

PARAMOUNT COMMODITIES (PRIVATE)
LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2022



PARAMOUNT COMMODITIES (PRIVATE)

LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2022

INDEPENDENT AUDITOR'S REPORT

To the members of **PARAMOUNT COMMODITIES (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statement of **PARAMOUNT COMMODITIES (PRIVATE) LIMITED**, which comprise the statement of financial position as at **June 30, 2022** and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flow together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the loss for the year then ended; and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirement of Companies Act, 2017 and for such internal control as management determines is necessary to enables the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operation, or has no realistic alternative but to do so. Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017;
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) the Company, was in compliance with the requirements of section 62 of the Futures Market Act, 2016, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the statement of financial position was prepared.
- e) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

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

Umy Hassan Naeem - C

KARACHI

DATE: February 03, 2023

UDIN: AR202210215BsnqSIWv8

PARAMOUNT COMMODITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

| <u>ASSETS</u> | Note | 2022 (Rupees) | Restated 2021 (Rupees) |
|---|------|--------------------|------------------------------|
| <u>NON CURRENT ASSETS</u> | | | |
| Property and equipment | 4 | 73,528 | 1,458,939 |
| Intangible assets | 5 | 1,783,855 | 1,795,140 |
| Investment in subsidiary | 6 | 44,574,388 | 65,000,000 |
| Long term deposits | 7 | 6,303,384 | 6,308,459 |
| | | 52,735,155 | 74,562,538 |
| <u>CURRENT ASSETS</u> | | | |
| Short term investment | 8 | 19,446,613 | 36,775,401 |
| Advances, deposits, prepayments and other receivables | 9 | 148,496,422 | 104,300,686 |
| Cash and bank balances | 10 | 496,909 | 401,584 |
| | | 168,439,944 | 141,477,671 |
| | | 221,175,099 | 216,040,209 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| <u>CAPITAL AND RESERVES</u> | | | |
| Authorized capital | | | |
| 3,500,000 ordinary shares of Rs. 10 each | 11 | 35,000,000 | 35,000,000 |
| Issued, subscribed and paid-up capital | | | |
| 3,000,000 fully paid ordinary shares of Rs. 10 each | | 30,000,000 | 30,000,000 |
| Unappropriated profit | | 140,919,605 | 162,441,418 |
| | | 170,919,605 | 192,441,418 |
| <u>NON-CURRENT LIABILITIES</u> | | | |
| Loan from Related Party | 12 | 8,505,000 | 8,005,000 |
| <u>CURRENT LIABILITIES</u> | | | |
| Loan from Director | | 33,786,711 | - |
| Trade and other payable | 13 | 7,454,796 | 14,782,071 |
| Accrued expense and other liabilities | 14 | 508,987 | 811,720 |
| | | 41,750,494 | 15,593,791 |
| Contingencies and commitments | 15 | - | - |
| | | 221,175,099 | 216,040,209 |

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


Chief Executive




Director

PARAMOUNT COMMODITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED JUNE 30, 2022

| | Note | 2022 (Rupees) | Restated 2021 (Rupees) |
|---------------------------------------|------|-----------------------------------|------------------------------------|
| Operating revenue | 16 | 4,850,234 | 5,308,301 |
| Operating and administrative expenses | 17 | <u>(6,223,823)</u> | <u>(6,641,744)</u> |
| OPERATING PROFIT | | (1,373,589) | (1,333,443) |
| Impairment Loss | 6 | (20,425,612) | (147,853,000) |
| Financial charges and Income | | (1,367) | (1,758) |
| Other Income | | 711,243 | 598,109 |
| NET LOSS BEFORE TAXATION | | <u>(21,089,326)</u> | <u>(148,590,092)</u> |
| Taxation | 18 | (432,489) | (35,522) |
| NET LOSS AFTER TAXATION | | <u><u>(21,521,815)</u></u> | <u><u>(148,625,614)</u></u> |
| | | | |
| Earning per share-basic and diluted | 18 | (7.17) | (49.54) |

