

AZEE SECURITIES (PRIVATE) LIMITED.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30th JUNE 2024

MUSHTAQ & CO.
CHARTERED ACCOUNTANTS

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*Independent auditor's report
To the members of Azee Securities (Private) Limited*

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Azee Securities (Private) Limited**, which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss and the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and the statement of comprehensive income, the statement of changes in equity, 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, 2024 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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

Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial statements of the company 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 there on.



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 audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that:

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

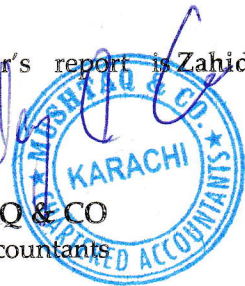
The engagement partner on the audit resulting in this independent auditor's report is Zahid Hussain Zahid, FCA.

KARACHI

Date: December 4, 2024

UDIN: AR202410043ny38eDU5C

MUSHTAQ & CO
Chartered accountants



AZEE SECURITIES PRIVATE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	4	4,679,710	5,558,886
Right-of-use asset	5	4,519,530	5,317,094
Investment Property	6	88,316,837	90,267,700
Intangible assets	7	3,515,000	3,515,000
Long term advances & deposits	8	3,259,600	3,259,600
Deferred tax asset	9	-	-
		<u>104,290,677</u>	<u>107,918,280</u>
CURRENT ASSETS			
Trade Receivables	10	219,480,831	159,665,647
Advances, deposits, prepayments and other receivables	11	4,349,844	44,960,720
Short term investment	12	69,946	15,865
Cash and bank balances	13	6,194,781	7,064,417
		<u>230,095,402</u>	<u>211,706,649</u>
TOTAL ASSETS		<u>334,386,079</u>	<u>319,624,929</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		400,000,000	310,000,000
40,000,000 (2023: 31,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid up capital	14	392,267,700	302,267,700
Accumulated loss		(94,634,121)	(88,505,632)
		<u>297,633,579</u>	<u>213,762,068</u>
Advance against issue of shares		149,000	149,000
		<u>297,782,579</u>	<u>213,911,068</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Ijarah financing	15	-	3,685,452
		-	3,685,452
CURRENT LIABILITIES			
Current maturity of Ijarah financing	15	-	2,198,436
Short term borrowings	16	23,366,369	11,130,750
Trade payables	17	5,550,879	85,094,380
Taxation - net		2,170,490	742,488
Accrued expenses & other liabilities	18	5,515,762	2,862,356
		<u>36,603,500</u>	<u>102,028,409</u>
CONTINGENCIES AND COMMITMENTS	19	-	-
		<u>334,386,079</u>	<u>319,624,929</u>

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, 2024

	Note	2024 Rupees	2023 Rupees
Operating revenue	20	13,814,267	2,313,940
Capital gain/(loss) on sale of securities		846,339	(363,277)
Unrealised gain/(loss) on remeasurement of investment at fair value		54,081	(516,272)
Gross profit		14,714,687	1,434,391
Administrative expenses	21	(19,468,113)	(51,867,441)
Finance cost	22	(381,792)	(925,354)
		(19,849,905)	(52,792,795)
Operating loss		(5,135,218)	(51,358,404)
Other income	23	434,731	39,493,255
(Loss) before levies & Income taxes		(4,700,487)	(11,865,149)
Levies	24	(1,787,166)	(392,344)
(Loss) after levies		(6,487,653)	(12,257,493)
Taxation - Current year	24	359,164	551,756
(Loss) for the year		(6,128,489)	(11,705,737)
Loss per share - basic and diluted	25	(0.17)	(0.39)

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, 2024

	<u>Note</u>	<u>2024 Rupees</u>	<u>2023 Rupees</u>
(Loss) for the year		(6,128,489)	(11,705,737)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		<u>(6,128,489)</u>	<u>(11,705,737)</u>

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



Chief Executive
Director

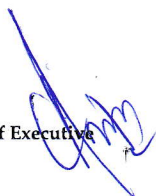
AZEE SECURITIES PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

