expect material loss against those deposits and consider such amounts as receivable upon termination of services.

#### Trade debts and contract assets

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and where available, external credit ratings.

The aging of trade debts and contract assets at the reporting date is as follows:

	31 March 2022		30 June 2021	
	Gross	Impairment	Gross	Impairment
	(Rupees)			
Not past due	160,946,905	-	127,344,631	-
Past due 30 - 60 days	3,362,929	-	14,063,520	-
Past due 60 - 90 days	891,350	-	11,942,796	-
Past due 90 days and over	2,200,797	(75,226)	1,836,840	(75,226)
	<u>167,401,981</u>	<u>(75,226)</u>	<u>155,187,787</u>	<u>(75,226)</u>

The Company applies IFRS 9 simplified approach to measure expected credit losses (ECLs) which uses a life time expected loss allowance for all trade debts. The Company uses an allowance matrix to measure the ECLs of trade receivables. These historical loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Thus, expected credit loss rates are based on the payment profile of revenue over a period of 24 months before 31 March 2022 and the corresponding historical credit loss experienced within this period. These historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. The Company identified gross domestic product (GDP), and inflation to be the most relevant factors for performing macro level adjustments in expected credit loss financial model.

Based on the past experience, consideration of financial position, past track records and subsequent recoveries, the Company believes that trade debts past due do not require any impairment.

#### Due from related parties

This represents due from associated companies in respect of certain reimbursable expenses and accrued markup on outstanding balance from an associated company. Management does not expect to incur material losses against those balances.

	31 March 2022		30 June 2021	
	Gross	Impairment	Gross	Impairment
	----- (Rupees) -----			
Not past due	11,452,461	-	1,543,825	-
Past due 30 - 60 days	1,866,094	-	2,386,297	-
Past due 60 - 90 days	-	-	12,380,500	-
Past due 90 and above	64,809,150	-	69,546,228	-
	<u>78,127,705</u>	<u>-</u>	<u>85,856,850</u>	<u>-</u>

#### Bank balances

Credit risk from bank deposits are managed by placing deposits with banks having sound credit ratings. The credit quality of the Company's major bank accounts is assessed with reference to external credit ratings which at the reporting date are as follows:

	Rating Agency	Rating	
		Short term	Long-term
Bank AL Habib Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+

#### 34.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company is not materially exposed to liquidity risk as a substantial portion of its obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

	31 March 2022			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	----- (Rupees) -----			
<b>Financial liabilities</b>				
Lease liabilities	4,038,582	(4,377,187)	(2,950,836)	(1,426,351)
Long-term borrowings	6,521,186	(6,714,460)	(6,714,460)	-
Trade and other payables	13,908,957	(13,908,957)	(13,908,957)	-
Short term finance	16,097,399	(16,097,399)	(16,097,399)	-
Loan payable to a related party	24,582,424	(24,582,424)	(24,582,424)	-
	<u>65,148,548</u>	<u>(65,680,427)</u>	<u>(64,254,076)</u>	<u>(1,426,351)</u>

	30 June 2021			
	Carrying amount	Contractual cash flows	Upto one year	More than one year
	(Rupees)			
<b>Financial liabilities</b>				
Lease liabilities	6,618,789	(7,326,991)	(3,687,513)	(3,639,478)
Long-term borrowings	12,021,128	(5,787,689)	(1,609,640)	(4,178,049)
Trade and other payables	13,545,656	(13,545,656)	(13,545,656)	-
Short term finance	21,243,329	(21,243,329)	(21,243,329)	-
Loan payable to a related party	17,303,770	(17,303,770)	(17,303,770)	-
	<u>70,732,672</u>	<u>(65,207,435)</u>	<u>(57,389,908)</u>	<u>(7,817,527)</u>

### 34.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is exposed to currency risk and interest rate risk only.

#### 34.3.1 Currency risk

The Company is exposed to foreign currency risk on its receivables and payables in the following currencies:

	31 March 2022	30 June 2021
	USD (Equivalent Rupees)	
<i>Financial assets</i>		
Trade debts	50,454,250	122,000
	<u>50,454,250</u>	<u>122,000</u>
<i>Financial liabilities</i>		
Trade payables	(1,351,623)	(347,046)
<b>Net exposure</b>	<u>49,102,627</u>	<u>(225,046)</u>

The following significant exchange rates have been applied:

	Average rate		Reporting date rate	
	For the nine months ended 31 March 2022	For the year ended 30 June 2021	31 March 2022	30 June 2021
PKR to USD	165.70	160.33	183.47	157.54

#### Sensitivity analysis

At the reporting date, if the PKR had strengthened by 10% against the above foreign currencies with all based on past experience, consideration of financial position, past track records and recoveries, the shown below, mainly as a result of foreign exchange gains / (losses).

	31 March 2022	30 June 2021
	----- (Rupees) -----	
USD	<u>3,486,287</u>	<u>(15,978)</u>

The weakening of the PKR against above currencies would have had an equal but opposite impact on the post tax profits. The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets of the Company.

### 34.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial assets and liabilities is as follows:

Variable rate instruments		31 March 2022	30 June 2021
		----- (Rupees) -----	
<i>Financial liabilities</i>			
Short term finance	3-month KIBOR + 2%	<u>(16,097,399)</u>	<u>(21,243,329)</u>

#### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would have increased or decreased the profit for the period and equity by Rs. 114,291 (year ended 30 June 2021: Rs. 150,827). This analysis assumes that all other all other variables, in particular foreign currency rates, remain constant.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

### 34.3.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. As at 31 March 2022, the Company is not exposed to other price risk.

### 34.4 Reconciliation of movements of equity and liabilities to cash flows arising from financing activities

	Long term borrowings and deferred grant	Lease liabilities	Unappropriated profit	Loan payable to a related party	Total
	----- (Rupees) -----				
Balance as at 1 July 2021	13,043,491	6,618,789	102,866,639	17,303,770	139,832,689
<i>Changes from financing cash flows</i>					
Repayment of long-term borrowings	(5,499,942)	-	-	-	(5,499,942)
Payment of lease liabilities	-	(2,966,656)	-	-	(2,966,656)
Loan obtained from a related party	-	-	-	14,677,129	14,677,129
Repayment of loan to a related party	-	-	-	(7,398,475)	(7,398,475)
<b>Total changes from financing activities</b>	<b>7,543,549</b>	<b>3,652,133</b>	<b>102,866,639</b>	<b>24,582,424</b>	<b>138,644,745</b>
<i>Other changes - interest cost</i>					
Interest expense	1,885,372	386,449	-	-	2,271,821
Amortization of government grant	(885,038)	-	-	-	(885,038)
Interest paid	(1,885,372)	-	-	-	(1,885,372)
	(885,038)	386,449	-	-	(498,589)
<b>Total equity related other changes</b>	<b>-</b>	<b>-</b>	<b>(83,363,887)</b>	<b>-</b>	<b>(83,363,887)</b>
<b>Balance as at 31 March 2022</b>	<b>6,658,511</b>	<b>4,038,582</b>	<b>19,502,752</b>	<b>24,582,424</b>	<b>54,782,269</b>
Balance as at 1 July 2020	6,451,102	4,649,591	35,593,145	24,728,477	71,422,315
<i>Changes from financing cash flows (unaudited)</i>					
Repayment of long-term borrowings	(7,802,430)	-	-	-	(7,802,430)
Payment of lease liabilities	-	(1,849,272)	-	-	(1,849,272)
<b>Total changes from financing activities</b>	<b>(1,351,328)</b>	<b>2,800,319</b>	<b>35,593,145</b>	<b>24,728,477</b>	<b>61,770,613</b>
<i>Other changes - interest cost (unaudited)</i>					
Interest expense	322,969	421,185	-	-	744,154
Amortization of government grant	(233,142)	-	-	-	(233,142)
Interest paid	(322,969)	-	-	-	(322,969)
	(233,142)	421,185	-	-	188,043
<b>Total equity related other changes (unaudited)</b>	<b>-</b>	<b>-</b>	<b>48,181,076</b>	<b>-</b>	<b>48,181,076</b>
<b>Balance as at 31 March 2021</b>	<b>(1,884,470)</b>	<b>3,221,504</b>	<b>83,774,221</b>	<b>24,728,477</b>	<b>110,139,732</b>

**34.5 Fair value of financial instruments**

The estimated fair value of all financial assets and liabilities is considered not significantly different from carrying values as the items are either short-term in nature or periodically repriced.