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


 Chief Executive




 Director

PARAMOUNT COMMODITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

| | Issued, subscribed and paid-up capital | Accumulated Profit/(Loss) | Total |
|------------------------------------|--|------------------------------|--------------------|
| | -----Rupees----- | | |
| Balance as at June 30, 2020 | 30,000,000 | 311,067,032 | 341,067,032 |
| Loss for the year (Restated) | - | (148,625,614) | (148,625,614) |
| Balance as at June 30, 2021 | 30,000,000 | 162,441,418 | 192,441,418 |
| Loss for the year | - | (21,521,815) | (21,521,815) |
| Balance as at June 30, 2022 | 30,000,000 | 140,919,605 | 170,919,605 |

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


 Chief Executive




 Director


PARAMOUNT COMMODITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

| | 2022 (Rupees) | Restated 2021 (Rupees) |
|---|---------------------|------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit/(Loss) before taxation | (21,089,326) | (148,590,092) |
| Adjustment for non-cash items: | | |
| Depreciation | 137,411 | 334,551 |
| Gain on disposal of fixed assets | (707,000) | - |
| Amortization | 11,285 | 15,047 |
| | (558,304) | 349,598 |
| Operating cashflow before working capital changes | (21,647,630) | (148,240,494) |
| Changes in working capital | | |
| (Increase) in advances, deposits, prepayments and other receivables | (44,195,734) | (19,201,027) |
| (Increase) in long term deposits | 5,075 | - |
| Decrease/ (increase) in short term loan from subsidiary company | 33,786,711 | - |
| (Decrease)/ increase in trade and other payable | (7,327,275) | 13,032,547 |
| Increase in accrued expense and other liabilities | (302,733) | (187,770) |
| Net changes in working capital | (18,033,956) | (6,356,250) |
| Taxes paid | (432,489) | (35,522) |
| Net cash generated/ (used in) from operating activities | (40,114,075) | (154,632,266) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale proceed of fixed assets | 2,007,000 | - |
| Additions to intangible | - | - |
| Additions to fixed assets | (52,000) | (36,764) |
| Long Term Investments | 20,425,612 | - |
| Investment made during the year | 17,328,788 | 152,887,553 |
| Net cash used in investing activities | 39,709,400 | 152,850,789 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| (Repayment)/ receipts of long term loan | 500,000 | (1,744,649) |
| Net cash (used in)/ generated from financing activities | 500,000 | (1,744,649) |
| Net increase/decrease in cash and cash equivalent | 95,325 | (3,526,126) |
| Cash and cash equivalent at beginning of the year | 401,584 | 3,927,710 |
| Cash and cash equivalent at end of the year | 496,909 | 401,584 |

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


 Chief Executive




 Director

PARAMOUNT COMMODITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. THE COMPANY AND ITS OPERATION

The Company was incorporated on 29 June 2007 as a private limited company under the repealed Companies Ordinance, 1984. The registered office of the company is situated at suite no 901, 9th floor Jilani tower, M.A Jinnah Road, Karachi. The Company is engaged in the business of commodity trading and brokerage.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards, as applicable in Pakistan and the requirements of the Companies Act, 2017. Approved accounting standards comprise of Revised Accounting and Financial Reporting Standards for Small and Medium Sized Entities (SMEs) issued by the Institute of Chartered Accountants of Pakistan. Wherever the requirements of the Companies Act 2017, or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the Companies Act 2017, or the requirements of the said directives take precedence.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 ACCOUNTING CONVENTION

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

3.2 REVENUE RECOGNITION

Revenue is recorded at the time services are provided.

3.3 TAXATION

Provision for current taxation in the accounts is based on taxable income at current rates of taxation after taking into account tax credits and tax rebates.

3.4 CASH AND CASH EQUIVALENT

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include cash in hand, cheques in hand, deposit held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

3.5 ACCOUNTS PAYABLE & OTHER LIABILITIES

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

3.6 PROPERTY AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to financial activities on straight line method so as to charge cost of an asset over its useful life, at rates mentioned in note 4 to these financial statements.

Depreciation on additions is charged from the month in which an asset is put-to-use and on disposals, up to the month immediately preceding the disposals. Maintenance and normal repairs are charged to statement of financial activities as and when incurred.

Residual values and useful lives are reviewed at each statement of financial affairs date, if expectations differ from previous estimates.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal.