Particulars	Share capital	Unappropriated profit/ (loss)	Unrealised gain/(loss) on remeasurement of investment at fair value	Sub-total	Total equity
			Rupees		
Balance as at July 01, 2022	95,000,000	(91,754,004)	14,954,109	(76,799,895)	18,200,105
	207,267,700	-	-	-	207,267,700
<i>Total comprehensive income:</i>					
Loss for the year	-	(11,705,737)	-	(11,705,737)	(11,705,737)
Other comprehensive income	-	-	-	-	-
Balance as at June 30, 2023	302,267,700	(103,459,741)	14,954,109	(88,505,632)	213,762,068
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)	(6,128,489)
Other comprehensive income	-	-	-	-	-
Balance as at June 30, 2024	392,267,700	(109,588,230)	14,954,109	(94,634,121)	297,633,579

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, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(4,700,487)	(11,705,737)
Adjustments for:			
Depreciation		3,627,602	2,036,892
Gain on disposal of property		-	(39,462,105)
Capital loss on disposal of securities		(846,339)	363,277
Unrealized (gain)/ loss on remeasurement of investments		(54,081)	516,272
Finance cost		-	426,145
		2,727,183	(36,119,518)
Loss before working capital changes		(1,973,304)	(47,825,255)
(Increase) / decrease in current assets			
Trade Receivables		(59,815,184)	76,016,718
Advances, deposits, prepayments and other receivables		40,610,876	(40,226,305)
		(19,204,308)	35,790,413
(Decrease) / increase in current liabilities			
Trade payables		(79,543,499)	(13,077,252)
Accrued expenses & other liabilities		2,653,406	(9,447,118)
		(76,890,093)	(22,524,371)
Cash (used in) / generated from operations		(96,094,401)	13,266,042
Finance cost paid		-	(1,159,404)
Income Tax paid		-	-
		-	(1,159,404)
Net cash (used in) / generated from operating activities		(96,094,401)	12,106,638
CASH FLOWS FROM INVESTING ACTIVITIES			
Loan repaid		(5,883,888)	(515,522)
Proceeds from disposal of property		-	40,000,000
Short term investment		846,338	22,641,601
Net cash (used in) / generated from investing activities		(5,037,550)	62,126,079
CASH FLOWS FROM FINANCING ACTIVITIES			
Issued ordinary shares		90,000,000	-
Short term borrowings made		12,235,619	(19,675,137)
Net cash generated from / (used in) financing activities		102,235,619	(19,675,137)
Net increase in cash and cash equivalents		(869,636)	6,732,323
Cash and cash equivalents at the beginning of the year		7,064,417	332,094
Cash and cash equivalents at the end of the year		6,194,781	7,064,417

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, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

Ample Securities (Private) Limited (the Company) was incorporated as a private limited company under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) on June 12, 2002. The registered office of the Company is situated at Office No. 209, Second Floor, business and Finance Centre, I.I. Chundrigar 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. provisions of 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

IAS 1	Presentation of financial statements (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
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

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 2024;

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 Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from July 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements. The amendments require disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements. The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Accounting guidance issued by Institute of Chartered Accountants of Pakistan (ICAP) on accounting for minimum taxes and final taxes.

ICAP issued a guidance "Application Guidance on Accounting for Minimum Taxes and Final Taxes" through circular No. 07/2024 dated May 15, 2024. In light of the said guidance, as the minimum taxes and final taxes are not calculated on the 'taxable profit' as defined in IAS - 12 but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (ITO, 2001)), accordingly minimum taxes and final taxes should be accounted for under IAS 37/ IFRIC 21 as levies (though these are charged under tax law) and not under IAS - 12 as income taxes. Based on the guidance, the minimum taxes under ITO, 2001 are hybrid taxes which comprise of a component within the scope of IAS 12 (Income Tax) and a component within the scope of IFRIC 21 (Levies) and final taxes fall under levy within the scope of IAS 37/ IFRIC 21.

