

AZEE SECURITIES PRIVATE LIMITED

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

MUSHTAQ & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the members of the Azee Securities Private Limited *Report on the Audit of the Financial Statements*

Qualified Opinion

We have audited the annexed financial statements of **Azee Securities Private Limited**, which comprise the statement of financial position as at **June 30, 2025**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information 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, except for the matters described in the basis of qualified opinion Para (a), the statement of financial position, the statement of profit or loss, the statement of 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, 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, 2025 and of the profit, comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

- a) As fully explained in the Note 18.1, The Company has disclosed and paid the tax liability but has not filed the sales tax return since last year which is in noncompliance of the Sales tax law. In the absence of definite demand from the tax department, we are unable to quantify the impact of any possible penalty.

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 (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, and after due verification we report as above.

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

Management is responsible for the other information. The other information comprises information obtained prior to the date of auditor's report, and information expected to be made available to us after the date of auditor's report; but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the 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 high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect 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 the ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 to design audit procedures that are appropriate in 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 the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the 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 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 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;

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- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- e) The Company was not in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations, 2016 as at the date on which the Financial Statements were prepared.

The engagement partner on the audit resulting in this independent auditor's report is **Zahid Hussain Zahid, FCA.**

Karachi:

Date: December 1, 2025

Udin: AR2025100433SBGnOTIg

A handwritten signature in blue ink, which appears to be 'Mushtaq', is written over a circular blue stamp. The stamp contains the text 'MUSHTAQ & CO. KARACHI CHARTERED ACCOUNTANTS' around the perimeter.

MUSHTAQ & CO.
Chartered Accountants

AZEE SECURITIES PRIVATE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	7,872,556	4,679,710
Right-of-use asset	5	-	4,519,530
Investment property	6	87,485,153	88,316,837
Intangible assets	7	3,515,000	3,515,000
Long term advances & deposits	8	1,558,293	3,259,600
Deferred tax	9	-	-
		100,431,002	104,290,677
CURRENT ASSETS			
Trade Receivables	10	275,400,738	219,480,831
Advances, deposits, prepayments and other receivables	11	11,178,118	4,349,844
Short term investment	12	345,638	69,946
Cash and bank balances	13	35,738,253	6,194,781
		322,662,748	230,095,402
TOTAL ASSETS		423,093,750	334,386,079
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 40,000,000 (2024: 40,000,000) ordinary shares of Rs. 10 each		400,000,000	400,000,000
Issued, subscribed and paid up share capital	14	392,267,700	392,267,700
Revenue Reserves		(37,387,730)	(94,634,121)
		354,879,970	297,633,579
Advance against issue of shares		149,000	149,000
		355,028,970	297,782,579
LIABILITIES			
NON CURRENT LIABILITIES			
CURRENT LIABILITIES			
Short term borrowings	15	40,271,369	23,366,369
Trade payables	16	5,216,893	5,550,879
Taxation - net		10,136,733	2,170,490
Accrued expenses & other liabilities	17	12,439,783	5,515,762
TOTAL LIABILITIES		68,064,779	36,603,500
CONTINGENCIES AND COMMITMENTS	18	-	-
TOTAL EQUITY AND LIABILITIES		423,093,749	334,386,079

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

Chief Executive

Director

AZEE SECURITIES PRIVATE LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Note	2024 Rupees
Operating revenue	19	63,349,763	13,814,267
Capital (loss) / gain on sale of securities		(75,224)	846,339
Unrealised gain on remeasurement of investment at fair value		94,933	54,081
Gross profit		63,369,472	14,714,687
Administrative expenses	20	(39,308,400)	(19,468,113)
Other Operating Expenses		(1,375,166)	-
Finance cost	21	(491,327)	(381,792)
		(41,174,893)	(19,849,905)
Operating Profit / (loss)		22,194,579	(5,135,218)
Other income	22	45,188,546	434,731
Profit / (Loss) before levies & Income taxes		67,383,125	(4,700,487)
Levies	23	(11,685,405)	(1,787,166)
Profit / (Loss) before Income Taxes		55,697,720	(6,487,653)
Income Taxes	23	1,548,671	359,164
Profit / (Loss) for the year		57,246,391	(6,128,489)
Earning / (Loss) per share - basic and diluted	24	1.46	(0.16)

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

Chief Executive

Director

AZEE SECURITIES PRIVATE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Note</u>	<u>2025</u> <u>Rupees</u>	<u>2024</u> <u>Rupees</u>
Profit / (Loss) for the year		57,246,391	(6,128,489)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		<u>57,246,391</u>	<u>(6,128,489)</u>

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


Chief Executive
Director

AZEE SECURITIES PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

Particulars	Share capital	Revenue Reserves			Total equity
		Unappropriated profit/ (loss)	Unrealised gain/(loss) on remeasurement of investment at fair value	Sub-total	
Rupees					
Balance as at July 01, 2023	302,267,700	(103,459,741)	14,954,109	(88,505,632)	213,762,068
Shares issued during the year	90,000,000	-	-	-	90,000,000
<i>Total comprehensive income:</i>					
Loss for the year	-	(6,128,489)	-	(6,128,489)	(6,128,488)
Other comprehensive income	-	-	-	-	-
Balance as at June 30, 2024	392,267,700	(109,588,230)	14,954,109	(94,634,121)	297,633,579
Balance as at July 01, 2024	392,267,700	(109,588,230)	14,954,109	(94,634,121)	297,633,579
Shares issued during the year	-	-	-	-	-
<i>Total comprehensive income:</i>					
Profit for the year	-	57,246,391	-	57,246,391	57,246,391
Other comprehensive income	-	-	-	-	-
Balance as at June 30, 2025	392,267,700	(52,341,839)	14,954,109	(37,387,730)	354,879,970