3.7 TRADE DEBTORS

Trade debtors is recognized at the fair value of consideration to be received against goods and services and is carried at amortized cost. Provision is made in respect of doubtful debts, if any. Debts, considered irrecoverable, are written off, as and when identified.

PARAMOUNT COMMODITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

3.8 FINANCIAL INSTRUMENT

3.8.1 FINANCIAL ASSETS

The Company classifies its financial assets at initial recognition in the following categories depending on the nature and purpose for which the financial assets were acquired:

HELD FOR TRADING

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

HELD TO MATURITY

These are financial assets with fixed or determinable payment and fixed maturity which the Company has positive intent and ability to hold to the maturity.

AVAILABLE FOR SALE

Available for sale investments are those non-derivative investments that are designated as available for sale or are not classified in any other category. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity.

At each balance sheet date, these investments are re-measured at fair value and the resulting gains or losses are recognized directly in equity until the investment is disposed of or impaired at which time these are transferred to the profit and loss account.

Where active market of the quoted investment exists, fair value of quoted investments is determined using quotations of Pakistan Stock Exchange. The investments, for which a quoted market price is not available, are measured at cost, unless fair value can be reliably measured. Such fair value estimates are subjective in nature, and therefore, cannot be determined with precision. All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales, of investments are recognized and derecognized on trade date (the date on which the Company commits to purchase or sell the asset). Financial assets are initially recognized at fair value plus transaction costs except for financial assets at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest rate method. The Company assesses at each reporting date whether there is objective evidence that any investment is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognized in other comprehensive income shall be reclassified from equity to profit and loss account as a reclassification adjustment. Impairment losses recognized in the profit and loss account on equity instruments classified as available-for-sale are not reversed through the profit and loss account.

3.8.2 FINANCIAL LIABILITIES

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortized cost using the effective interest rate method.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit and loss account.

PARAMOUNT COMMODITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

3.10 IAS-8 - Accounting Policies, Change in Accounting Estimates & Errors

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors.

Disclosures relating to prior period errors include

The nature of the prior period error:

1. For each prior period presented, to the extent practicable, the amount of the correction
2. For each financial statement line item affected,
3. The amount of the correction at the beginning of the earliest prior period presented
4. If retrospective restatement is impracticable, an explanation and description of how the error has been corrected.

During the period, prior period error (omission of incorporation expenses and other accrued expenses) was detected, which has been reflected/adjusted in comparative financial statements.

PARAMOUNT COMMODITIES (PRIVATE) LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

4 PROPERTY AND EQUIPMENT

| Particulars | Cost | | | | Rate % | Depreciation | | | W.D.V | |
|-----------------|-------------------|------------------|--------------------|------------------|-----------|-------------------|--------------------|------------------|----------------|------------------|
| | As at July | Addition | Deletion | As at June | | As at July | Charge for Year | Reversal | As at June | As at June |
| | 01, 2021 | | | 30, 2022 | | 01, 2021 | | | 30, 2022 | 30, 2022 |
| | Rupees..... | | | | | Rupees..... | | | | |
| Office Building | - | - | - | - | 5% | - | - | - | - | - |
| Vehicle | 2,000,000 | | (2,000,000) | - | 15% | 600,000 | 100,000 | (700,000) | - | - |
| Computer | 151,445 | 52,000 | (46,745) | 156,700 | 33% | 92,506 | 37,411 | (46,745) | 83,172 | 73,528 |
| June, 30 2022 | <u>2,114,681</u> | <u>52,000</u> | <u>(2,046,745)</u> | <u>156,700</u> | | <u>357,955</u> | <u>137,411</u> | <u>(746,745)</u> | <u>83,172</u> | <u>73,528</u> |
| June, 30 2021 | <u>46,745</u> | <u>2,067,936</u> | <u>-</u> | <u>2,114,681</u> | | <u>46,745</u> | <u>311,210</u> | <u>-</u> | <u>357,955</u> | <u>1,756,726</u> |

5 INTANGIBLE ASSETS

Membership Card - Pakistan Mercantile Exchange Limited
 Computer software

| | 2022 (Rupees) | 2021 (Rupees) |
|-----|------------------|------------------|
| | 1,750,000 | 1,750,000 |
| 5.1 | <u>33,855</u> | 45,140 |
| | <u>1,783,855</u> | <u>1,795,140</u> |