3.2 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.

Cumulative 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.

3.3 Intangible assets

An intangible asset is recognized as an asset 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.

3.4 Financial assets

3.4.1 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.

AZEE SECURITIES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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).

3.4.2 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.

3.4.3 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.

3.4.4 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.

3.5 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.

3.6 Trade Debts

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.

AZEE SECURITIES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.7 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.

3.8 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.

3.9 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of a past events, 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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.

3.14 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.

3.15 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.

3.16 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.

AZEE SECURITIES PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.17 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.

3.18 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.

3.19 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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4 PROPERTY AND EQUIPMENT

	2024 Rupees				2023 Rupees
Operating fixed assets	4,679,710				5,558,886
	Offices	Furniture & Fixtures	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)	(879,175)
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%	30%	
	Offices	Furniture & Fixtures	Office Equipments	Computers	Total
	Rupees				
At July 01,2022					
Cost	7,167,000	763,695	8,424,945	19,866,688	36,222,328
Accumulated depreciation	(4,166,073)	(550,269)	(5,931,355)	(18,379,270)	(29,026,966)
Disposal					
-Cost	(3,280,000)	-	-	-	(3,280,000)
-Accumulated depreciation	2,742,105	-	-	-	2,742,105
Net book value	2,463,032	213,427	2,493,590	1,487,418	6,657,467
Year ended June 30,2023					
Opening Net Book Value	2,463,032	213,427	2,493,590	1,487,418	6,657,467
Additions during the year	-	-	-	-	-
Depreciation charge for the year	(246,303)	(32,014)	(374,039)	(446,225)	(1,098,581)
Closing net book value June 2023	2,216,729	181,413	2,119,552	1,041,193	5,558,886
Annual depreciation rate %	10%	15%	15%	30%	

AZEE SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
5 RIGHT-OF-USE ASSET			
Opening net book value		5,317,094	6,255,405
Addition		-	-
Depreciation		(797,564)	(938,311)
Closing net book value		<u>4,519,530</u>	<u>5,317,094</u>
6 INVESTMENT PROPERTY			
Land & building	6.1 & 6.2	90,267,700	90,267,700
Depreciation		(1,950,863)	-
		<u>88,316,837</u>	<u>90,267,700</u>
6.1 The building has been depreciated @ 10% per annum.			
6.2 Fair value of the Investment property 150m to 160m approx.			
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		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.			
8 LONG TERM ADVANCES & DEPOSITS			
Pakistan Stock Exchange Limited		100,000	100,000
Pakistan Mercantile Exchange Limited		888,000	888,000
National Clearing Company of Pakistan Limited		300,000	300,000
Advance against office		240,000	240,000
Security deposit		1,731,600	1,731,600
		<u>3,259,600</u>	<u>3,259,600</u>
9 DEFERRED TAXATION - NET			
During the year deferred tax asset arose amounting to Rs. 26 million approx. on the basis of available losses. This has not been recognised because it is not probable for the Company to earn taxable profits in the foreseeable future.			
10 TRADE RECEIVABLES			
Considered good		218,112,549	157,187,700
Considered doubtful		409,938	105,024,477
		218,522,488	262,212,177
Less: Expected credit loss	10.1	(409,938)	(105,024,477)
		218,112,550	157,187,700
From clearing house		1,368,281	2,477,946
		<u>219,480,831</u>	<u>159,665,646</u>
10.1 Movement of expected credit loss			
Opening Balance		105,024,477	99,780,233
Provision no longer required/recovered		(104,614,538)	-
Expected Credit Loss		-	5,244,244
Closing balance		<u>409,938</u>	<u>105,024,477</u>
10.1.1 The aging analysis of trade debts as follows:			
Up to 5 days		8,114,824	297,372
above 5 days		210,407,664	261,914,805
		<u>218,522,488</u>	<u>262,212,177</u>
10.2 Total value of securities pertaining to clients held in the Central Depository Company		-	-
10.3 Value of Pledge Securities of clients with National Clearing Company of Pakistan Limited		-	-
10.4 Value of Pledge Securities of clients with Financial Institutions		-	-
10.5 The securities are valued using market rate at the year end			
11 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advance to staff		2,428,088	1,372,838
Exposure deposit	11.1	1,748,894	738,894
Advance payment of tax		172,862	35,681
Other receivables		-	42,813,307
		<u>4,349,844</u>	<u>44,960,720</u>
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.			