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




Chief Executive


Director

AZEE SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024
Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before levies & Income taxes	67,383,125	(4,700,487)
Adjustments for:		
Depreciation	2,239,367	3,627,602
Capital loss on disposal of securities	-	(846,339)
Unrealized (gain) on remeasurement of investments	(94,933)	(54,081)
Finance cost	491,327	-
	2,635,762	2,727,182
Profit / (Loss) before working capital changes	70,018,887	(1,973,304)
(Increase) / decrease in current assets		
Trade Receivables	(55,919,907)	(59,815,184)
Advances, deposits, prepayments and other receivables	(6,828,274)	40,610,876
	(62,748,181)	(19,204,308)
(Decrease) / increase in current liabilities		
Trade payables	(333,987)	(79,543,499)
Accrued expenses & other liabilities	6,924,021	2,653,406
	6,590,034	(76,890,093)
Cash (used in) operations	(56,158,147)	(96,094,401)
Finance cost paid	(491,327)	-
Income Tax paid	(2,170,490)	-
	(2,661,817)	-
Net cash (used in) operating activities	(58,819,964)	(96,094,401)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan repaid	-	(5,883,888)
(Addition) / Proceeds from Property & Equipment	(81,000)	-
Long term advances & deposits	1,701,307	-
Short term investment	(180,759)	846,338
Net cash generated from / (used in) investing activities	1,439,548	(5,037,550)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issued ordinary shares	-	90,000,000
Short term borrowings made	16,905,000	12,235,619
Net cash generated from financing activities	16,905,000	102,235,619
Net increase / (decrease) in cash and cash equivalents	29,543,471	(869,636)
Cash and cash equivalents at the beginning of the year	6,194,781	7,064,417
Cash and cash equivalents at the end of the year	35,738,252	6,194,781

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


Chief Executive


Director

AZEE SECURITIES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

Azee Securities (Private) Limited (the Company) was incorporated as a private limited company under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) on November 10, 2003. The registered office of the Company is situated at Office No. 705, Seventh Floor, business and Finance Centre, I.I. Chundrigarh Road, Karachi, Pakistan. The Company is engaged in the business of financial consultancy, brokerage, underwriting and investment counselling. The Company is a Trading Right Certificate Holder of the Pakistan Stock Exchange Limited and member of Pakistan Mercantile Exchange Limited.

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 such International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except otherwise stated. Further, accrual basis of accounting is followed.

2.3 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is also the Company's functional currency.

2.4 Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of 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 and underlying 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.

2.5 Standards, interpretations and amendments to published approved accounting standards

2.5.1 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:

	Effective date (annual reporting periods beginning on or after)
IFRS 7 Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17 Insurance Contracts	January 1, 2026
IFRS 9 Financial Instruments – Classification and Measurement of Financial Instruments (Amendments)	January 1, 2026
Annual improvements to IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cash Flows)	January 1, 2026

2.5.2 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

2.5.3 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and

interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2025;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service concession arrangements
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

3 MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies adopted in the preparation of these financial statements are set-out below. These policies have been consistently applied to all the years presented.

3.1 Property, plant and equipment

These are initially measured at cost. Subsequent to initial recognition these are measured at cost less accumulated depreciation and impairment loss if any.

Depreciation is charged to statement of profit or loss using the reducing method at the rates specified in the relevant note. Monthly depreciation is charged on additions during the month while no depreciation is charged on assets in the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred while major improvements, if any, are capitalized. Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of asset) is included in the statement of profit or loss in the year in which the asset is derecognized.

Capital work in progress is stated at cost including, where relevant, related financing costs less impairment losses, if any. These costs are transferred to fixed assets as and when assets are available for use.

Cummulative Depreciation amounting to Rs.1,950,863 on account of Investment property has been calculated properly as per IAS 16 in these financial statements, the impact has been incorporated in these financial statements in accordance with the requirement of International Accounting Standard (IAS 8) – 'Accounting Policies, Change in Accounting Estimates and Errors' prospectively as the amount is not significantly material.

3.2 Intangible assets

An intangible asset is recognized as an assets if it is probable that economic benefits attributable to the assets will flow to the company and cost of the assets can be measured reliably.

Intangible assets having finite useful lives are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged from the date the asset is available for use while in the case of assets disposed of, it is charged till the date of disposal. The useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Company.

An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

3.3 Financial assets

3.3.1 Classification:

Initial measurement

The Company classifies its financial assets into following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- Measured at amortized cost

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within 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 principal amount outstanding.

A financial asset 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.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

All financial assets not classified as measured at amortized 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 amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent Measurement

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest/markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Financial assets measured at FVTOCI

These assets are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income / (loss).

3.3.2 Derecognition

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

3.3.3 Impairment

The Company recognises loss allowances for ECLs in respect of financial assets measured at amortised cost.

