



Ale Imran & Co.

Chartered Accountants

A Correspondent Firm of
J.C.A. International

INDEPENDENT AUDITORS' REPORT

To the members of E-Digital Pakistan (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **E-Digital Pakistan (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, 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, 2021 and of the 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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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.

Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

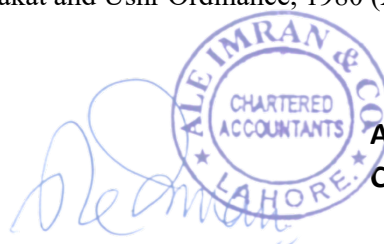
Report on Other Legal and Regulatory Requirements

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

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

Lahore.

October 04, 2021



Ale Imran and Co.

Chartered Accountants

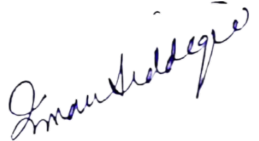
E-DIGITAL PAKISTAN (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	NOTES	2021 [Rupees]	2020 [Rupees]
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	1,685,925	263,250
CURRENT ASSETS			
Cash and bank balances	5	1,913,544	440,103
		1,913,544	440,103
TOTAL ASSETS		3,599,469	703,353
EQUITY & LIABILITIES			
Authorized capital		100,000	100,000
Issued subscribed and paid up capital			
1,000 Ordinary share of Rs. 100 each		100,000	100,000
Accumulated profit		3,059,366	163,250
		3,159,366	263,250
Account payables		440,103	440,103
Total equity and liabilities		3,599,469	703,353

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The annexed notes 1 to 14 form an integral part of these financial statements.


Chief Executive Officer
*E-Digital Pakistan
 (Private) Limited*


Director

E-Digital Pakistan (Private) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2021


	NOTES	2021 [Rupees]	2020 [Rupees]
Revenue from sales		8,729,688	5,932,021
Cost of sales		<u>(3,912,054)</u>	<u>(3,948,845)</u>
Gross profit		<u>4,817,634</u>	<u>1,983,176</u>
Administrative expenses	9	(1,921,519)	(1,810,426)
Operating profit		<u>2,896,116</u>	<u>172,750</u>

The annexed notes 1 to 14 form an integral part of these financial statements.



Chief Executive Officer

*E-Digital Pakistan
(Private) Limited*




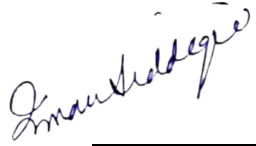
Director

E-DIGITAL PAKISTAN (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	NOTES	2021 [Rupees]	2020 [Rupees]
Cash flows from operating Activities:			
Profit Before tax		2,896,116	172,750
Adjustments of non-cash items:			
Depreciation on property and equipment	4	187,325	29,250
Net deficit before working capital changes		<u>3,083,441</u>	<u>202,000</u>
<u>Increase/(decrease) in current liabilities</u>			
Accrued expenses and other liabilities		<u>-</u>	<u>-</u>
		-	-
Net cash (used in) / generated from operating activities		3,083,441	202,000
Cash flows from Investing Activities:			
Fixed asset		<u>(1,610,000)</u>	<u>-</u>
Capital introduced		<u>-</u>	<u>-</u>
Net cash (used in) / generated from investing activities		(1,610,000)	-
Cash Flow from Financing Activities		-	-
Net increase/(decrease) in cash flows during the year		1,473,441	202,000
Cash & Cash Equivalent at the Beginning		440,103	238,103
Cash and Bank balances at the end of the year		<u>1,913,544</u>	<u>440,103</u>

The annexed notes 1 to 14 form an integral part of these financial statements.


Chief Executive Officer
E-Digital Pakistan (Private) Limited


Director

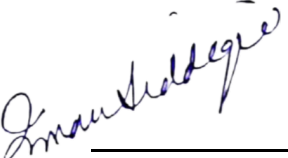
E-DIGITAL PAKISTAN (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Share Capital	Accumulated profit	Total [Rupees]
Balance as on July 01, 2019	100,000	(9,500)	90,500
Profit/(Loss) for the year	-	172,750	172,750
Balance as on June 30, 2020	<u>100,000</u>	<u>163,250</u>	<u>263,250</u>
Balance as on July 01, 2020	100,000	163,250	263,250
Profit/(Loss) for the year	-	2,896,116	2,896,116
Balance as on June 30, 2021	<u>100,000</u>	<u>3,059,366</u>	<u>3,159,366</u>

The annexed notes 1 to 14 form an integral part of these financial statements.


E-Digital Pakistan
(Private) Limited

CHIEF EXECUTIVE OFFICER



DIRECTOR

E-Digital Pakistan (Private) Limited
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 STATUS AND NATURE OF BUSINESS:

E-Digital Pakistan (Private) Limited incorporated in Pakistan on March 09, 2018 as Private Limited company, is registered under The Security & Exchange Commission of Pakistan (SECP) and is having its registered office at Swat. E-Digital Pakistan is working in software development, provide consultancies on information and communication technology, digital marketing, tech based solutions to govt; private companies and other non profitable organization, impart digital literacy trainings, deals in data processing, computer software and hardwares to customers, buy, sell, import and export software and support the digital society in Pakistan.