**35. CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital is to safe guard the Company's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue new shares. There are no externally imposed capital requirements on the Company.

**36. CORRESPONDING FIGURES**

Corresponding figures have been re-arranged and reclassified, wherever necessary for purpose of comparison and better presentation. This did not affect profit, net assets or equity.

**Statement of financial position**

	As previously reported on 30 June 2021	Reclassification	As reclassified
Trade debts	155,112,561	(65,011,280)	90,101,281
Contract assets	-	65,011,280	65,011,280
Other assets	136,243,852	-	136,243,852
<b>Total assets</b>	<b>290,356,413</b>	<b>-</b>	<b>290,356,413</b>

**37. GENERAL**

These financial statements were authorized for issue on 04 AUG 2022 by the Board of Directors of the Company.

  
Chief Executive

  
Director



KPMG Taseer Hadi & Co.  
Chartered Accountants

**Symmetry Group Limited**

Consolidated Financial  
Statements  
For the period ended 31 March  
2022





KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 35685847, Fax +92 (21) 35685095

## **INDEPENDENT AUDITOR'S REPORT**

**To the members of Symmetry Group Limited**

**Report on the Audit of Consolidated Financial Statements**

### **Opinion**

We have audited the annexed consolidated financial statements of **Symmetry Group Limited** ("the Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2022, and of its consolidated financial performance and its consolidated cash flows for the period then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### **Basis for Opinion**

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

### **Other Matter**

We draw attention to the fact that:

- we have not audited the accompanying consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine months ended 31 March 2021, or any of the related notes and accordingly, we do not express an opinion on them.
- these consolidated financial statements have been prepared for onward submission to Pakistan Stock Exchange together with the application for listing of the Company.



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As a result, these consolidated financial statements may not be suitable for another purpose.

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is **Moneeza Usman Butt**.

Date: 5 August 2022

Karachi  
UDIN: AR202210102wqyZWNS6G

KPMG Taseer Hadi & Co.  
Chartered Accountants


Symmetry Group Limited  
 Consolidated Statement of Financial Position  
 As at 31 March 2022

		31 March 2022	30 June 2021
	Notes	(Rupees)	
<b>ASSETS</b>			
<b>Non current assets</b>			
Property and equipment	4	10,482,325	15,605,279
Right-of-use assets	5	6,009,838	9,233,246
Intangible assets	6	3,107,907	5,595,375
Goodwill	7	42,777,721	42,777,721
Deferred taxation	8	5,647,461	1,202,502
Long term deposits	9	1,384,000	1,858,900
		<u>69,409,252</u>	<u>76,273,023</u>
<b>Current assets</b>			
Trade debts	10	114,868,872	110,566,422
Contract assets	11	90,786,333	65,011,280
Advances and prepayments	12	1,885,230	721,940
Interest accrued on short term investments		1,052,877	486,780
Short term investments	13	18,000,000	38,325,000
Taxation - net		42,194,039	27,828,945
Cash and bank balances	14	3,469,554	268,202
		<u>272,256,905</u>	<u>243,208,569</u>
<b>Total assets</b>		<u>341,666,157</u>	<u>319,481,592</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital 300,000,000 (June 30, 2021: 100,000,000) ordinary shares of Rs. 1/- each		<u>300,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up share capital	15	197,010,230	85,000,000
Unappropriated profit		46,354,677	112,010,230
Equity attributable to owners		<u>243,364,907</u>	<u>197,010,230</u>
Non-controlling interest	16	28,445	799
		<u>243,393,352</u>	<u>197,011,029</u>
<b>Non - current liabilities</b>			
Lease liabilities	5	1,340,406	3,381,104
Long term borrowings	17	-	13,122,318
Deferred income - government grant	18	-	660,061
		<u>1,340,406</u>	<u>17,163,483</u>
<b>Current liabilities</b>			
Trade and other payables	19	33,771,137	40,945,634
Current portion of lease liabilities	5	2,698,175	3,237,665
Current portion of long term borrowings	17	17,150,801	19,723,101
Current portion of deferred income - government grant	18	422,146	1,371,251
Short term finance	20	16,097,399	21,243,329
Loan payable to related parties	21	26,792,741	18,786,080
		<u>96,932,399</u>	<u>105,307,080</u>
		<u>341,666,157</u>	<u>319,481,592</u>

**Contingencies and commitments**

22

The annexed notes 1 to 33 form an integral part of these consolidated financial statements.

  
 Chief Executive

  
 Director

# Symmetry Group Limited

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the nine months ended 31 March 2022

		For the nine months ended 31 March 2022	For the nine months ended 31 March, 2021
	Note	(Audited) (Rupees)	(Unaudited)
Revenue - net	23	240,689,611	198,708,307
Administrative and operating expenses	24	(176,659,143)	(139,069,374)
Impairment of trade debts		(97,012)	(18,807)
Operating profit		<u>63,933,456</u>	<u>59,620,126</u>
Other income	25	4,974,857	2,740,509
Finance cost	26	(7,382,972)	(4,390,120)
<b>Profit before taxation</b>		<u>61,525,341</u>	<u>57,970,615</u>
Taxation	27	(15,143,018)	(20,329,400)
<b>Profit after taxation</b>		<u>46,382,323</u>	<u>37,641,215</u>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<u>46,382,323</u>	<u>37,641,215</u>
<b>Profit attributable to:</b>			
- Owners of the Company		<u>46,354,677</u>	37,665,328
- Non-controlling interest		<u>27,646</u>	(24,113)
		<u>46,382,323</u>	<u>37,641,215</u>

The annexed notes 1 to 33 form an integral part of these consolidated financial statements.



Chief Executive



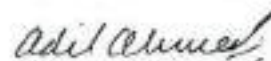
Director

Symmetry Group Limited  
 Consolidated Statement of Changes in Equity  
 For the nine months ended 31 March 2022

	Attributable to equity holders of parent			Non-controlling interest	Total Equity
	Issued, subscribed and paid-up share capital	Unappropriated profit	Total		
	(Rupees)				
Balances as at 1 July 2020 (audited)	85,000,000	70,036,763	155,036,763	55,557	155,092,320
<i>Total comprehensive income for the period ended 31 March 2021 (unaudited)</i>					
Profit / (loss) for the period	-	37,665,328	37,665,328	(24,113)	37,641,215
Balances as at 31 March 2021 (unaudited)	<u>85,000,000</u>	<u>107,702,091</u>	<u>192,702,091</u>	<u>31,444</u>	<u>192,733,535</u>
<b>Balances as at 1 July 2021 (audited)</b>	85,000,000	112,010,230	197,010,230	799	197,011,029
<i>Total comprehensive income for the period ended 31 March 2022 (audited)</i>					
Profit for the period	-	46,354,677	46,354,677	27,646	46,382,323
<i>Transactions with owners</i>					
Issue of bonus shares	112,010,230	(112,010,230)	-	-	-
<b>Balances as at 31 March 2022 (audited)</b>	<u>197,010,230</u>	<u>46,354,677</u>	<u>243,364,907</u>	<u>28,445</u>	<u>243,393,352</u>

The annexed notes 1 to 33 form an integral part of these consolidated financial statements.