The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts. The Company assesses on a forward looking basis the expected credit losses associated with its financial assets.

Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, company compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

An entity shall directly reduce the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event of company.

3.3.4 Offsetting

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle liability simultaneously.

3.4 Financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

3.5 Trade Receivable

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

Actual credit loss experience over past years is used to base the calculation of expected credit loss (ECL).

Trade receivables in respect of securities sold on behalf of client are recorded at settlement date of transaction.

3.6 Share Capital

Ordinary Shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.7 Proposed Dividend and Transfer Between Reserves

Dividends declared and transferred between reserves, except appropriations which are required by law, made subsequent to the reporting date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends and transfers are approved.

3.8 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 economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.9 Taxation

a) Current

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 exemptions available, if any, or minimum tax on turnover or Alternate Corporate Tax, whichever is higher.

b) Deferred

Deferred tax accounted for using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for the financial reporting purpose.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is calculated at the rates that are expected to apply to the periods when differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to the equity in which case it is included in equity.

c) Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss account. Any excess of expected income tax paid or payable for the year under the Ordinance over the amount designated as current income tax for the year, is then recognized as a levy.

3.10 Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services.

3.11 Foreign currency translation

Foreign currency transaction is translated at the rate of exchange ruling on the date of those transactions. Monetary assets and liabilities in foreign currencies are translated into rupees at the rate of exchange prevailing at the balance sheet date. Exchange gains and losses are taken to the profit and loss account.

3.12 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3.13 Cash and cash equivalent

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of statement of cash flows, cash and cash equivalents comprise cash in hand and bank balances.

3.14 Related party transactions

Transactions with related parties are carried out at arm's length. The prices are determined in accordance with comparable uncontrolled price method.

3.15 Revenue Recognition

According to the core principles of IFRS-15, the company recognizes the revenue from sale when the company satisfies a performance obligation (at a point of time) by transferring promised services to customers being when the services are rendered to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts.

- Interest income is recognized on the basis of constant periodic rate of return.

- Dividend income is recognized when the right to receive dividend is established i.e. the book closure date of the investee company declaring the dividend.

3.16 Earnings per Share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic 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 year.

3.17 Investment Property

Investment properties are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a written down value method to allocate the depreciable amounts over the estimated useful lives. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date.

3.18 Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital and level of dividends to ordinary shareholders. The company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the year. Further, the company is not subject to externally imposed capital requirements.



AZEE SECURITIES (PRIVATE) LIMITED
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4 PROPERTY AND EQUIPMENT

	2025 Rupees	2024 Rupees
Operating fixed assets	7,872,556	4,679,710

	2025					
	Offices	Furniture & Fixtures	Office Equipments	Office Equipments	Computers	Total
	Rupees					
At July 01, 2024						
Cost	3,887,000	763,695	-	8,424,945	19,866,688	32,942,328
Accumulated depreciation	(1,891,944)	(609,494)	-	(6,623,326)	(19,137,853)	(28,262,618)
Disposal						
-Cost	-	-	-	-	-	-
-Accumulated depreciation	-	-	-	-	-	-
Net book value	1,995,056	154,201	-	1,801,619	728,835	4,679,710
Year ended June 30, 2025						
Opening Net Book Value	1,995,056	154,201	-	1,801,619	728,835	4,679,710
Additions during the year	-	-	4,519,530	-	81,000	4,600,530
Depreciation charge for the year	(199,506)	(23,130)	(677,930)	(270,243)	(236,875)	(1,407,684)
Closing net book value June 2025	1,795,550	131,071	3,841,600	1,531,376	572,960	7,872,556
Annual depreciation rate %	10%	15%	15%	15%	30%	-

	2024					
	Offices	Furniture & Fixtures	Office Equipments	Office Equipments	Computers	Total
	Rupees					
At July 01, 2023						
Cost	3,887,000	763,695	-	8,424,945	19,866,688	32,942,328
Accumulated depreciation	(1,670,271)	(582,282)	-	(6,305,393)	(18,825,495)	(27,383,442)
Disposal						
-Cost	-	-	-	-	-	-
-Accumulated depreciation	-	-	-	-	-	-
Net book value	2,216,729	181,413	-	2,119,552	1,041,193	5,558,886
Year ended June 30, 2024						
Opening Net Book Value	2,216,729	181,413	-	2,119,552	1,041,193	5,558,886
Additions during the year	-	-	-	-	-	-
Depreciation charge for the year	(221,673)	(27,212)	-	(317,933)	(312,358)	(879,176)
Closing net book value June 2024	1,995,056	154,201	-	1,801,619	728,835	4,679,710
Annual depreciation rate %	10%	15%	15%	15%	30%	