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AZEE SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note	2024 Rupees	2023 Rupees
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12 SHORT TERM INVESTMENT

Investment at fair value through profit & loss

Listed equity securities

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

Market Value

	15,865	532,137
	54,081	(516,272)
12.1	69,946	15,865

12.1 Investment at fair value through profit & loss

2024	2023	Symbol	Name of Investee	2024	2023
Number of Shares				Market Value in Rupees	
500	500	AATM	ALI ASGHAR TEXTILE MILLS	12,865	-
500	500	AKDIFTO	AKD INDEX TRACKER FUND	-	-
578	578	AKZO	AKZO NOBEL PAKISTAN LIMITED	-	-
-	300,500	AMTEX	AMTEX LIMITED	-	-
1	1	ASC	AL SHAHEER CORPORATION LIMITED	8.07	7.23
-	1	ASL	AISHA STEEL MILLS LIMITED	-	5.40
1	-	ASLPS	AISHA STEEL (PREFERENCE)	9.00	-
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	953.15	-
84	84	CFL	CRESCENT FIBRES LIMITED	4,956.00	3,473.40
250	250	DBCI	DADABHOY CEMENT	1,260.00	-
1	1	DINT	DIN TEXTILE MILLS LIMITED	69.89	89.90
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	297.37	140.14
500	500	HIFB	HBL INVESTMENT FUND-B	-	-
20,000	20,000	JOVC	J.O.V. & CO.	-	-
500	500	JPGL	JAPAN POWER GENERATION LIMITED	-	-
500	500	LMSM	LANDMARK SPINNING INDUSTRIES	4,555.00	7,305.00
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	36,740.00	-
2,000	2,000	NORT	NORRIE TEXTILE MILLS LIMITED	-	-
500	500	PACE	PACE (PAKISTAN) LIMITED	1,510.00	980.00
145	145	PASM	PARAMOUNT SPINING MILLS LIMITED	468.35	-
453	453	PSX	PAKISTAN STOCK EXCHANGE LIMITED	5,802.93	3,352.20
1	1	RCML	RELANCE COTTON SPINNING MILLS LIMITED	451.55	511.34
1,266	1,266	SEPCO	SOUTHERN ELECTRIC POWER COMPANY LTD	-	-
1,000	1,000	WTCL	WATEEN TELECOM LIMITED	-	-
28,415	28,415	ZELP	ZEAL PAK CEMENT LIMITED	-	-
704,498	1,004,999			69,946	15,865