  
 Chief Executive



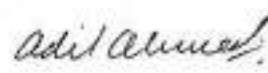
Director

Symmetry Group Limited  
 Consolidated Statement of Cash Flows  
 For the nine months ended 31 March 2022

	Note	For the nine months ended 31 March 2022	For the nine months ended 31 March 2021
(Rupees)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		61,525,341	57,970,615
Adjustment for non-cash and other items:			
- Depreciation	24	11,235,062	8,444,115
- Amortization	24	2,487,468	2,981,221
- Finance costs	26	7,382,972	4,390,120
- Impairment of trade debts	10.1	97,012	18,807
- Amortization of grant income	25	(1,609,166)	(967,760)
- Interest income on Term Deposit Receipts	25	(1,095,577)	(1,588,520)
- Exchange gain - net	25	(2,100,028)	(194,329)
<b>Operating profit before working capital changes</b>		<b>77,923,084</b>	<b>71,064,269</b>
<b>Changes in :</b>			
Trade debts		(2,299,434)	88,367
Advances and prepayments		(1,163,290)	537,800
Contract assets		(25,775,053)	(18,846,461)
Trade and other payables		(7,174,497)	(14,758,690)
		<b>(36,412,274)</b>	<b>(32,978,984)</b>
Cash generated from operations		41,510,810	38,085,285
Finance cost paid		(6,996,523)	(3,772,509)
Income tax paid		(33,953,071)	(27,457,214)
Long term deposits - net		474,900	411,074
Net cash generated from / (used in) operating activities		<b>1,036,116</b>	<b>7,266,636</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(2,888,700)	(1,586,540)
Interest received on short term investments		529,480	979,177
Investment in short term investments		20,325,000	(15,600,000)
Net cash generated / (used in) investing activities		<b>17,965,780</b>	<b>(16,207,363)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loan obtained / (repayment) from related parties - net		8,006,661	(73,854)
Long term borrowings - net		(15,694,618)	3,925,615
Payment of lease liabilities		(2,966,657)	(1,849,272)
Net cash used in financing activities		<b>(10,654,614)</b>	<b>2,002,489</b>
Net(decrease) / increase in cash and cash equivalents		<b>8,347,282</b>	<b>(6,938,238)</b>
Cash and cash equivalents at the beginning of the period		<b>(20,975,127)</b>	<b>(15,337,977)</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>(12,627,845)</b>	<b>(22,276,215)</b>
<b>Cash and cash equivalents comprise of the following:</b>			
Cash and bank balances	14	3,469,554	285,009
Short term running finance	20	(16,097,399)	(22,561,224)
		<b>(12,627,845)</b>	<b>(22,276,215)</b>

The annexed notes 1 to 33 form an integral part of these consolidated financial statements.

  
 Chief Executive

  
 Director

Symmetry Group Limited  
Notes to the Consolidated Financial Statements  
For the nine months ended 31 March 2022

**1. THE GROUP AND ITS OPERATIONS**

- 1.1** Symmetry Group Limited ('the Company') was incorporated in Pakistan as a private limited company on 3 February 2012 under the repealed Companies Ordinance, 1984. In 2018, the Company was converted to a public company with effect from 31 May 2017. The principal activities of the Company is digital media, internet marketing and display advertising digital design, web development and other related activities.

The registered office of the Company is situated at 3rd and 4th Floor, Plot 45-C, Shahbaz Lane 4, Phase VI, D.H.A. Karachi.

These financial statements are prepared for onward submission to Pakistan Stock Exchange together with the application for listing of the Company.

- 1.2** Symmetry Group Limited and its subsidiaries ('the Group') comprises of the following:

Symmetry Group Limited

Parent Company

***Subsidiary companies***

	Percentage of Direct Holding	
	31 March 2022	30 June 2021
Symmetry Digital (Private) Limited	99.98%	99.98%
Creative Jin (Private) Limited	-	99.80%
Iris Digital (Private) Limited	99.80%	99.80%

- 1.3 Nature of operations of subsidiaries**

***Symmetry Digital (Private) Limited***

Symmetry Digital (Private) Limited was incorporated in Pakistan as a private limited company on 31 August 2009 under the repealed Companies Ordinance, 1984. Its principal activities are digital media, internet marketing and display advertising etc. and creative services including digital design, web development and other related activities.

The registered office is situated at 3rd and 4th Floor, Plot 45-C, Shahbaz Lane 4, Phase VI, D.H.A, Karachi.

***Iris Digital (Private) Limited***

Iris Digital (Private) Limited was incorporated in Pakistan as a private limited company on 3 February 2012 under the repealed Companies Ordinance, 1984. The principal activities are digital media, internet marketing and display advertising etc. and creative services including digital design, web development and other related activities.

The registered office is situated at 3rd and 4th Floor, Plot 45-C, Shahbaz Lane 4, Phase VI, D.H.A. Karachi.



## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

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

### **2.2 Basis of measurement**

These financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies below.

The comparative statement of financial position is extracted from the audited annual consolidated financial statements as of 30 June 2021 whereas comparative consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows are extracted from unaudited consolidated financial statements of the Group for the nine-month period ended 31 March 2021.

### **2.3 Functional and presentation currency**

These consolidated financial statements are presented in Pakistan Rupees which is Group's functional currency. All financial information has been rounded to the nearest rupee, unless otherwise stated.

### **2.4 Use of estimates and judgments**

The preparation of financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about the judgments made by the management in the application of the accounting policies, that may have the most significant effect on the amount recognized in these financial statements, assumptions and estimation uncertainties with significant risk of material adjustment to the carrying amount of asset and liabilities in the next year are described in the following notes:

- Property and equipment (note 3.2)
- Intangible assets (note 3.4)
- Leases (note 3.3)
- Goodwill (note 3.5)
- Impairment (note 3.7 and note 3.12)
- Provisions (note 3.15)
- Government grant (note 3.17)
- Taxation (note 3.13)

## 2.5 New or amendments / interpretations to existing standards, interpretation and forthcoming requirements

The following new or amended standards and interpretations became effective during the year which are not considered to be relevant to these consolidated financial statements:

- Interest Rate Benchmark Reform – Phase 2
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

## 2.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.
  - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
  - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
  - IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.
- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The IASB also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – 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 are effective for periods beginning on or after 1 January 2023, and 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.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – 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. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments / interpretations does not likely to have an effect on these consolidated financial statements

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below are consistently applied for all periods presented in these consolidated financial statements.

#### 3.1 Basis of consolidation

##### 3.1.1 Business Combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see Note 3.1.2) unless the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory, in which case they are accounted using merger accounting policies. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see Note 3.12). Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities (see Note 3.7).

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

##### 3.1.2 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

##### 3.1.3 Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

##### 3.1.4 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### 3.1.5 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation.

## 3.2 Property and equipment

### 3.2.1 Recognition and measurement

Items of property and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

### 3.2.2 Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### 3.2.3 Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives of property and equipment for current and comparative periods are disclosed in note 4.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## 3.3 Leases

### *Right-of-use assets*

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Right-of-use assets comprise of head office sales office and warehouse building which is depreciated over period of lease on straight line basis ranging from one year to five years. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

### *Lease liabilities*

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the

commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases where the lease term is of 12 months or less from the commencement date and do not contain a purchase option and leases for which the underlying asset is of low value. Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

### 3.4 Intangible assets

Intangible assets acquired by the Group are stated at cost less accumulated amortisation and impairment losses, if any. Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed out as incurred.