AZEE SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
5 RIGHT-OF-USE ASSET			
Opening net book value		4,519,530	5,317,094
Addition		-	-
Transfer to PPE		(4,519,530)	-
Depreciation		-	(797,564)
Closing net book value		<u>-</u>	<u>4,519,530</u>
5.1 At the beginning of the year, Right of Use Asset transferred to Property & Equipment.			
6 INVESTMENT PROPERTY			
Land & building	6.1 & 6.2	88,316,837	90,267,700
Depreciation		(831,684)	(1,950,863)
		<u>87,485,153</u>	<u>88,316,837</u>
6.1 The building has been depreciated @ 10% per annum.			
6.2 Fair value of the Investment property approx Rs. 190m to 200m .			
7 INTANGIBLE ASSETS			
Trading Right Entitlement Certificate - Pakistan Stock Exchange Limited	7.1	2,500,000	2,500,000
Membership card - Pakistan Mercantile Exchange Limited	7.2	1,015,000	1,015,000
		<u>3,515,000</u>	<u>3,515,000</u>
7.1 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) in accordance with the requirements of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. TREC has been recognized at cost less accumulated impairment loss.			
7.2 This represents cost of membership card of Pakistan Mercantile Exchange Limited (PMEX) with indefinite useful life.			
8 LONG TERM ADVANCES & DEPOSITS			
Pakistan Stock Exchange Limited		100,000	100,000
Central Depository Company Of Pakistan		100,000	-
Pakistan Mercantile Exchange Limited		718,293	888,000
National Clearing Company of Pakistan Limited		400,000	300,000
Advance against office		240,000	240,000
Security deposit		-	1,731,600
		<u>1,558,293</u>	<u>3,259,600</u>
9 DEFERRED TAXATION			
Deferred tax asset comprises of the following:			
(Deductible) / Taxable Temporary differences			
Owned assets		5,421,126	5,714,881
Carried forward losses		27,652,601	26,352,763
Allowance for ECL		1,664,280	118,882
Unrealized gain		(27,531)	(15,684)
Difference of Minimum Tax & Normal Tax		-	178,112
Difference of Alternate Corporate Tax & Normal Tax		11,684,243	-
	9.1	<u>46,394,719</u>	<u>32,348,954</u>
9.1 During the year deferred tax asset arised but it is not probable that taxable profits will flow to the entity in future, therefore it is not recognized in the books of accounts.			
10 TRADE RECEIVABLES			
Considered good		275,400,738	218,112,549
Considered doubtful		5,738,895	409,938
		<u>281,139,633</u>	<u>218,522,488</u>
Less: Expected credit loss	10.1	(5,738,895)	(409,938)
		<u>275,400,738</u>	<u>218,112,550</u>
From clearing house		-	1,368,281
		<u>275,400,738</u>	<u>219,480,831</u>
10.1 Particulars of allowance for ECL on doubtful receivables			
Balance at beginning of the year		409,938	105,024,477
Allowance no longer required / recovered		-	(104,614,538)
Charge during the year		5,328,957	-
Balance at the end of the year		<u>5,738,895</u>	<u>409,938</u>
10.1.1 The aging analysis of trade receivable are as follows;			
Up to 5 days		28,563,728	8,114,824
above 5 days		252,575,904	210,407,664
		<u>281,139,632</u>	<u>218,522,488</u>

AZEE SECURITIES (PRIVATE) LIMITED
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FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
10.2 Total value of securities pertaining to clients held in the Central Depository Company		330,073,333	375,331,440
10.3 Value of Pledge Securities of clients with National Clearing Company of Pakistan Limited		44,606,799	-
10.4 Value of Pledge Securities of clients with Financial Institutions		-	-
11 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advance to staff		3,079,838	2,428,088
Exposure deposit	11.1	7,273,840	1,748,894
Advance payment of tax		824,440	172,862
		11,178,118	4,349,844

11.1 This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future and ready market.

12 SHORT TERM INVESTMENT

Investment at fair value through profit or loss

Listed equity securities

Unrealized gain/(loss) on remeasurement of investment at fair value

Market Value

	2025	2024
Listed equity securities	250,705	15,865
Unrealized gain/(loss) on remeasurement of investment at fair value	94,933	54,081
Market Value	345,638	69,946