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AZEE SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
13 CASH AND BANK BALANCES			
Cash in hand		217,366	195,850
Cash in bank			
- in current account		5,971,819	6,868,567
- in savings account	13.1	5,596	-
	13.2	5,977,415	6,868,567
		<u>6,194,781</u>	<u>7,064,417</u>
13.1 It carries mark up at the rate of 4.50% to 20.50% per annum.			
13.2 <i>Bank Balances pertains to:</i>			
Clients		5,892,739	6,785,810
Brokerage House		84,676	82,758
		<u>5,977,415</u>	<u>6,868,568</u>
14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
		2024	2023
		Number of shares	
9,500,000		9,500,000	Ordinary shares of Rs. 10 each fully paid in cash
11,700,000		11,700,000	Ordinary shares of Rs. 10 each fully paid in cash
9,026,770		9,026,770	Ordinary shares of Rs.10 for consideration otherwise than in cash
9,000,000		-	Ordinary shares of Rs. 10 each fully paid in cash
<u>39,226,770</u>		<u>30,226,770</u>	<u>90,000,000</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.			<u>302,267,700</u>
15 LEASE LIABILITY			
Lease liability under IFRS 16		-	5,883,888
Non-current portion		-	3,685,452
Current portion		-	2,198,436
16 SHORT TERM BORROWINGS			
Loan from director - unsecured	16.1	23,366,369	11,130,750
		<u>23,366,369</u>	<u>11,130,750</u>
16.1 These are interest free loan obtained for working capital and repayable on demand.			
17 TRADE PAYABLES			
Payable to clients against trading		5,550,879	85,094,380
		<u>5,550,879</u>	<u>85,094,380</u>
18 ACCRUED EXPENSES & OTHER LIABILITIES			
Accrued expenses		1,523,631	2,772,950
Other Liabilities		3,992,131	89,406
		<u>5,515,762</u>	<u>2,862,356</u>
19 CONTINGENCIES AND COMMITMENTS			
<i>Contingencies</i>			
Guarantee issued by bank on behalf of the company		-	40,000,000
19.1 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.			
19.2 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.			
<i>Commitments</i>			
There were no commitments outstanding as on balance sheet date. (2023:Nil)			

AZEE SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
20 OPERATING REVENUE			
<i>Operating Revenue</i>			
Brokerage Commission		13,814,267	2,262,641
less: Sales tax on services		-	-
		<u>13,814,267</u>	<u>2,262,641</u>
		<u>13,814,267</u>	<u>2,313,940</u>
20.1 Brokerage Income - net of Sales Tax			
<i>Equity Brokerage</i>			
- Retail clients		8,194,664	2,262,641
- Sms charges received from clients		5,619,603	-
		<u>13,814,267</u>	<u>2,262,641</u>
21 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits		10,638,243	16,652,202
Service charges		265,561	13,553,992
Printing & Stationery		-	48,508
Fee & subscriptions		-	530,000
Legal and professional charges		110,000	2,370,000
Postage and courier		-	79,582
Insurance		495,332	-
Rent, rates and taxes		625,860	979,778
Internet, software and I.T expenses		901,678	2,651,684
Auditor's remuneration	21.1	500,000	500,000
Traveling & conveyance expenses		-	1,224,071
Entertainment		-	1,364,930
Allowance for expected credit loss	10.1	-	5,244,244
Utilities		35,000	3,608,642
Repair & maintenance		273,600	305,244
Depreciation	4 & 6	3,627,602	1,098,581
Other Expenses		1,995,237	1,655,984
		<u>19,468,113</u>	<u>51,867,441</u>
21.1 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
		<u>500,000</u>	<u>500,000</u>
22 FINANCE COST			
Bank Charges		381,792	499,209
Markup on short term borrowings		-	426,145
		<u>381,792</u>	<u>925,354</u>
23 OTHER INCOME			
<i>From financial assets</i>			
Profit on deposit in savings account		434,731	31,150
Gain on sale of fixed asset		-	39,462,105
		<u>434,731</u>	<u>39,493,255</u>
		<u>434,731</u>	<u>39,493,255</u>

AZEE SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
24 TAXATION			
Levy:			
Minimum tax		1,726,783	392,344
Final tax		60,383	
Current year-Prior year adjustment		(359,164)	(551,756)
		<u>1,428,002</u>	<u>(159,412)</u>
24.1	No numerical reconciliation has been presented in these financial statement as the company falls Final Tax & Minimum tax regime.		
25 EARNINGS PER SHARE			
Basic earnings per share			
Loss for the year		(6,487,653)	(11,705,737)
Weighted average number of ordinary shares outstanding during the year		<u>39,226,770</u>	<u>30,226,770</u>
Loss per share - basic		<u>(0.17)</u>	<u>(0.39)</u>
Diluted earnings per share			
There were no convertible diluted potential ordinary shares in issue as at June 30, 2024 and June 30, 2023.			
26 REMUNERATION OF CHIEF EXECUTIVES AND DIRECTORS			
No remuneration was paid to Chief executive Officer and Director of the Company through out the year (2023: Nil)			
27 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 realted items in the balance sheet as follows:			
Cash and bank balances	13	<u>6,194,781</u>	<u>7,064,417</u>
		<u>6,194,781</u>	<u>7,064,417</u>