Amortisation is charged to profit and loss account on reducing balance method at the rates specified in respective notes in these consolidated financial statements unless lives of assets are indefinite. All intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Amortisation on additions to intangible assets is charged from the date on which an item is acquired or capitalized and upto the date preceding the disposal. Where the carrying amount of an asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

### 3.5 Goodwill

Goodwill that arises upon the acquisition of assets and assuming liabilities is included in intangible assets. The acquisition method of accounting is used to account for the acquisition of the assets and assuming liabilities. The cost of acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the acquisition date. The cost of acquisition includes fair value of assets and liabilities resulting from consideration agreement. Identifiable assets acquired and the liabilities assumed are measured initially at their fair values at the acquisition date. Transactions costs are expensed out as incurred except if they relate to the issue of debt or equity securities.

The excess of the consideration transferred over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the Acquiree in the case of a bargain purchase, the difference is recognised directly in the profit and loss account.

Goodwill has indefinite useful life and is subsequently measured at cost less impairment in value, if any. Goodwill is tested for impairment on an annual basis and also when there is an indication of impairment. Impairment loss on goodwill is not reversed. On disposal of an entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

### 3.6 Share capital - ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### 3.7 Financial assets

#### i. Classification

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objectives for managing the financial assets are achieved and how cash flows are realised.

## Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment on debt securities, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

### ii. Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets:

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in statement of profit or loss account. The Group does not hold such assets.
<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective yield method. The amortised cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss account.
<b>Debt securities at FVOCI</b>	These assets are subsequently measured at fair value. Interest / markup income calculated using the effective yield method, foreign exchange gains and losses and impairment are recognised in statement of profit or loss account. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss account. The Group does not hold such assets.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in statement of comprehensive income and are never reclassified to statement of profit or loss account. The Group does not hold such assets.

### iii. Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.



#### iv. Impairment of financial assets

##### Financial assets at amortised cost and contract assets

The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortised cost and contract assets at an amount equal to life time ECLs except for the following, which are measured at 12 months ECLs:

- bank balances for credit risk (the risk of default occurring over the expected life of the financial instrument) has not increased since the inception;
- loans and advances;
- other receivables and contract assets

Loss allowances for trade receivables are always measured at an amount equal to life time ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset in default when it is more than 90 days past due.

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12 month ECLs are the portion of ECL that result from default events that are possible within 12 months after the reporting date.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for financial assets as there is no history of default in the company and all the trade receivable balances have been received subsequently.

#### 3.8 Financial liabilities

All financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

#### 3.9 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when, and only when the Company has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

#### 3.10 Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### 3.11 Cash and cash equivalents

For the purpose of presentation in statement of cash flow, cash and cash equivalents includes cash in hand, balances with banks and short term borrowings availed by the Group, which are repayable on demand and form an integral part of the Group's cash management.

### 3.12 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. 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 assessments 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. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss account and other comprehensive income.

### 3.13 Taxation

#### *Current tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### *Deferred tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 3.14 Segment reporting

Segment results that are reported to the Group's Chief Executive Officer and the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items, if any, comprise mainly corporate assets, head office, expenses and tax assets and liabilities. Management has determined that the Group has a single reportable segment and therefore it has only presented entity wide disclosures.

### 3.15 Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, 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. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

### 3.16 Foreign currency transactions

Transactions in foreign currencies are accounted for in rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the reporting date are expressed in rupees at rates of exchange prevailing on that date except where forward exchange cover has been obtained for payment of liabilities, in which case the contracted rates are applied. Exchange gains and losses are included in income currently.

### 3.17 Government grants

Government grants are transfers of resources to an entity by a government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a government subsidy. The definition of "government" refers to governments, government agencies and similar bodies, whether local, national or international.

The Company recognizes government grants when there is reasonable assurance that grants will be received and the Company will be able to comply with conditions associated with grants.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis in the income for the year in which the related expenses are recognized. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

### 3.18 Revenue recognition

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

- Revenue from media buying services is recognised at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.
- Revenue from providing Social media management services is recognised on a straight line basis over the line of the respective contracts.
- Revenue from content creation services is recognised at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.
- Revenue from agency commissions and discounts is recognised at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.
- Revenue from website hosting is recognised at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.
- Revenue from providing content design and development is recognised at a point in time when the performance criteria have been met in accordance with the contract and acknowledged by the customer.
- Miscellaneous income is recognised at a point in time when it is received.

### 3.19 Expenses

All expenses are recognised in the statement of profit or loss account on an accrual basis. Finance costs are recognised using effective interest method.

### 3.20 Dividend and appropriations

Dividend distributions and appropriations are recorded in the period in which the distributions and appropriations are approved.

#### 4. PROPERTY AND EQUIPMENT

	Furniture and fixtures	Office equipment	Computer and ancillary equipment	Vehicles	Total
	(Rupees)				
As at 1 July 2020					
Cost	5,768,758	8,635,997	41,830,451	4,992,865	61,328,071
Accumulated depreciation	(3,998,757)	(7,730,357)	(19,380,443)	(4,765,796)	(35,875,343)
Net book value	1,770,001	905,640	22,550,008	227,079	25,452,728
Additions	-	491,500	2,255,548	-	2,747,048
Depreciation charge for the year	(421,029)	(804,949)	(11,173,880)	(194,639)	(12,594,497)
Closing net book value	1,348,972	592,191	13,631,676	32,440	15,605,279
<b>As at 30 June 2021 / 1 July 2021</b>					
Cost	5,768,758	9,127,497	44,185,999	4,992,865	64,075,119
Accumulated depreciation	(4,419,786)	(8,535,306)	(30,554,323)	(4,960,425)	(48,469,840)
Net book value	1,348,972	592,191	13,631,676	32,440	15,605,279
<b>Additions</b>	<b>20,630</b>	<b>206,910</b>	<b>2,661,160</b>	<b>-</b>	<b>2,888,700</b>
Transfer from ROUA					
Cost	-	-	-	2,058,390	2,058,390
Accumulated depreciation	-	-	-	(939,141)	(939,141)
Net book value	-	-	-	1,119,249	1,119,249
Depreciation charge for the period	(237,835)	(291,032)	(8,389,487)	(212,549)	(9,130,903)
Closing net book value	1,131,767	508,069	7,903,349	939,140	10,482,325
<b>As at 31 March 2022</b>					
Cost	5,789,388	9,334,407	46,847,159	7,051,255	69,022,209
Accumulated depreciation	(4,657,621)	(8,826,338)	(38,543,810)	(6,112,115)	(58,539,884)
Net book value	1,131,767	508,069	7,903,349	939,140	10,482,325
<b>Depreciation rates (% per annum)</b>	<b>15</b>	<b>30</b>	<b>30</b>	<b>15</b>	

4.1 The depreciation charge for the year / period has been allocated to administrative and general expenses. The cost of fully depreciated assets still in use at the reporting date is Rs. 28,690,497 (30 June 2021: Rs. 18,286,919).