12.1 Investment at fair value through profit or loss

2025	2024	Symbol	Name of Investee	2025	2024
Number of Shares				Market Value in Rupees	
500	500	AATM	ALI ASGHAR TEXTILE MILLS	49,910	12,865
500	500	AKDIFTO	AKD INDEX TRACKER FUND	-	-
578	578	AKZO	AKZO NOBEL PAKISTAN LIMITED	-	-
1	1	ASC	AL SHAHEER CORPORATION LIMITED	8	8
1	1	ASLPS	AISHA STEEL (PREFERENCE)	17	9
489,000	489,000	BEEM	BEEMA PAKISTAN COMPANY LIMITED	-	-
22,500	22,500	BIIC	BUSINESS AND INDUSTRIES INSURANCE CO. LTD	-	-
55	55	CASH	CALCORP LIMITED	2,155	953
84	84	CFL	CRESCENT FIBRES LIMITED	4,221	4,956
250	250	DBCI	DADABHOY CEMENT	1,565	1,260
1	1	DINT	DIN TEXTILE MILLS LIMITED	59	70
116,800	116,800	DSFL	DEWAN SALMAN FIBRE LIMITED	-	-
964	964	GASF	GOLDEN ARROW SELECTED STOCKS FUND LTD.	-	-
9,000	9,000	GENP	GENERTECH PAKISTAN LIMITED	-	-
1	1	HALEON	HALEON PAKISTAN LIMITED	736	297
500	500	HIFB	HBL INVESTMENT FUND-B	-	-
20,000	20,000	JOVC	JAVED OMER VOHRA & COMPANY LIMITED	-	-
500	500	JPGL	JAPAN POWER GENERATION LIMITED	-	-
500	-	LIVEN	LIVEN PHARMA LIMITED	32,470	-
-	500	LMSM	LANDMARK SPINNING INDUSTRIES	-	4,555
46	-	MARI	MARI ENERGIES LIMITED	28,837	-
4,984	4,984	MCBPSM	MCB BANK LIMITED-PSM	-	-
1,000	1,000	MFTM	MOHAMMAD FAROOQ TEXTILE MILLS LIMITED	-	-
1,000	1,000	MUKT	MUKHTAR TEXTILE MILLS	-	-
2,000	2,000	MWMP	MANDVIWALA MAUSER PLASTIC INDUSTRIES LTD	37,980	36,740
2,000	2,000	NORT	NORRIE TEXTILE MILLS LIMITED	-	-
500	500	PACE	PACE (PAKISTAN) LIMITED	3,135	1,510
145	145	PASM	PARAMOUNT SPINING MILLS LIMITED	729	468
452	453	PSX	PAKISTAN STOCK EXCHANGE LIMITED	12,642	5,803
500	-	PTC	PAKISTAN TELECOMMUNICATION COMPANY LTD.	12,720	-
1	1	RCML	RELIANCE COTTON SPINNING MILLS LIMITED	452	452
1,266	1,266	SEPCO	SOUTHERN ELECTRIC POWER COMPANY LTD	-	-
1,000	1,000	WTCL	WATEEN TELECOM LIMITED	-	-
100,000	-	WTL	WORLDCALL TELECOM LIMITED	158,000	-
28,415	28,415	ZELP	ZEAL PAK CEMENT LIMITED	-	-
805,044	704,499			345,638	69,946

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AZEE SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees		
13 CASH AND BANK BALANCES					
Cash in hand		4,537,033	217,366		
Cash in bank					
- in current account	13.1	31,198,264	5,971,819		
- in savings account	13.2	2,956	5,596		
		<u>31,201,220</u>	<u>5,977,415</u>		
		<u>35,738,253</u>	<u>6,194,781</u>		
13.1 It carries mark up at the rate of 4.5% to 11.5% (2024: 4.50% to 20.50%) per annum.					
13.2 <i>Bank Balances pertains to:</i>					
Clients		1,128,248	5,892,739		
Brokerage House		30,072,972	84,676		
		<u>31,201,220</u>	<u>5,977,415</u>		
14 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL					
		2025	2024		
		Number of shares			
		9,500,000	9,500,000	95,000,000	95,000,000
		11,700,000	11,700,000	117,000,000	117,000,000
		9,026,770	9,026,770	90,267,700	90,267,700
		9,000,000	9,000,000	90,000,000	90,000,000
		<u>39,226,770</u>	<u>39,226,770</u>	<u>392,267,700</u>	<u>392,267,700</u>
14.1 The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.					
15 SHORT TERM BORROWINGS					
Loan from director - unsecured	15.1	40,271,369	23,366,369		
		<u>40,271,369</u>	<u>23,366,369</u>		
15.1 These represent unsecured interest free short term borrowing from directors. The above loan is repayable on demand and acquired for working capital requirement.					
16 TRADE PAYABLES					
Payable to clients against trading		5,216,893	5,550,879		
		<u>5,216,893</u>	<u>5,550,879</u>		
17 ACCRUED EXPENSES & OTHER LIABILITIES					
Accrued expenses		3,029,469	1,523,631		
Other Liabilities		4,290,792	3,992,131		
Regulatory Liabilities		3,744,356	-		
Sindh Workers' Welfare Fund		1,375,166	-		
		<u>12,439,783</u>	<u>5,515,762</u>		
18 CONTINGENCIES AND COMMITMENTS					
<i>Contingencies</i>					
18.1 The company has defaulted on payment of Sindh Sales Tax liability during the year and show cause notice have been received from Sindh Revenue Board. Late payment of sales tax liability could attract the default surcharge and penalty which is not recognized in the financial statements. However, The Company has deposited sales tax liability of 3.3m relating to the audit period, subsequent to its close, as a good-faith measure. The matter remains under review, and the Company is actively engaged with the Department to resolve the dispute. Based on management's assessment, the proposed non-compliance is not substantiated; however, the Department has not yet finalized its position. Accordingly, the ultimate outcome of the matter remains pending as of the reporting date.					
18.2 SECP has imposed penalty of Rs.500,000 on violation of certain regulations including charging markup on client balances. No provision for this liability have been provided. The company has filed an appeal before SECP Appellate Bench which is pending.					
18.3 On January 31, 2025, SECP imposed a penalty of PKR 550,000 on the Company for alleged non-compliance with AML/CFT regulations. The Company has filed an appeal (Appeal No. 33 of 2025), currently pending before the Appellate Bench. Management believes that the Company has reasonable grounds to contest the penalty and expects a favorable outcome. Accordingly, no provision has been recognized in these financial statements.					
<i>Commitments</i>					
There were no commitments outstanding as on reporting date. (2024:Nil)					