5.1 Opening balance

Addition during the year
 Amortization during the year (restated)
 Closing

| | | |
|--|-----------------|-----------------|
| | 45,140 | 60,187 |
| | - | - |
| | <u>(11,285)</u> | <u>(15,047)</u> |
| | <u>33,855</u> | 45,140 |

6 LONG TERM INVESTMENTS

M/s. Din Capital Ltd. - Unquoted
 M/s. Paramount Agri.

| | | |
|-----|-------------------|-------------------|
| 6.1 | 44,574,388 | 65,000,000 |
| 6.2 | - | - |
| | <u>44,574,388</u> | <u>65,000,000</u> |

6.1 Investment in Subsidiary

M/s. Din Capital Ltd.
 Accumulated Impairment

| | | |
|--|---------------------|-------------------|
| | 65,000,000 | 65,000,000 |
| | <u>(20,425,612)</u> | - |
| | <u>44,574,388</u> | <u>65,000,000</u> |

6.1.1 This represents investment in fully paid 15,273,200 (69.42% holding) ordinary shares of Din Capital Limited. The break-up value is Rs. 2.92 per share based on the audited financials of Din Capital Limited for the year ended 30 June 2022. During the year impairment amounting Rs. 20,425,612/- has been recorded. These shares were purchased from one of directors, however the title of has not been transferred to the entity so far.

6.2 M/s. Paramount Agri.
 Accumulated Impairment

| | | |
|--|----------------------|----------------------|
| | 147,853,000 | 147,853,000 |
| | <u>(147,853,000)</u> | <u>(147,853,000)</u> |
| | - | - |

7 LONG TERM DEPOSIT

Pakistan Mercantile Exchange Limited - clearing house deposit
 Pakistan Mercantile Exchange Limited - security deposit
 Pakistan Mercantile Exchange Limited - deposit

| | | |
|--|------------------|------------------|
| | 553,384 | 558,459 |
| | 5,000,000 | 5,000,000 |
| | 750,000 | 750,000 |
| | <u>6,303,384</u> | <u>6,308,459</u> |

8 SHORT TERM INVESTMENTS

Investment in Quoted shares

| | | |
|--|-------------------|-------------------|
| | <u>19,446,613</u> | <u>36,775,401</u> |
|--|-------------------|-------------------|

PARAMOUNT COMMODITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

| 9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | | 2022 | 2021 |
|--|-----|--------------------|--------------------|
| | | (Rupees) | (Rupees) |
| PMEX - Trading margin | 9.1 | 68,158,952 | - |
| PMEX - Office deposits | | 3,000,000 | 3,000,000 |
| Trading Exposures | | 369,305 | 7,567,666 |
| Advance for rent | | - | 150,000 |
| Advance to employees | | 678,000 | 648,000 |
| Security deposit office 901 | | 100,000 | 100,000 |
| Receivable from related parties | 9.2 | 60,152,983 | 77,165,272 |
| Other receivable | 9.3 | 16,037,182 | 15,669,748 |
| | | 148,496,422 | 104,300,686 |

9.1 This represents initial margin in cash placed with Pakistan Mercantile Exchange Limited.

9.2 Receivables from related parties

| | | |
|--------------------------------------|-------------------|-------------------|
| - MG Media Private Limited | 48,425,983 | 48,425,983 |
| - Nash Advertising Private Limited | 11,727,000 | 11,727,000 |
| - Loan to Director (Mr. Ghayasuddin) | - | 17,012,289 |
| | 60,152,983 | 77,165,272 |

9.2.1 These loan advanced to MG Media Private Limited and Nash Advertising Private Limited are interest free, and are receivable within 11 months (i.e. at 31 May 2023).

9.3 Other receivables includes loan receivable amounting Rs. 14,947,874/- from Mr. Arshad Kalam within 11 months (at 31 May 2023).