#### 5. LEASES

31 March 2022  
30 June 2021  
(Rupees)

##### 5.1 Right-of-use assets

Opening balance	9,233,246	6,805,572
Additions	-	3,397,285
Transfer to PPE	(1,119,249)	-
Depreciation for the period	(2,104,159)	(769,611)
Closing balance	6,009,838	9,233,246

##### 5.2 Lease liabilities

Opening balance	6,618,789	4,649,591
Additions	-	3,397,285
Interest expense	386,449	421,185
Payments	(2,966,657)	(1,849,272)
Closing balance	4,038,581	6,618,789

Current	2,698,175	3,237,685
Non-current	1,340,406	3,381,104
	4,038,581	6,618,789

Amounts recognised in the consolidated statement of profit or loss for the period / year are as follows:

	31 March 2022	30 June 2021
	(Rupees)	
Depreciation charge of right-of-use assets	2,104,159	769,611
Interest expense on lease liabilities	386,449	421,185
Expense relating to short-term leases	7,629,532	7,608,204
	<u>10,120,140</u>	<u>8,799,000</u>

Amounts recognised in the consolidated statement of cashflows for the period / year are as follows:

Total cash outflow for leases	<u>2,966,657</u>	<u>1,849,272</u>
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During the nine months ended 31 March 2021, depreciation charge of right-of-use assets amounted to Rs. 577,208, interest expense on lease liabilities amounted to Rs. 315,889, expense relating to short-term leases amounted to Rs. 5,706,153, and total cash outflow for leases amounted to Rs. 1,849,272.

## 6. INTANGIBLE ASSETS

### Computer software

#### Cost

Balance as at 1 July	36,000,000	36,000,000
Balance as at 31 March / 30 June	<u>36,000,000</u>	<u>36,000,000</u>

#### Amortisation

Balance as at 1 July	30,404,625	26,429,664
Amortisation for the period / year	2,487,468	3,974,961
Balance as at 31 March / 30 June	<u>32,892,093</u>	<u>30,404,625</u>

#### Net book value

	<u>3,107,907</u>	5,595,375
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Amortisation rate (% per annum)	<u>33.33%</u>	33.33%
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6.1 The amortisation charge for the period / year has been allocated to administrative and operating expenses.

## 7. GOODWILL

7.1 On 31 August 2009, the Group acquired assets and assumed liabilities of The Symmetry, a sole proprietary business ("the Acquiree"), engaged in digital media advertising and IT Services business against an aggregate consideration of 116.78 million. Under the terms of the agreement effective from 31 August 2009, the Group has acquired assets and assumed liabilities of the Acquiree.

	31 March 2022	31 March 2021
	(Rupees)	
Goodwill arising from the acquisition has been recognised as follows:		
Consideration transferred	161,777,721	161,777,721
Fair value of identifiable net assets	(119,000,000)	(119,000,000)
<b>Goodwill</b>	<u>42,777,721</u>	<u>42,777,721</u>

Goodwill is primarily related to growth expectations, expected future profitability, expected cost and other synergies to be derived by the Group from the acquired business.

### 7.1.1 Fair value of identifiable assets and liabilities

The fair values of identifiable assets and liabilities of the Acquiree as at the date of acquisition were as follows:

Property and equipment	6,560,629
Long term deposits	713,475
Trade debts	82,167,117
Prepayments and other receivables	29,558,579
<b>Total identifiable net assets acquired</b>	<u>119,000,000</u>

## 7.1.2 Impairment testing of goodwill

The recoverable amount of business operations of Symmetry Digital (Private) Limited have been determined based on 'value in use' calculation, using cash flow projections prepared by management from 2022 through 2026 till terminal period.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	31 March 2022	30 June 2021
	(Percentage)	
Long term growth rate	<u>10.00%</u>	<u>10.00%</u>
Weighted average cost of capital (WACC) (discount rate)	<u>17.00%</u>	<u>17.00%</u>
Terminal growth rate	<u>3.00%</u>	<u>10.00%</u>

The calculation of 'value in use' for the business operations of the cash generating unit (Symmetry Digital (Private) Limited) is most sensitive to the following assumptions:

### Revenue, cost of services and operating expenses

Revenue, cost of services and operating expenses represent management's best estimate of the most likely future operating results of Symmetry Digital (Private) Limited and exclude any synergies expected to arise from the transaction that would not be equally realisable by other market participants.

### Capital expenditures

Capital expenditures have been projected taking into account growth in business volume and historical trends.

### Discount rate (WACC)

Discount rates reflect management's estimate of the rate of return required for the business and are calculated after taking into account the prevailing risk free rate, industry risk and business risk. Discount rates are calculated by using the weighted average cost of capital.

### Sensitivity to changes in assumptions

Management believes that reasonable possible changes in other assumptions used to determine the recoverable amount of the cash generating units will not have significant impact on the cash flows that could result in an impairment of goodwill.

8. DEFERRED TAXATION	Note	31 March 2022	30 June 2021
		(Rupees)	
Deferred taxation	8.1	<u>5,647,461</u>	<u>1,202,502</u>
<b>8.1 Deductible / (taxable) temporary differences</b>			
		<b>Net balance at 1 July 2021</b>	<b>Recognised in profit or loss</b>
			<b>Net balance at 31 March 2022</b>
Property and equipment		1,100,819	19,835
Allowance for impairment loss against trade debts		-	38,498
Intangible assets		266,840	(1,013,778)
Deferred income - government grant		503,699	(503,699)
Exchange Loss		-	83,343
Leases		(868,856)	193,918
Effect of minimum tax		-	5,627,042
		<u>1,202,502</u>	<u>4,444,959</u>
<b>9. LONG TERM DEPOSITS</b>			
This represents deposits placed with lessors, in respect of the leased offices.			
<b>10. TRADE DEBTS</b>			
Trade debts		<b>115,041,110</b>	110,641,648
less: Allowance for impairment loss against trade receivables	10.1	<u>(172,238)</u>	<u>(75,226)</u>
		<u>114,868,872</u>	<u>110,566,422</u>

10.1	Allowance for impairment loss against trade debts	Note	31 March 2022	30 June 2021
			(Rupees)	
	Opening balance		75,226	-
	Expense for the period / year		97,012	75,226
	Closing balance		<u>172,238</u>	<u>75,226</u>
<b>11.</b>	<b>CONTRACT ASSETS</b>			
	Contract assets	11.1	<u>90,786,333</u>	<u>85,011,280</u>
11.1	The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade debts when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.			
<b>12.</b>	<b>ADVANCES AND PREPAYMENTS</b>			
	Advance to employees		570,380	366,200
	Prepayments:			
	- rent		577,314	355,740
	- insurance		737,536	-
			<u>1,314,850</u>	<u>355,740</u>
			<u>1,885,230</u>	<u>721,940</u>
<b>13.</b>	<b>SHORT TERM INVESTMENTS</b>			
	Investments in Term Deposit Receipts		<u>18,000,000</u>	<u>38,325,000</u>
13.1	The Term Deposit Receipts are maintained with Bank Al Habib Limited carrying mark-up rate of 6.10% (30 June 2021: ranging from 6.60% to 7.10%) per annum and having maturity upto 23 April 2022.			
<b>14.</b>	<b>CASH AND BANK BALANCES</b>			
	Cash in hand		322,000	153,920
	Cash at bank			
	- Current accounts		3,147,546	114,274
	- Savings account	14.1	8	8
			<u>3,147,554</u>	<u>114,282</u>
			<u>3,469,554</u>	<u>268,202</u>
14.1	The saving accounts carry markup ranging from 6.5% to 7% per annum. (June 30, 2021: 6.5% to 7% per annum).			
<b>15.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>			
	<b>31 March 2022</b>	<b>30 June 2021</b>	<b>31 March 2022</b>	<b>30 June 2021</b>
	<b>(Number of shares)</b>		<b>(Rupees)</b>	
	31,462,472	31,462,472	31,462,472	31,462,472
	165,547,758	53,537,528	165,547,758	53,537,528
	<u>197,010,230</u>	<u>85,000,000</u>	<u>197,010,230</u>	<u>85,000,000</u>
15.1	Share capital was subscribed and paid-up by the following:			
	<b>31 March 2022</b>	<b>30 June 2021</b>	<b>31 March 2022</b>	<b>30 June 2021</b>
	<b>Percentage holding</b>		<b>(Number of Shares)</b>	
	-	51.00%	-	43,350,000
	48.87%	24.50%	96,288,747	20,825,000
	48.87%	24.50%	96,288,747	20,825,000
	2.25%	-	4,432,730	-
	0.01%	-	8	-
			<u>197,010,230</u>	<u>85,000,000</u>

During the period the shareholding of M/s Bulls Eye Communications (Private) Limited in the Company was sold to the other shareholders Mr. Adil Ahmed and Mr. Sarosh Ahmed in equal proportion for a total consideration of Rs. 145,550,000. All shares have equal rights.