2 Basis of Preparation

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of "Revised Accounting and Financial Reporting Standards for Small Sized Entities (AFRS for SSEs)" issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and Provision of and directives issued under the Companies Act, 2017. Where provision of and directives issued under the companies Act, 2017 differ from the Revised AFRS for SSEs, the provisions of and directives issued under the Companies Act, 2017 have been followed".

2.2 Accounting Convention

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

2.3 Functional and Presentation Currency

These financial statements are prepared and presented in Pak Rupees which is the Organisation's functional and presentation currency. All the figures have been rounded off to the nearest rupees.

2.4 Uses of estimates and Judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and 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 result of which form the basis of forming judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the use of management's estimates in these financial statements relate to the useful life of depreciable assets. However, assumption and judgments made by the management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

3 Significant Accounting Policies

3.1 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any,

Depreciation on property and equipment is charged on written down value at the rates specified in Note 4. Full year's depreciation is charged in the year of purchase and no depreciation is charged in the year of disposal. Impairment loss or its reversal, if any, is charged to the income and expenditure account. When an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated remaining useful life.

Property and equipment received directly as grant / donation are debited to the property and equipment account at fair value and a corresponding amount is credited to a deferred income account in the balance sheet. Such items are thereafter depreciated as per the policy of the company while a corresponding amount is transferred from the deferred income to the income and expenditure account.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and carrying amount of the asset is recognized as an income or expense, respectively.

Maintenance and repairs are charged to income and expenditure account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

3.2 Receivables

Receivables are reviewed at each balance sheet date and those considered irrecoverable are written off and provision is made for debts considered doubtful, if any.

3.3 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and balances at banks.

3.4 Foreign currency transactions

All monetary assets and liabilities in foreign currency translated into Pak Rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pak Rupees at the spot rate. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange differences are included in other income.

3.5 Expenses

Expenses are recognized in the income and expenditure account when incurred.

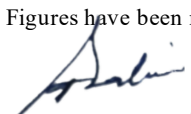
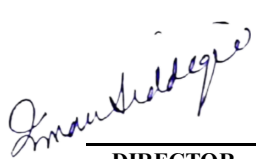
3.6 Taxation

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available if any.

4 OPERATING FIXED ASSETS

PARTICULARS	C O S T [Rupees]			Rate %	D E P R E C I A T I O N [Rupees]			BOOK VALUE As at June 30, 2021
	As at 01-07-2020	Additions/ (Disposal)	As at 30-Jun-2021		As at 01-07-2020	For the year/ (Adjustment)	As at June 30, 2021	
Furniture & Fixtures	125,000	230,000	355,000	10	23,750	33,125	56,875	298,125
Computers and accessories	200,000	1,380,000	1,580,000	10	38,000	154,200	192,200	1,387,800
Total -2021	325,000	1,610,000	1,935,000		61,750	187,325	249,075	1,685,925
Total -2020	325,000	-	325,000		32,500	29,250	61,750	263,250

E-DIGITAL PAKISTAN (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	2021 [Rupees]	2020 [Rupees]
5 CASH AND BANK BALANCES		
Cash at bank	1,881,435	405,103
Cash in Hand	32,109	35,000
	<u>1,913,544</u>	<u>440,103</u>
 Trade payables	 440,103	 440,103
	<u>440,103</u>	<u>440,103</u>
 7 Revenue from sales of services	 8,729,688	 5,932,021
	<u>8,729,688</u>	<u>5,932,021</u>
 8 Cost of sales		
Salaries and other benefits	2,160,000	2,160,000
Cost of source codes	1,019,944	815,231
Hosting & domain charges	732,110	973,614
	<u>3,912,054</u>	<u>3,948,845</u>
 9 Administrative expenses		
Salaries & other benefits	960,000	960000
Utilities & communications	116,549	125321
Office rent	279,000	300000
Office stationary	60,041	64560
Office consumables	138,741	149184
Travelling & conveyance	29,863	32111
Audit fee	150,000	150000
Depreciation	187,325	29250
	<u>1,921,519</u>	<u>1,810,426</u>
 10 TRANSACTION WITH RELATED PARTIES		
No related party transaction during the year.		
11 REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS		
No remuneration has been paid to chief executive and director.		
12 NUMBER OF PERSON EMPLOYED		
There was 16 employees at the end of financial year		
13 AUTHORIZATION OF FINANCIAL STATEMENTS		
These financial statements have been authorized for issue by the Board of Directors of the Organization on <u>October -4th, 2021</u>		
14 GENERAL		
- Figures have been rounded off to the nearest PKR.		
 CHIEF EXECUTIVE OFFICER	 DIRECTOR	