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AZEE SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

28 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

Long term advances & deposits
Trade Receivables
Advances, deposits, prepayments and other receivables
Short term investment
Cash and bank balances

2024			
At fair value through profit or loss - held for trading	At fair value through other comprehensive income	At amortized cost	Total
-	-	3,259,600	3,259,600
-	-	219,480,831	219,480,831
-	-	4,349,844	4,349,844
69,946	-	-	69,946
69,946	-	6,194,781	6,194,781
69,946	-	233,285,056	233,355,003

Long term advances & deposits
Trade Receivables
Advances, deposits, prepayments and other receivables
Short term investment
Cash and bank balances

2023			
At fair value through profit or loss - held for trading	At fair value through other comprehensive income	At amortized cost	Total
-	-	3,259,600	3,259,600
-	-	159,665,646	159,665,646
-	-	44,960,720	44,960,720
15,865	-	-	15,865
-	-	7,064,417	7,064,417
15,865	-	214,950,384	214,966,248

Financial liabilities

Short term borrowings
Trade payables
Accrued expenses & other liabilities

2024		
Amortized cost	At fair value through profit or loss	Total
23,366,369	-	23,366,369
5,550,879	-	5,550,879
5,515,762	-	5,515,762
34,433,010	-	34,433,010

Short term borrowings
Trade payables
Accrued expenses & other liabilities

2023		
Amortized cost	At fair value through profit or loss	Total
11,130,750	-	11,130,750
85,094,380	-	85,094,380
2,862,356	-	2,862,356
99,087,486	-	99,087,486

28.1 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.

29 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

- 29.1 Credit risk
29.2 Liquidity risk
29.3 Market risk
29.4 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.

29.1 Credit risk

29.1.1 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:

Financial Assets

Long term advances & deposits
Trade Receivables
Advances, deposits, prepayments and other receivables
Short term investment
Cash and bank balances

Note	2024 Rupees	2023 Rupees
8	3,259,600	3,259,600
10	219,480,831	159,665,646
11	4,349,844	44,960,720
12	69,946	15,865
13	6,194,781	7,064,417
	233,355,003	214,966,248

29.1.2 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.

29.2 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:

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	-	-
	34,433,010	34,433,010	34,433,010	-	-
2023					
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					
Long term loan	11,130,750	11,370,750	-	11,370,750	-
Short term borrowings	19,675,137	19,675,137	19,675,137	-	-
Trade payables	98,171,632	98,171,632	98,171,632	-	-
Accrued expenses & other liabilities	13,042,733	13,042,733	13,042,733	-	-
	142,020,253	142,260,253	130,889,503	11,370,750	-

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.

29.3 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.

29.4 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.

30 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.

	2024 Rupees	2023 Rupees
Borrowings	23,366,369	11,130,750
Total equity	297,782,579	213,911,068
Total capital employed	321,148,948	225,041,818
Gearing ratio	7.28%	4.95%

AZEE SECURITIES (PRIVATE) LIMITED
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31 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	Transaction	Amount
Amir Zia	Loan received	156,273,619
	Loan repaid	144,038,000

32 Pattern of Shareholding

Name of Shreholders	2024	2023	2024	2023
	Number of Shares		Percentage of Holdings	
Amir Zia	38,561,770	29,561,770	98.30%	97.80%
Tahmina Amir	664,999	664,999	1.70%	2.20%
Aneela Ashraf	1	1	0.00%	0.00%
	39,226,770	30,226,770	100%	100%

33 Capital Adequacy level

	Note	2024 Rupees	2023 Rupees
Total Assets		334,386,079	319,624,929
Less: Total Liabilities		(36,603,500)	(105,713,861)
Capital Adequacy Level	33.1	297,782,579	213,911,068

33.1 While determining the value of total assets of the TREC Holder, National value of the TRE certificate held by the company as at June 30, 2024, as determined by Pakistan Stock Exchange has been considered.