## 16. NON CONTROLLING INTEREST (NCI)

The following table summarises the information relating to each of the Group's subsidiaries that has NCI, before any intra group eliminations.

	31 March 2022			30 June 2021		
	Symmetry Digital (Private) Limited	Iris Digital (Private) Limited	Creative Jin (Private) Limited	Symmetry Digital (Private) Limited	Iris Digital (Private) Limited	Creative Jin (Private) Limited
<b>NCI Percentage</b>	<b>0.02%</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.02%</b>	<b>0.20%</b>	<b>0.20%</b>
<b>(Rupees)</b>						
Total assets	88,243,544	59,646,977	-	107,189,862	46,600,075	-
Total liabilities	(61,961,418)	(48,052,728)	-	(85,255,268)	(48,294,395)	-
<b>Net assets</b>	<b>26,282,126</b>	<b>11,594,249</b>	<b>-</b>	<b>21,934,714</b>	<b>(1,794,320)</b>	<b>-</b>
Net assets attributable to NCI	5,256	23,189	-	4,387	(3,588)	-
Revenue - net	17,785,062	124,317,530	-	19,337,034	62,007,127	-
Profit / (loss)	4,347,412	13,388,569	-	2,249,250	(26,971,843)	(832,192)
Total comprehensive income	4,347,412	13,388,569	-	2,249,250	(26,971,843)	(832,192)
Profit / (loss) allocated to NCI	869	26,777	-	450	(53,944)	(1,264)
Cash flows from operating activities	546,818	(629,325)	-	(348,264)	(6,020,285)	-
Cash flows from investing activities	6,358,377	6,845,078	-	(6,079,091)	(6,563,117)	-
Cash flows from financing activities	(4,959,049)	(5,128,627)	-	6,360,502	5,403,798	-
Net increase / (decrease) in cash and cash equivalents	1,946,146	1,087,126	-	(66,853)	(7,209,604)	-

## 17. LONG TERM BORROWINGS

Loan from conventional financial institutions  
Current portion shown under current liabilities

Note	31 March 2022	30 June 2021
<b>(Rupees)</b>		
17.1	17,150,801 (17,150,801)	32,845,419 (19,723,101)
	-	13,122,318

17.1 Due to the effects of pandemic, State Bank of Pakistan took various steps to support the economy. SBP introduced a refinance scheme for payment of salaries and wages at subsidized rate of borrowing.

The Group has obtained the said borrowing from Bank Al-Habib Limited ("BAHL") at subsidized rate in fifteen tranches at 3% concessional interest rate which is repayable in October 2022 in 8 quarterly instalments to BAHL under the SBP scheme.

## 18. DEFERRED INCOME - GOVERNMENT GRANT

Deferred income - government grant  
Current portion of deferred income - government grant

422,146	2,031,312
(422,146)	(1,371,251)
-	660,061

18.1 The value of benefit of below-market interest rate on the borrowings disclosed in note 17 to these financial statements has been accounted for as government grant under IAS - 20 Government grants.



**19. TRADE AND OTHER PAYABLES**

**31 March 2022**      30 June 2021  
(Rupees)

Trade payables		<b>8,651,506</b>	10,816,095
Accrued expenses		<b>19,184,604</b>	17,393,985
Withholding tax payable		<b>4,768,734</b>	6,244,929
Workers welfare fund	19.1	<b>143,176</b>	143,176
EOBI payable		<b>747,920</b>	601,800
Sales tax payable		<b>166,274</b>	5,744,951
Others		<b>108,923</b>	698
		<b><u>33,771,137</u></b>	<b><u>40,945,634</u></b>

- 19.1** The Finance Act 2006 and Finance Act 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 (the Ordinance) whereby the definition of industrial establishment was extended. The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016 has annulled the said amendments which were considered to be ultra vires the Constitution of Pakistan. The Federal Board of Revenue has filed a Civil Review Petitions in respect of said judgment. Management has booked a provision amounting to Rs. 143,176 on account of WWF provision for the year 2015 and earlier. The provision has not been reversed on the basis of prudence. Further provision has not been made on account of WWF.

**20. SHORT TERM FINANCE**

This represents running finance facility obtained from Bank al Habib Limited against available limit of Rs. 20 million, which carries mark-up @ 3 months KIBOR plus 2% payable quarterly in arrears. The facility is secured against hypothecation charge over receivables with 25% margin, mortgage over 100 yards commercial plot situated in Phase - VII (Ext.) DHA, owned by family member of director and personal guarantees of all directors and owner of mortgaged property. Amount unutilized for such facility as at 31 March 2022 was Rs. 3,902 thousand (30 June 2021: Rs. 34,574 thousand).

**21. LOAN PAYABLE TO RELATED PARTIES**

Mrs. Dur-e-Shahwar Fareed	21.1	<b>24,582,429</b>	17,303,768
Sarocsh Ahmed		<b>2,210,312</b>	1,482,312
		<b><u>26,792,741</u></b>	<b><u>18,786,080</u></b>

- 21.1** This includes loan amounting to Rs. 8,600,000 (30 June 2021: Rs. 8,600,000) from Ms. Dur-e-Shahwar (close family member of the Company's shareholders, Mr. Adil Ahmed and Mr. Sarocsh Ahmed) and bearing interest at the rate of 12% (30 June 2021: 15%) per annum working capital needs. Both loans are payable on demand and had been taken to meet working capital needs of the Group. The movement of loan during the period is disclosed in Note 31.4.

**22. CONTINGENCIES AND COMMITMENTS**

There were no contingences and commitments as at the reporting date.

**23. REVENUE - net**

		<b>For the nine months ended</b>	For the nine months ended
		<b>31 March 2022</b>	31 March 2021
		<b>(Audited)</b>	(Unaudited)
		<b>(Rupees)</b>	
Gross sales		<b>611,103,581</b>	529,521,052
Sales tax		<b>(39,618,907)</b>	(31,106,481)
	23.1	<b><u>571,484,674</u></b>	<u>498,414,571</u>
Cost of services	23.2	<b>(330,795,063)</b>	(299,706,264)
		<b><u>240,689,611</u></b>	<u>198,708,307</u>