AZEE SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
19 OPERATING REVENUE			
<i>Operating Revenue</i>			
Brokerage Commission		63,342,019	13,814,267
less: Sales tax on services		-	-
Net Brokerage Commission excluding Sales Tax on services		63,342,019	13,814,267
Dividend Income		7,744	-
		63,349,763	13,814,267
19.1 Brokerage Income - net of Sales Tax			
<i>Equity Brokerage</i>			
- Retail clients		63,342,019	8,194,664
- Sms charges received from clients		-	5,619,603
		63,342,019	13,814,267
20 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits		12,323,508	10,638,243
Service charges		5,207,309	265,561
Printing & Stationery		8,500	-
Legal and professional charges		105,360	110,000
Insurance		-	495,332
Rent, rates and taxes		2,840,760	625,860
Telephone and communication charges		82,504	-
Internet, software and I.T expenses		1,811,033	901,678
Auditor's remuneration	20.1	500,000	500,000
Allowance for expected credit loss	10.1	5,328,957	-
Utilities		303,841	35,000
ECL (Deposit)		1,731,600	-
Repair & maintenance		291,200	273,600
CDC Expenses		5,743,471	-
Depreciation	4 & 6	1,407,684	3,627,602
Other Expenses		1,622,673	1,995,237
		39,308,400	19,468,113
20.1 Auditor's remuneration			
<i>Audit services</i>			
Annual Audit fee		400,000	400,000
Certificates		50,000	50,000
Out of pocket expenses		50,000	50,000
		500,000	500,000
21 FINANCE COST			
Bank Charges		491,327	381,792
		491,327	381,792
22 OTHER INCOME			
<i>From financial assets</i>			
Profit on deposit in savings account		185,725	434,731
Other Income		45,002,821	-
		45,188,546	434,731

AZEE SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
23 LEVIES & INCOME TAXES			
Levies			
Minimum tax & Final Tax	23.1	11,685,405	1,726,783
		<u>11,685,405</u>	<u>1,726,783</u>
Income Taxes			
Current year		-	60,383
Prior year		(1,548,671)	(359,164)
		<u>(1,548,671)</u>	<u>1,488,385</u>
23.1	This represent Tax on Dividend, Alternate Corporate Tax and Capital Gain of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37. Therefore relationship between tax expense and accounting profit is not required.		
24 EARNING PER SHARE - BASIC AND DILUTED			
Basic earnings per share			
Profit/(Loss) for the year		57,246,391	(6,128,489)
Weighted average number of ordinary shares		39,226,770	39,226,770
Profit/(Loss) per share - basic		1.46	(0.16)
Diluted earnings per share			
There were no convertible diluted potential ordinary shares in issue as on reporting date. (2024:Nil)			
25 REMUNERATION OF CHIEF EXECUTIVES AND DIRECTORS			
No remuneration was paid to Chief executive Officer and Director of the Company through out the year (2024: Nil)			
26 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the end of the reporting year as shown in the cash flow statement are reconciled to the related items in the balance sheet as follows:			
Cash and bank balances	13	35,738,253	6,194,781
		<u>35,738,253</u>	<u>6,194,781</u>

27 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

	2025			Total
	At fair value through profit or loss - held for trading	At fair value through other comprehensive income	At amortized cost	
Long term advances & deposits	-	-	1,558,293	1,558,293
Trade Receivables	-	-	275,400,738	275,400,738
Advances, deposits, prepayments and other receivables	-	-	10,353,678	10,353,678
Short term investment	345,638	-	-	345,638
Cash and bank balances	-	-	35,738,253	35,738,253
	345,638	-	323,050,962	323,396,600

	2024			Total
	At fair value through profit or loss - held for trading	At fair value through other comprehensive income	At amortized cost	
Long term advances & deposits	-	-	3,259,600	3,259,600
Trade Receivables	-	-	219,480,831	219,480,831
Advances, deposits, prepayments and other receivables	-	-	4,176,982	4,176,982
Short term investment	69,946	-	-	69,946
Cash and bank balances	-	-	6,194,781	6,194,781
	69,946	-	233,112,194	233,182,139

Financial liabilities

	2025		
	Amortized cost	At fair value through profit or loss	Total
Short term borrowings	40,271,369	-	40,271,369
Trade payables	5,216,893	-	5,216,893
Accrued expenses & other liabilities	7,320,261	-	7,320,261
	52,808,523	-	52,808,523

	2024		
	Amortized cost	At fair value through profit or loss	Total
Short term borrowings	23,366,369	-	23,366,369
Trade payables	5,550,879	-	5,550,879
Accrued expenses & other liabilities	5,515,762	-	5,515,762
	34,433,010	-	34,433,010

27.1 Fair values of financial assets and liabilities

(a) Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

(b) Fair Value Estimation

The Company discloses the financial instruments measured in the balance sheet at fair value in accordance with the following fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the financial assets that are traded in active markets are based on quoted market prices or dealer prices quotation.

28 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The company has exposures to the following risks from its use of financial instruments.

- 28.1 Credit risk
- 28.2 Liquidity risk
- 28.3 Market risk
- 28.4 Operational 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.