10 CASH & BANK BALANCES

| | | |
|------------------------|----------------|----------------|
| Cash in hand | 8,430 | 17,856 |
| Cash at bank - Current | 488,479 | 383,728 |
| | 496,909 | 401,584 |

11 SHARE CAPITAL

11.1 Authorised share capital

| 2022 | | 2021 | |
|------------------|------------------|---|-------------------|
| Numbers | Numbers | Rupees | Rupees |
| 3,500,000 | 3,500,000 | 35,000,000 | 35,000,000 |
| | | Ordinary shares of Rs. 10 each paid in cash | |
| 3,500,000 | 3,500,000 | 35,000,000 | 35,000,000 |

11.2 Issued, subscribed and paid up capital

| 2022 | | 2021 | |
|------------------|------------------|---|-------------------|
| Numbers | Numbers | Rupees | Rupees |
| 3,000,000 | 3,000,000 | 30,000,000 | 30,000,000 |
| | | Ordinary shares of Rs. 10 each paid in cash | |
| 3,000,000 | 3,000,000 | 30,000,000 | 30,000,000 |

PARAMOUNT COMMODITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

11.3 Pattern of Shareholding

| Shareholders | No of Shares | Percentage of Holding | |
|----------------------|--------------|-----------------------|-----------------|
| Muhammad Ghayasuddin | 2,999,900 | 99.997% | 99.997% |
| Ali Asghar Nanji | 100 | 0.003% | 0.003% |
| | 3,000,000 | 100% | 100% |
| | | 2022 | 2021 |
| | | <i>(Rupees)</i> | <i>(Rupees)</i> |

12 LOAN FROM RELATED PARTIES

| | | | |
|---|------|------------------|-----------|
| Loan from Din Capital (Private) Limited | 12.1 | 8,505,000 | 8,005,000 |
| | | 8,505,000 | 8,005,000 |

12.1 This loan has been received from subsidiary at interest rate of KIBOR + 2%, The loan is repayable within 3 years(i.e. at 30 june 2025).

13 TRADE & OTHER PAYABLES

| | | | |
|--------------------------------------|--|------------------|------------|
| Munir Khanani | | - | 14,782,071 |
| Trust Securities & Brokerage Limited | | 7,454,796 | - |
| | | 7,454,796 | 14,782,071 |

14 ACCRUED EXPENSE AND OTHER LIABILITIES

| | | | |
|--|--|----------------|---------|
| Creditors, accrued and other liabilities | | 383,987 | 577,620 |
| Audit fee | | 125,000 | 234,100 |
| | | 508,987 | 811,720 |

15 CONTINGENCIES AND COMMITMENTS

There were no known contingencies and commitments as at June 30, 2022.

16 OPERATING REVENUE

| | | | |
|---------------------------|------|--------------------|-----------|
| Gain/(Loss) on investment | 16.1 | (3,754,820) | 2,924,990 |
| Correction account PMEX | | - | 569,975 |
| Capital gain - net | | 8,600,054 | 1,593,336 |
| Dividend Income | | 5,000 | 220,000 |
| | | 4,850,234 | 5,308,301 |

17 OPERATING AND ADMINISTRATIVE EXPENSES

| | | | |
|-----------------------------------|--|------------------|-----------|
| Salaries and other benefits | | 4,665,000 | 4,638,000 |
| Internet and feed charges to PMEX | | 54,500 | 54,000 |
| Fee and subscription | | 245,770 | 655,933 |
| Legal and professional charges | | 309,000 | 165,000 |
| Travelling and conveyance | | 185,475 | 9,278 |
| Miscellaneous and general expense | | 73,135 | 146,364 |
| Depreciation | | 137,411 | 334,551 |
| Amortization of software | | 11,285 | 15,047 |
| Auditor's remuneration | | 125,000 | 100,000 |
| Utilities | | 24,508 | 35,202 |
| Rent Expense | | 258,000 | 234,000 |
| Insurance | | 80,000 | - |
| Donations | | 40,000 | - |
| Infrastructure charges | | 9,000 | 10,000 |
| Other Expenses | | 5,739 | 244,369 |
| | | 6,223,823 | 6,641,744 |

Depreciation and Amortization expense has been restated for comparative year.

PARAMOUNT COMMODITIES (PRIVATE) LIMITED
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18 TAXATION

The Company has filed return for the tax year 2021. According to Income Tax Ordinance 2001, the return filed is deemed to be an assessment order unless modified by Commissioner of Income Tax.

| | | |
|--------------|---------|--------|
| Current year | 432,489 | 35,522 |
| Prior year | - | - |
| Deferred | - | - |
| | 432,489 | 35,522 |

18.1 The income of company mainly falls under final tax regime therefore the tax computation is not reconciled with profit.