<b>23.1 Disaggregation of revenue</b>	<b>For the nine months ended 31 March 2022 (Audited) (Rupees)</b>	<b>For the nine months ended 31 March 2021 (Unaudited)</b>
Media buying	<b>243,395,792</b>	214,521,272
Social media management and retainership	<b>78,792,790</b>	61,510,939
Content creation	<b>159,874,494</b>	103,470,273
Agency commissions and discounts	<b>14,376,346</b>	8,354,205
Web hosting & registration	<b>995,031</b>	-
Designing and development	<b>19,414,146</b>	79,459,487
Website maintenance	<b>4,548,575</b>	2,606,855
Export of IT services	<b>50,087,500</b>	28,491,540
	<b><u>571,484,674</u></b>	<b><u>498,414,571</u></b>
 <b>23.2 Cost of sales</b>		
Media buying	<b>134,406,996</b>	158,355,252
Social media management and retainership	<b>2,164,686</b>	3,260,880
Content creation	<b>142,365,855</b>	71,951,929
Outsourcing cost	<b>8,674,769</b>	8,054,915
Designing and development	<b>43,182,757</b>	58,063,288
	<b><u>330,795,063</u></b>	<b><u>299,706,264</u></b>
 <b>24. ADMINISTRATIVE AND OPERATING EXPENSES</b>		
Salaries and other benefits	<b>117,071,222</b>	96,768,782
Traveling and conveyance	<b>16,603,382</b>	11,816,395
Depreciation	<b>11,235,062</b>	8,444,115
Amortization	<b>2,487,468</b>	2,981,221
Utilities	<b>5,053,945</b>	4,423,060
Entertainment	<b>5,227,608</b>	3,972,546
Advertisement / sales promotion	<b>259,327</b>	46,540
Rent, rates and taxes	<b>5,590,185</b>	6,123,191
Legal and professional	<b>3,210,955</b>	387,579
Fees and subscription	<b>972,407</b>	9,750
Repairs and maintenance	<b>2,808,887</b>	717,335
Insurance	<b>1,607,716</b>	204,063
Office supplies	<b>1,288,297</b>	365,057
Auditors' remuneration	<b>1,782,000</b>	-
Printing and stationery	<b>288,155</b>	118,074
Communication and courier	<b>232,623</b>	47,946
Other expenses	<b>939,904</b>	643,720
	<b><u>176,659,143</u></b>	<b><u>139,069,374</u></b>
 <b>24.1 Auditors' remuneration</b>		
Audit fee	<b>1,500,000</b>	-
Sindh sales tax	<b>132,000</b>	-
Out of pocket expenses	<b>150,000</b>	-
	<b><u>1,782,000</u></b>	<b><u>-</u></b>

25. OTHER INCOME	Note	For the nine months ended 31 March 2022 (Audited) (Rupees)	For the nine months ended 31 March 2021 (Unaudited)
Interest income on short term investments		1,095,577	1,588,520
Amortization of deferred income - government grant		1,609,166	957,760
Exchange gain		2,270,114	194,329
		<u>4,974,857</u>	<u>2,740,609</u>
26. FINANCE COST			
Markup charges on:			
- short term finance		427,231	455,153
- lease liabilities		386,449	315,889
- long term borrowings		2,796,807	1,375,731
- loan payable to a related party		774,707	258,000
		<u>4,385,194</u>	<u>2,404,773</u>
Bank charges		2,827,692	1,985,347
Exchange loss		170,086	-
		<u>7,382,972</u>	<u>4,390,120</u>
27. TAXATION			
Current		19,587,977	21,141,203
Deferred	8.1	(4,444,959)	(811,803)
		<u>15,143,018</u>	<u>20,329,400</u>

Income tax assessments of the Group have been deemed to be finalised upto and including tax year 2021 on the basis of tax return filed under section 120 of Income Tax Ordinance 2001. However, the return may be selected for detailed audit within five years from the date of filing of return and the Income Tax Commissioner may amend the assessment if any objection is raised in audit.

#### 27.1 Relationship between accounting profit and tax expense

Profit before taxation	<u>61,525,341</u>	<u>45,555,186</u>
Tax at applicable rate	15,991,733	17,220,893
Tax effect of		
- income assessed under minimum tax regime	14,548,302	20,949,885
- income assessed under final tax regime	(10,972,803)	(20,630,974)
- tax credit	(500,875)	(941,741)
- recognition of previously unrecognised tax losses	(5,627,042)	-
- recognition of previously unrecognised temporary differences	1,703,703	3,731,337
Tax expense for the year	<u>15,143,018</u>	<u>20,329,400</u>

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	For the nine months 31 March 2022			For the nine months ended 31 March 2021		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	(Rupees)					
Managerial remuneration	3,696,300	3,696,300	25,680,606	4,435,560	4,435,560	30,816,727
Other allowances	2,603,700	2,603,700	16,145,537	3,124,440	3,124,440	19,374,644
	<u>6,300,000</u>	<u>6,300,000</u>	<u>41,826,143</u>	<u>7,560,000</u>	<u>7,560,000</u>	<u>50,191,371</u>
Number of persons	<u>1</u>	<u>1</u>	<u>9</u>	<u>1</u>	<u>1</u>	<u>12</u>

29. NUMBER OF EMPLOYEES

	31 March 2022	30 June 2021
	(Numbers)	
Number of employees as at	<u>126</u>	<u>128</u>
Average number of employees during the period / year	<u>123</u>	<u>120</u>

30. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of the entities with common directors, major shareholders, staff retirement funds, directors, key management personnel and close members of family of such individuals.

Transactions with related parties and outstanding balances other than those disclosed elsewhere in these consolidated financial statements can be summarized as follows:

	For the nine months ended 31 March 2022 (Audited)	For the nine months ended 31 March 2021 (Un-audited)
	(Rupees)	
<i>Key management personnel</i>		
Loan obtained	<u>15,405,129</u>	<u>1,599,281</u>
Repayment of loan	<u>7,398,468</u>	<u>482,001</u>

31. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Group has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies.

31.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and related parties.

To manage the exposure to credit risk in respect of trade debts, management uses aging of debtors to follow up overdue balances. The Group believes that it is not exposed to any major concentration of credit risk, as its customers represent various sectors of the economy.

The carrying amount of financial assets at amortised cost and contract assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	31 March 2022	30 June 2021
	(Rupees)	
Interest accrued on short term investments	<u>1,052,877</u>	<u>486,780</u>
Long term deposits	<u>1,384,000</u>	<u>1,858,900</u>
Trade debts	<u>114,868,872</u>	<u>110,566,422</u>
Contract assets	<u>90,786,333</u>	<u>65,011,280</u>
Short term investments	<u>18,000,000</u>	<u>39,325,000</u>
Bank balances	<u>3,147,554</u>	<u>114,282</u>
	<u>229,239,636</u>	<u>216,362,664</u>

*Long term deposits*

The Group has provided security deposits as per the contractual terms with counter parties as security and does not expect material loss against those deposits and consider such amounts as receivable upon termination of services.

### Trade debts and contract assets

The Group monitors the credit quality of its financial assets and contract assets with reference to historical performance of such assets and where available, external credit ratings.

The aging of trade debts and contract assets at the reporting date is as follows:

	31 March 2022		30 June 2021	
	Gross	Impairment	Gross	Impairment
	(Rupees)			
Not past due	192,501,779	-	110,571,253	-
Past due 30 - 60 days	7,202,017	-	14,083,520	(75,228)
Past due 60 - 90 days	1,010,000	-	48,890,387	-
Past due 90 and over	5,113,647	(172,238)	2,137,768	-
	<b>205,827,443</b>	<b>(172,238)</b>	<b>175,652,928</b>	<b>(75,228)</b>

The Group applies IFRS 9 simplified approach to measure expected credit losses (ECLs) which uses a life time expected loss allowance for all trade debts. The Group uses an allowance matrix to measure the ECLs of trade receivables. These historical loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Thus, expected credit loss rates are based on the payment profile of revenue over a period of 24 months before 31 March 2022 and the corresponding historical credit loss experienced within this period. These historical rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of customers to settle the receivables. The Group identified gross domestic product (GDP), and inflation to be the most relevant factors for performing macro level adjustments in expected credit loss financial model.

Based on the past experience, consideration of financial position, past track records and recoveries, the Group believes that trade debts past due do not require any impairment.

