

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ALPHA CAPITAL (PRIVATE) LIMITED
ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the annexed financial statements of **Alpha Capital (Private) Limited** (the Company), 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 and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (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.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat is deductible at source under the Zakat and Ushr Ordinance, 1980.
- e) the Company was in compliance with the requirements of section 78 of the Securities Act 2015, section 62 of the Future 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.

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

RH Zco Reanda Haroon Zakaria & Co
Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi


Dated: October 07, 2022

UDIN: AR202210086907WmGkyI

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

	<i>Note</i>	<i>2022</i> <i>Rupees</i>	<i>2021</i> <i>Rupees</i>
<u>ASSETS</u>			
Non-Current Assets			
Property and equipment	5	20,250,005	21,027,754
Intangible assets	6	4,137,497	2,916,964
Long-term deposits	7	5,264,000	5,264,000
Deferred tax asset	8	-	-
		29,651,502	29,208,718
Current Assets			
Trade debts	9	42,179,398	60,710,537
Loans and advances	10	10,126,448	24,932,268
Deposits, prepayments and other receivables	11	53,511,472	58,943,850
Short-term investments	12	-	-
Tax refunds due from the Government	13	5,338,334	4,510,182
Cash and bank balances	14	80,140,491	117,721,427
		191,296,143	266,818,264
Total Assets		220,947,645	296,026,982
<u>EQUITY AND LIABILITIES</u>			
Share Capital and Reserves			
Authorized share capital			
10,000,000 Ordinary shares of Rs. 10 each		100,000,000	100,000,000
Issued, subscribed and paid-up capital	15	50,490,000	50,490,000
Revenue reserve			
Unappropriated profit		77,025,272	84,286,290
Capital reserve			
Surplus on revaluation of property	16	1,368,357	5,707,681
Shareholders' equity		128,883,629	140,483,971
Non-Current Liabilities			
Deferred liabilities	17	4,970,324	3,918,924
Current Liabilities			
Trade and other payables	18	79,191,637	123,792,126
Mark-up accrued		3,529	489,009
Short-term borrowings	19	7,898,526	27,342,952
		87,093,692	151,624,087
Contingencies and Commitments			
Total Equity and Liabilities	20	220,947,645	296,026,982

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


Chief Executive

RH 200


Director

ALPHA CAPITAL (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	<i>Note</i>	<i>2022</i> <i>Rupees</i>	<i>2021</i> <i>Rupees</i>
Operating revenue - net	21	53,223,703	99,304,112
Commission paid to agents	21	<u>(4,347,282)</u>	<u>(23,929,948)</u>
		48,876,421	75,374,164
Operating and administrative expenses	22	(61,101,268)	(46,014,808)
Finance cost	23	<u>(607,366)</u>	<u>(2,463,683)</u>
Operating (loss) / profit		(12,832,213)	26,895,673
Other charges	24	(6,587,640)	(27,632,904)
Other income	25	<u>9,772,237</u>	<u>11,263,703</u>
(Loss) / profit before taxation		(9,647,616)	10,526,472
Taxation - net	26	(1,952,726)	(2,072,344)
(Loss) / profit after taxation		(11,600,342)	8,454,128
Other comprehensive income		-	-
Total comprehensive (loss) / income for the year		<u>(11,600,342)</u>	<u>8,454,128</u>

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

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 Chief Executive


 Director

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

Description	Issued, Subscribed and Paid-up Capital	Reserves		Total Shareholders' Equity
		Revenue Unappropriated Profit	Capital Surplus on Revaluation of Property	
----- Rupees -----				
Balance as at June 30, 2020	50,490,000	74,459,655	7,080,188	132,029,843
Total comprehensive income for the year	-	8,454,128	-	8,454,128
Transferred from surplus on revaluation on account of disposal of assets - net of deferred tax	-	1,070,234	(1,070,234)	-
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	302,273	(302,273)	-
Balance as at June 30, 2021	50,490,000	84,286,290	5,707,681	140,483,971
Total comprehensive income for the year	-	(11,600,342)	-	(11,600,342)
Transferred from surplus on revaluation on account of disposal of assets - net of deferred tax	-	4,168,376	(4,168,376)	-
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	170,948	(170,948)	-
Balance as at June 30, 2022	50,490,000	77,025,272	1,368,357	128,883,629

Surplus on revaluation of property will be utilized for any purpose only after it is realized and transferred to unappropriated profit. However, these reserves can be individually offset against losses arising in future periods (if any) from revalued assets.

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



Chief Executive

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Director

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

	Note	2022 Rupees	2021 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(9,647,616)	10,526,472
Adjustment for:			
Depreciation	5	2,765,710	1,682,496
Amortization	6.2	279,467	141,967
Provision in respect of employees gratuity fund	17.1	1,051,400	921,433
Financial charges	23	607,366	2,463,683
Bad debts expense	24	90,045	-
Loss on disposal of investment properties	24	-	450,000
Provision for doubtful debts made / (reversed)	25 & 24	(79,196)	9,407,846
Capital gain on disposal of investments	25	(30,337)	(7,370,788)
Gain on disposal of fixed assets - net	25	(4,762,046)	(1,517,173)
Cash (outflows) / inflows before working capital changes		<u>(9,725,207)</u>	<u>16,705,936</u>
(Increase) / decrease in current assets			
Trade debts		18,520,290	(19,765,643)
Loans and advances		14,805,820	2,409,106
Deposits, prepayments and other receivables		5,432,378	(39,729,220)
Increase / (decrease) in current liabilities			
Trade and other payables		(44,600,489)	62,886,359
		<u>(5,842,001)</u>	<u>5,800,602</u>
Cash generated from operations		<u>(15,567,208)</u>	<u>22,506,538</u>
Financial charges paid		(1,092,846)	(2,367,924)
Income taxes paid - net	13.1	(2,780,878)	5,418,889
Net cash (used in) / generated from operating activities		<u>(19,440,932)</u>	<u>25,557,503</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred	5 & 6.2	(13,750,415)	(5,870,167)
Proceeds from sales of office premises		15,024,500	6,640,000
Proceeds against disposal of investment properties		-	6,050,000
Short term investments - net		30,337	19,487,038
Net cash generated from investing activities		<u>1,304,422</u>	<u>26,306,871</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings (repaid) / obtained - net		(19,444,426)	2,401,310
Net cash (used in) / generated from financing activities		<u>(19,444,426)</u>	<u>2,401,310</u>
Net (decrease) / increase in cash and cash equivalent (A+B+C)		<u>(37,580,936)</u>	<u>54,265,684</u>
Cash and cash equivalents at the beginning of the year	14	<u>117,721,427</u>	<u>63,455,743</u>
Cash and cash equivalents at the end of the year	14	<u><u>80,140,491</u></u>	<u><u>117,721,427</u></u>

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


 Chief Executive

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 Director