19 NUMBER OF EMPLOYEES

Numbers of employees were 4 (2021: 6) during the year.

20 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

20.1 Financial instruments by category

Financial Assets

| | 2022 | | | Total |
|------------------------|------------------|--------------------|----------------|-------------|
| | Held for trading | Available for sale | Amortized Cost | |
| Long term investment | - | 44,574,388 | - | 44,574,388 |
| Short term investments | 19,446,613 | - | - | 19,446,613 |
| Long term deposits | - | - | 6,303,384 | 6,303,384 |
| Advances, deposits, | - | - | 148,496,422 | 148,496,422 |
| Bank balances | - | - | 496,909 | 496,909 |
| | 19,446,613 | - | 155,296,715 | 174,743,328 |

Financial Assets

| | 2021 | | | Total |
|------------------------|------------------|--------------------|----------------|-------------|
| | Held for trading | Available for sale | Amortized Cost | |
| Long term investment | - | 65,000,000 | - | 65,000,000 |
| Short term investments | 36,775,401 | - | - | 36,775,401 |
| Long term deposits | - | - | 6,308,459 | 6,308,459 |
| Advances, deposits, | - | - | 104,300,686 | 104,300,686 |
| Bank balances | - | - | 401,584 | 401,584 |
| | 36,775,401 | 65,000,000 | 111,010,729 | 212,786,130 |

Financial Liabilities

| | 2022 | |
|---------------------------------------|------------|------------|
| Loan From Din Capital Limited | 8,505,000 | 8,505,000 |
| Trade and other payable | 7,454,796 | 7,454,796 |
| Accrued expense and other liabilities | 508,987 | 508,987 |
| | 16,468,783 | 16,468,783 |

Financial Liabilities

| | 2021 | |
|---------------------------------------|------------|------------|
| Loan From Din Capital Limited | 8,005,000 | 8,005,000 |
| Trade and other payable | 14,782,071 | 14,782,071 |
| Accrued expense and other liabilities | 811,720 | 811,720 |
| | 23,598,791 | 23,598,791 |

PARAMOUNT COMMODITIES (PRIVATE) LIMITED
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20.2 Financial risk management

The company primarily invests in marketable securities and are subject to varying degrees of risk. The Board of Directors of the company has overall responsibility for the establishment and oversight of the company's risk management framework. The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking in to account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of business.

Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, management manages market risk by monitoring exposure on marketable securities by following the internal risk management and investment policies and guidelines.

20.3 Fair value of financial instruments

The Carrying values of all financial assets and liabilities reflected in these financial statements approximate to their fair value. The company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

20.4 Capital risk management

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

21 RELATED PARTY TRANSACTION

Related Parties Comprise of associated companies , directors, key management personnel and close family members of the directors. Transactions with related parties may be carried out at negotiated rates. Remuneration and benefits to executives of the company are in accordance with the terms of their employment.

Details of transactions and balances with related parties, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

| Related parties | Relationship | Nature | 2022 (Rupees) | 2021 (Rupees) |
|------------------------------|---------------------|-----------------|--------------------|-------------------|
| MG Media Private Limited | Common Directorship | Loan receivable | 48,425,983 | 48,425,983 |
| Nash Advertising (Pvt.) Ltd. | Common Directorship | Loan receivable | 11,727,000 | 11,727,000 |
| Din Capital Limited | Subsidiary | Loan payable | 8,505,000 | 8,005,000 |
| Loan to Ghayasuddin | Director | Loan payable | 33,786,711 | 17,012,289 |
| Remuneration to Ghayasuddin | Director | Remuneration | 2,400,000 | 2,400,000 |
| | | | 104,844,694 | 87,570,272 |

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22 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

There were no significant impact on assets, liabilities, income and expenses of the company due to covid. Nor, does it affect the company ability to continue as a going concern.


23 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Director of the company on _____.

24 GENERAL

23.1 Figures have been re-arranged and reclassified wherever necessary, for the purpose of better presentation. No major reclassifications were made in these financial statements.

23.2 Figures have been rounded off to the nearest rupee.



Chief Executive





Director