28.1 Credit risk

28.1.1 Exposure to credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. Credit risk of the Company arises from deposits with banks, trade debts, loans and advances and other receivables. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

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

Carrying values of financial assets exposed to credit risk and which are neither past due nor impaired are as under:

	Note	2025 Rupees	2024 Rupees
Financial Assets			
Long term advances & deposits	8	1,558,293	3,259,600
Trade Receivables	10	275,400,738	219,480,831
Advances, deposits, prepayments and other receivables	11	10,353,679	4,349,844
Short term investment	12	345,638	69,946
Cash and bank balances	13	35,738,253	6,194,781
		<u>323,396,600</u>	<u>233,355,003</u>

28.1.2 Trade Receivables

The aging of Trade receivables and related movement in Expected Credit loss has been disclosed in note 10.1.1 of these financial statements.

28.2 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

	2025					
	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
Non - derivative Financial liabilities						
Short term borrowings	40,271,369	40,271,369	40,271,369	-	-	-
Trade payables	5,216,893	5,216,893	5,216,893	-	-	-
Accrued expenses & other liabilities	7,320,261	7,320,261	7,320,261	-	-	-
	<u>52,808,523</u>	<u>52,808,523</u>	<u>52,808,523</u>	-	-	-
	2024					
	Carrying Amount	Contractual Cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	Rupees					
Non - derivative Financial liabilities						
Short term borrowings	23,366,369	23,366,369	23,366,369	-	-	-
Trade payables	5,550,879	5,550,879	5,550,879	-	-	-
Accrued expenses & other liabilities	5,515,762	5,515,762	5,515,762	-	-	-
	<u>34,433,010</u>	<u>34,433,010</u>	<u>34,433,010</u>	-	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rates effective as at June 30. The rates of mark up have been disclosed in relevant notes to these financial statements.

28.3 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, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Under market risk, the Company is exposed to currency and price risk.

(a) Currency risk management

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk on sales and purchase which are entered in a currency other than Pak Rupees.

(b) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument 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 instruments traded in the market. Currently, the Company does not hold any financial instrument that expose it to price risk.

28.4 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management of the company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective; and
- operational and qualitative track record of the plant and equipment supplier and related service providers.

29 CAPITAL RISK MANAGEMENT

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings. Total capital employed includes total equity as shown in the balance sheet plus borrowings.

	2025 Rupees	2024 Rupees
Borrowings	40,271,369	23,366,369
Total equity	355,028,970	297,782,579
Total capital employed	<u>395,300,339</u>	<u>321,148,948</u>
Gearing ratio	<u>10.19%</u>	<u>7.28%</u>

30 TRANSACTIONS WITH RELATED PARTIES

The related parties comprises of associated companies, directors and key management personnel. Amounts due to related parties are shown in the relevant notes to the financial statements. The company continues to have a policy whereby all transactions with related parties are on arm's length basis.

Related party	Relationship	Transaction	Amount
Amir Zia	Director	Loan received	195,365,000
		Loan repaid	178,460,000

31 Pattern of Shareholding

Name of Shreholders	2025	2024	2025	2024
	Number of Shares		Percentage of Holdings	
Amir Zia	38,561,770	38,561,770	98.30%	98.30%
Tahmina Amir	664,999	664,999	1.70%	1.70%
Aneela Ashraf	1	1	0.00%	0.00%
	<u>39,226,770</u>	<u>39,226,770</u>	<u>100%</u>	<u>100%</u>

32 Capital Adequacy level

	Note	2025 Rupees	2024 Rupees
Total Assets		423,093,750	334,386,079
Less: Total Liabilities		(68,064,779)	(36,603,500)
Capital Adequacy Level	32.1	<u>355,028,971</u>	<u>297,782,579</u>

32.1 While determining the value of total assets of the TREC Holder, Notional value of the TRE certificate held by the company as at June 30, 2025, as determined by Pakistan Stock Exchange has been considered.

AZEE SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

33 Liquid Capital Balance

Liquid Capital Balance of the Company, as at June 30, 2024, in accordance with the Third Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 is Rs.93,782,720 /-.

S.No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	95,357,709	100.00%	-
1.2	Intangible Assets	3,515,000	100.00%	-
1.3	Investment in Govt. Securities	-	-	-
Investment in Debt Securities				
If listed than:				
i. 5% of the balance sheet value in the case of tenure upto 1 year.		-	5.00%	-
ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years.		-	7.50%	-
iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.		-	10.00%	-
If unlisted than:				
i. 10% of the balance sheet value in the case of tenure upto 1 year.		-	10.00%	-
ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years.		-	12.50%	-
iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.		-	15.00%	-
Investment in Equity Securities				
i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher. (Provided that if any of these securities are pledged with the securities exchange for base minimum capital requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base minimum capital.		345,638	51,846	293,792
ii. If unlisted, 100% of carrying value.		-	100.00%	-
1.6	Investment in subsidiaries	-	100.00%	-
Investment in associated companies/undertaking				
i. If listed 20% or VaR of each securities as computed by the Securities Exchange for respective securities whichever is higher.		-	-	-
ii. If unlisted, 100% of net value.		-	100.00%	-
Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.				
(i) 100% of net value, however any excess amount of cash deposited with securities exchange to comply with requirements of base minimum capital may be taken in the calculation of LC		1,318,293	100.00%	-
1.9	Margin deposits with exchange and clearing house.	7,273,840	-	7,273,840
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	240,000	100.00%	-
Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)		-	-	-
1.12	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	100.00%	-
1.13	Dividends receivables.	-	-	-
Amounts receivable against Repo financing.		-	-	-
1.14	Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)	-	-	-
Receivables other than trade receivables				
(i) No haircut may be applied on the short term loan to employees provided these loans are secured and due for repayments within 12 months.		3,079,838	-	3,079,838
(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation .		824,440	100%	-
(iii) In all other cases 100% of net value		-	0.00%	-
Receivables from clearing house or securities exchange(s)				
1.16	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.	-	100.00%	-
Receivables from customers				
i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the financee (iii) market value of any securities deposited as collateral after applying VaR based haircut.		-	-	-
i. Lower of net balance sheet value or value determined through adjustments.		-	-	-
ii. In case receivables are against margin trading, 5% of the net balance sheet value.		-	5.00%	-
ii. Net amount after deducting haircut		-	-	-
iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,		-	-	-
iii. Net amount after deducting haircut		-	-	-
iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.		28,563,728	-	28,563,728
iv. Balance sheet value				
v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts.		252,575,904	86,898,046	86,898,046
v. Lower of net balance sheet value or value determined through adjustments		-	-	-
vi. 100% haircut in the case of amount receivable form related parties.		-	100.00%	-