### Bank balances

Credit risk from bank deposits are managed by placing deposits with banks having sound credit ratings. The credit quality of the Group's major bank accounts is assessed with reference to external credit ratings which at the reporting date are as follows:

	Rating agency	Rating	
		Short term	Long Term
Bank Al-Habib Limited	PACRA	A1+	AA+
Askari Bank Limited	PACRA	A1+	AA+
MCB Bank Limited	PACRA	A1+	AAA

## 31.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group is not materially exposed to liquidity risk as a substantial portion of its obligations / commitments of the Group are short term in nature and are restricted to the extent of available liquidity.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

Financial liabilities	Carrying amount	Contractual cash flows	Upto one year	More than one year
	(Rupees)			
<b>31 March 2022</b>				
Lease liabilities	4,038,581	(4,377,187)	(2,950,836)	(1,426,351)
Long term borrowings	17,150,801	(17,314,893)	(17,314,893)	-
Loan from related parties	26,792,741	(26,792,741)	(26,792,741)	-
Trade and other payables	27,945,033	(27,945,033)	(27,945,033)	-
Short term finance	16,097,399	(16,097,399)	(16,097,399)	-
	<b>92,024,555</b>	<b>(92,527,253)</b>	<b>(91,100,902)</b>	<b>(1,426,351)</b>
<b>30 June 2021</b>				
Lease liabilities	5,618,789	(7,326,991)	(3,687,513)	(3,639,478)
Long term borrowings	32,845,419	(26,611,980)	(13,992,202)	(12,619,778)
Loan from related parties	18,786,080	(18,786,080)	(18,786,080)	-
Trade and other payables	40,945,634	(40,945,634)	(40,945,634)	-
Short term finance	21,243,329	(21,243,329)	(21,243,329)	-
	<b>120,439,251</b>	<b>(114,914,014)</b>	<b>(98,654,756)</b>	<b>(18,259,256)</b>

### 31.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

#### 31.3.1 Currency risk

The Group is exposed to foreign currency risk on its receivables and payables in the following currencies:

	<b>31 March 2022</b>	30 June 2021
	<b>USD (Equivalent Rupees)</b>	
<i>Financial assets</i>		
Trade debts	-	122,000
<i>Financial liabilities</i>		
Trade payables	<b>(1,351,624)</b>	(351,722)
<b>Net exposure</b>	<b>(1,351,624)</b>	<b>(229,722)</b>

The following significant exchange rates have been applied:

	<b>Average rate</b>		<b>Reporting date rate</b>	
	<b>For the nine months ended 31 March 2022</b>	For the year ended 30 June 2021	<b>31 March 2022</b>	30 June 2021
PKR to USD	<b>165.70</b>	160.33	<b>183.47</b>	157.54

#### Sensitivity analysis

At the reporting date, if the PKR had strengthened by 10% against the above foreign currencies with all other variables held constant, post-tax profit for the year would have been higher / (lower) by the amount shown below, mainly as a result of foreign exchange gains / (losses).

	<b>31 March 2022</b>	30 June 2021
	<b>(Rupees)</b>	
<b>Effect on profit or loss</b>		
USD	<b>(95,965)</b>	(16,310)

The weakening of the PKR against above currencies would have had an equal but opposite impact on the post tax profits.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets of the Group.

### 31.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Group's interest-bearing financial assets and liabilities is as follows:

	Effective interest rate		Carrying amount	
	31 March 2022	30 June 2021	31 March 2022	30 June 2021
	(in percent)		(Rupees)	
<b>Variable rate instruments</b>	<b>8.68%-12.88%</b>	<b>8.68%-12.88%</b>	<b>(16,097,399)</b>	<b>(21,243,329)</b>
Short term finance				

#### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the year end would have increased or decreased the profit for the year and equity by Rs. 114,292 (June 30, 2021: Rs. 6,873,803). This analysis assumes that all other variables, in particular foreign currency remain constant. The analysis is performed on the same basis for 2021.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Group.

### 31.3.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. As at 31 March 2022, the Group is not exposed to other price risk.

### 31.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Long term borrowings and deferred grant	Lease liabilities	Loan payable to related parties	Unappropriated profit and NCI	Total
	(Rupees)				
Balance as at 1 July 2021	34,876,731	6,618,789	18,786,080	112,010,230	172,291,830
<i>Changes from financing cash flows</i>					
Repayment of long-term borrowings	(15,694,618)	-	-	-	(15,694,618)
Payment of lease liabilities	-	(2,966,657)	-	-	(2,966,657)
Repayment of loan from related parties	-	-	(7,398,468)	-	(7,398,468)
Loan obtained from a related parties	-	-	15,405,129	-	15,405,129
<b>Total changes from financing activities</b>	<b>19,182,113</b>	<b>3,652,132</b>	<b>26,782,741</b>	<b>112,010,230</b>	<b>161,637,216</b>
<i>Other changes - interest cost</i>					
Interest expense	2,796,807	396,449	-	-	3,193,256
Interest paid	(2,796,807)	-	-	-	(2,796,807)
Amortization of government grant	(1,609,166)	-	-	-	(1,609,166)
	(1,609,166)	396,449	-	-	(1,222,717)
<b>Total equity related other changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(66,655,553)</b>	<b>(66,655,553)</b>
<b>Balance as at 31 March 2022</b>	<b>17,672,947</b>	<b>4,038,581</b>	<b>26,792,741</b>	<b>46,354,677</b>	<b>94,758,946</b>
Balance as at 1 July 2020	16,860,622	4,649,591	26,668,606	70,092,320	118,471,339
<i>Changes from financing cash flows (Unaudited)</i>					
Long-term borrowings obtained	3,925,616	-	-	-	3,925,616
Payment of lease liabilities	-	(1,849,272)	-	-	(1,849,272)
Repayment of loan from related parties	-	-	(482,001)	-	(482,001)
Loan obtained from a related parties	-	-	1,699,281	-	1,699,281
<b>Total changes from financing activities</b>	<b>20,786,237</b>	<b>2,800,319</b>	<b>28,086,086</b>	<b>70,092,320</b>	<b>121,764,962</b>
<i>Other changes - interest cost (Unaudited)</i>					
Interest expense	1,375,731	421,185	-	-	1,796,916
Interest paid	(1,375,731)	-	-	-	(1,375,731)
Amortization of government grant	(957,760)	-	-	-	(957,760)
	(957,760)	421,185	-	-	(536,575)
<b>Total equity related other changes (Unaudited)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,641,215</b>	<b>37,641,215</b>
<b>Balance as at 31 March 2021 (Unaudited)</b>	<b>19,828,477</b>	<b>3,221,504</b>	<b>28,086,086</b>	<b>107,733,535</b>	<b>158,869,602</b>

### 31.5 Fair value of financial instruments

The estimated fair value of all financial assets and liabilities is considered not significantly different from carrying values as the items are either short-term in nature or periodically repriced.

### 32. CAPITAL RISK MANAGEMENT

The Group's objective when managing capital is to safe guard the Group's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to the shareholders or issue new shares. There are no externally imposed capital requirements on the Group.

### 33. GENERAL

33.1 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary, the effect of which is not material. This did not affect profit, net assets or equity.

#### *Consolidated statement of financial position*

	As previously reported on 30 June 2021	Reclassification	As reclassified
Trade debts	175,577,702	(65,011,280)	110,566,422
Contract assets	-	65,011,280	65,011,280
Other assets	143,903,890	-	143,903,890
<b>Total assets</b>	<b>319,481,592</b>	<b>-</b>	<b>319,481,592</b>

33.2 These consolidated financial statements were authorised for issue on 04 AUG 2022 by the Board of Directors of the Group.



Chief Executive



Director