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34 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.61,521,634 /-.

S.No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	97,516,078	100.00%	-
1.2	Intangible Assets	3,515,000	100.00%	-
1.3	Investment in Govt. Securities	-	-	-
Investment in Debt Securities				
If listed then:				
1.4	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 then:	-	-	-
1.5	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	-	-	-
1.5	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.	69,946	43,061	26,885
	ii. If unlisted, 100% of carrying value.	-	100.00%	-
1.6	Investment in subsidiaries	-	100.00%	-
Investment in associated companies/undertaking				
1.7	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.				
1.8	(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	3,259,600	100%	-
1.9	Margin deposits with exchange and clearing house.	3,117,175	-	3,117,175
1.10	Deposit with authorized intermediary against borrowed securities under SLB.	-	-	-
1.11	Other deposits and prepayments	-	100.00%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.(Nil)	-	-	-
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	-	100.00%	-
1.13	Dividends receivables.	-	-	-
1.14	Amounts receivable against Repo financing.	-	-	-
	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				
1.15	(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.	2,428,088	-	2,428,088
	(ii) No haircut may be applied to the advance tax to the extent it is netted with provision of taxation.	172,862	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				
1.17	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. Incase receivables are against margin trading, 5% of the net balance sheet value.	-	5.00%	-
	ii. Net amount after deducting haircut	-	-	-
	iii. Incase 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. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	8,114,824	-	8,114,824
	iv. Balance sheet value	-	-	-
	v. Incase 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.	210,407,664	78,243,381	78,243,381
	v. Lower of net balance sheet value or value determined through adjustments	-	-	-
	vi. 100% haircut in the case of amount receivable from related parties.	-	100.00%	-
	Cash and Bank balances	-	-	-
1.18	i. Bank Balance-proprietary accounts	84,676	-	84,676
	ii. Bank balance-customer accounts	5,892,739	-	5,892,739
	iii. Cash in hand	217,366	-	217,366
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	334,796,018		98,125,134

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2. Liabilities

	Trade Payables			
2.1	i. Payable to exchanges and clearing house	-	-	-
	ii. Payable against leveraged market products	-	-	-
	iii. Payable to customers	5,550,879	-	5,550,879
	Current Liabilities			
	i. Statutory and regulatory dues	-	-	-
2.2	ii. Accruals and other payables	5,515,762	-	5,515,762
	iii. Short-term borrowings	23,366,369	-	23,366,369
	iv. Current portion of subordinated loans	-	-	-
	v. Current portion of long term liabilities	-	-	-
	vi. Deferred Liabilities	-	-	-
	vii. Provision for bad debts	-	-	-
2.2	viii. Provision for taxation	2,170,490	-	2,170,490
	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	-	-	-
2.5	Advance against shares for increase in capital of securities broker			
	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	36,603,500		36,603,500

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	-	-	-
3.7	Repo adjustment			
	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.	-	-	-
3.8	Concentrated proprietary positions			
	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	-	-	-
3.9	Opening Positions in futures and options			
	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	-	-	-
3.10	Short sell positions			
	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	-	-	-

Calculations Summary of Liquid Capital

(i) Adjusted value of Assets (serial number 1.20)	334,796,018	98,125,134
(ii) Less: Adjusted value of liabilities (serial number 2.6)	(36,603,500)	(36,603,500)
(iii) Less: Total ranking liabilities (series number 3.11)		
LIQUID CAPITAL BALANCE	298,192,518	61,521,634

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35 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions of the purposes of comparison. Reclassification made as following:

From	To	Reason	Rupees
Taxation	Levies	Better presentation	392,344

36 NUMBER OF EMPLOYEES

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

2024	2023
6	6
6	6

37 RECLASSIFICATION

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

38 DATE OF AUTHORIZATION FOR ISSUE

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

39 GENERAL

Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE



DIRECTOR