AZEE SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

	Cash and Bank balances			
1.18	I. Bank Balance-proprietary accounts	30,072,972	-	30,072,972
	ii. Bank balance-customer accounts	1,128,248	-	1,128,248
	iii. Cash in hand	4,537,033	-	4,537,033
	Subscription money against investment in IPO/ offer for sale (asset)			
1.19	(i) No haircut may be applied in respect of amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker.	-	-	-
	(ii) In case of Investment in IPO where shares have been allotted but not yet credited in CDS Account, 25% haircuts will be applicable on the value of such securities.	-	-	-
	(iii) In case of subscription in right shares where the shares have not yet been credited in CDS account, 15% or VAR based haircut whichever is higher, will be applied on Right Shares.	-	-	-
1.20	Total Assets	428,832,644		161,847,499
	2. Liabilities			
	Trade Payables			
2.1	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	5,216,893	-	5,216,893
	iii. Payable to customers	-	-	-
	Current Liabilities			
2.2	i. Statutory and regulatory dues	5,119,522	-	5,119,522
	ii. Accruals and other payables	7,320,261	-	7,320,261
	iii. Short-term borrowings	40,271,369	-	40,271,369
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
2.2	vii. Provision for bad debts	10,136,733	-	10,136,733
	viii. Provision for taxation	-	-	-
	ix. Other liabilities as per accounting principles and included in the financial statements	-	-	-
	Non-Current Liabilities			
2.3	i. Long-Term financing	-	-	-
	ii. Staff retirement benefits	-	-	-
	iii. Other liabilities as per accounting principles and included in the financial statements	-	-	-
2.4	Subordinated Loans			
	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	-	-	-
	Advance against shares for increase in capital of securities broker			
2.5	100% Haircut may be allowed in respect of advance against shares if : (a) The existing authorized share capital allows the proposed enhanced share capital (b) Board of Directors of the company has approved the increase in capital (c) Relevant Regulatory approvals have been obtained (d) There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed (e) Auditor is satisfied that such advance is against the increase of capital	-	-	-
2.6	Total Liabilities	68,064,779		68,064,779
	3. Ranking Liabilities Relating to :			
3.1	Concentration in Margin Financing The amount calculated client-to- client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total financees.	-	-	-
3.2	Concentration in securities lending and borrowing The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed	-	-	-
3.3	Net underwriting Commitments (a) in the case of right issue : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issue where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting (b) in any other case : 12.5% of the net underwriting commitments	-	-	-
3.4	Negative equity of subsidiary The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary.	-	-	-
3.5	Foreign exchange agreements and foreign currency positions 5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency	-	-	-
3.6	Amount Payable under REPO	-	-	-

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AZEE SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Repo adjustment				
3.7	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities.			
	In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.	-	-	-
Concentrated proprietary positions				
3.8	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position,then 10% of the value of such security		-	-
Opening Positions in futures and options				
3.9	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts	-	-	-
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met	-	-	-
Short sell positions				
3.10	i. In case of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts	-	-	-
	ii. In case of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.	-	-	-
3.11	Total Ranking Liabilities	-	-	-
		360,767,865		93,782,720
Calculations Summary of Liquid Capital				
	(i) Adjusted value of Assets (serial number 1.20)	428,832,644		161,847,499
	(ii) Less: Adjusted value of liabilities (serial number 2.6)	(68,064,779)		(68,064,779)
	(iii) Less: Total ranking liabilities (series number 3.11)	-		-
	LIQUID CAPITAL BALANCE	360,767,865		93,782,720

33 CORRESPONDING FIGURES

Corresponding information has been rearranged and reclassified, wherever necessary, for better presentation and comparison.

34 NUMBER OF EMPLOYEES

Number of employees as on June 30
Average number of employees during the year

	2025	2024
Number of employees as on June 30	6	6
Average number of employees during the year	6	6

35 RECLASSIFICATION

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions of the purposes of comparison.

36 DATE OF AUTHORIZATION FOR ISSUE

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

37 GENERAL

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE

DIRECTOR