

AUDITED FINANCIAL STATEMENT

For the
Year 2022



**Oriental Securities
Private Limited**

Phone: +92-21-32446744/747/748 | **Email:** oslmail@yahoo.com

Address: 731-732, 7th Floor, Stock Exchange Building, Stock Exchange Road, Karachi, Sindh – Pakistan.

www.osl.com.pk

ORIENTAL SECURITIES (PRIVATE) LIMITED



ORIENTAL SECURITIES (PVT.) LTD.

CORPORATE STOCK BROKERAGE HOUSE – PAKISTAN STOCK EXCHANGE LTD. KARACHI

TREC NO. 148, SECP BROKER REGISTRATION NO. BRP-115

NTN: 1336933-4, SNTN: S1336933-4

DIRECTORS' REPORT

The Board of Directors takes pleasure in presenting Annual Report and the Audited Financial Statements for the year ended June 30, 2022 together with the Audit Report thereon.

OPERATING RESULTS

Operating results of the Company are noted below:

	Amount in Rupees
Profit / (Loss) before taxation	(11,833,245)
Profit / (Loss) after taxation	(12,347,214)
Un-appropriated Profit brought forward	87,025,924
Un-appropriated Profit carried forward	76,055,710

Brokerage Commission / Operating Revenue of the Company decreased from Rs.22,383,316/- to Rs.13,728,927/- which, among others, may be attributed to Ukraine-Russia Conflict resulting in Commodities Prices Super-cycle, COVID-19 Pandemic and its aftermath, global / domestic adverse political & economic factors which led to bearish trend and decline in trading volumes in the stock market.

We further certify:

- That, the Financial Statements, prepared by the management of the Company, present its state of affairs, fairly, the result of its operations, cash flows and changes in equity.
- That, proper books of Accounts of the Company have been maintained.
- That, appropriate Accounting Policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- That, being a Securities Broker, we prepare financial statements on "settlement date" basis and accordingly, account for income, assets and liabilities consistently.
- That, IFRS, as applicable in Pakistan are followed in preparation of financial statements and any departure therefrom is adequately disclosed and explained.
- That, the System of Internal Control is sound in design and is effectively implemented and monitored.
- That, the Brokerage House is a going concern.
- That, the Company did not deal in loans, TFCs, Sukuks etc. as such question of Company's default does not arise. In the period under review, the Company invested a part of its funds in Treasury Bills backed by Government of Pakistan.

AUDITORS

The present auditors Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants retire and offer themselves for reappointment for the Tax Year 2023.

ACKNOWLEDGMENT

On behalf of the board, we would like to place on record, the deep and sincere appreciation of the staff members for their devoted services and loyalty to the Company.

Basharat Khan
By Order of the Board
Basharat Ullah Khan
Chief Executive
Place: Karachi
Dated: 3rd October, 2022



Naveed
By Order of the Board
Naveed Ullah Khan
Director



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ORIENTAL SECURITIES (PRIVATE) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Oriental Securities (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2022, 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 a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the loss and 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 comprises the directors' report but does not include the financial statements and our auditor's report thereon.

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

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



Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.
- e) the Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the financial statements were prepared.

Other Matter(s)

The financial statements of the Company for the year ended June 30, 2021 were audited by another firm of Chartered Accountants who had expressed unmodified opinion vide their report dated October 05, 2021 on those statements.

The engagement partner on the audit resulting in this independent auditor's report is **Azeem H. Siddiqui – FCA.**

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Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Karachi :

Dated : October 03, 2022

UDIN : AR2022102320ZiEgLw5K

ORIENTAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	15,258,597	17,133,149
Intangible assets	6	2,500,000	2,500,000
Long term investment	7	6,230,510	13,587,749
Long term deposits	8	1,641,497	1,536,497
		25,630,604	34,757,395
CURRENT ASSETS			
Trade Debts- secured	9	1,984,696	5,003,777
Short term investments	10	29,239,337	38,994,125
Investment in margin financing	11	8,519,744	15,701,878
Investment in treasury bills	12	9,784,693	-
Advances, deposits, prepayments and other receivables	13	8,172,034	17,792,427
Cash and bank balances	14	63,837,201	76,815,449
		121,537,705	154,307,656
		147,168,309	189,065,051
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital	15	50,000,000	50,000,000
Issued, subscribed and paid-up capital	15	35,028,000	35,028,000
Capital Reserves			
Revaluation surplus on property and equipment	16	12,393,000	13,770,000
Revenue Reserve			
Unappropriated profit		76,055,710	87,025,924
Surplus on remeasurement of equity investment at FVOCI		140,081	7,497,320
		123,616,791	143,321,244
CURRENT LIABILITIES			
Trade and other payables	17	23,551,518	45,743,807
		147,168,309	189,065,051
Contingencies and Commitments	18	-	-

The annexed notes 1 to 34 form an integral part of these financial statements.

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Chief Executive

P. Praveen

Director

ORIENTAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
Operating revenue	19	13,728,927	22,383,316
Unrealized (loss)/gain on investment at FVTPL		(9,643,625)	12,631,827
Capital gain on investment at FVTPL		65,370	70,710
		4,150,672	35,085,853
Operating and administrative expenses	20	(26,223,401)	(29,193,197)
Operating (loss)/profit		(22,072,729)	5,892,656
Finance cost	21	(160,687)	(180,385)
Other income	22	10,400,171	8,953,269
(LOSS) / PROFIT BEFORE TAXATION		(11,833,245)	14,565,540
Taxation	23	(513,969)	(719,486)
(LOSS) / PROFIT AFTER TAXATION		(12,347,214)	13,946,054
(LOSS)/EARNING PER SHARE- BASIC AND DILUTED	25	(3.52)	3.98

The annexed notes 1 to 34 form an integral part of these financial statements.


 Chief Executive


 Director

ORIENTAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022 Rupees	2021 Rupees
(Loss)/profit for the year	(12,347,214)	13,946,054
Other Comprehensive Income:		
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>		
Unrealised (loss)/gain on remeasurement of investment at FVOCI	(7,357,239)	7,558,224
Surplus on revaluation of property and equipment- net of incremental depreciation	(1,377,000)	(1,530,000)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	(21,081,453)	19,974,278

The annexed notes 1 to 34 form an integral part of these financial statements.

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 Chief Executive

P. Prasad

 Director

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

	Issued, Subscribed and Paid-up Capital	Capital Reserve Surplus on Revaluation	Revenue Reserves Surplus/(Deficit) on Investment at FVTOCI	Unappropriated Profit	Total
	-----Rupees-----				
Balance as at July 01, 2020	35,028,000	15,300,000	(60,904)	71,549,870	121,816,966
Other Comprehensive Income					
Net profit for the year	-	-	-	13,946,054	13,946,054
Unrealised gain on remeasurement of Investment at FVOCI	-	-	7,558,224	-	7,558,224
Transfer of incremental depreciation on revaluation surplus	-	(1,530,000)	-	1,530,000	-
Total comprehensive income for the year ended June 30, 2021	-	(1,530,000)	7,558,224	15,476,054	21,504,278
Balance as at June 30, 2021	35,028,000	13,770,000	7,497,320	87,025,924	143,321,244
Other Comprehensive Income					
Net loss for the year	-	-	-	(12,347,214)	(12,347,214)
Unrealised (loss) on remeasurement of Investment at FVOCI	-	-	(7,357,239)	-	(7,357,239)
Transfer of incremental depreciation on revaluation surplus	-	(1,377,000)	-	1,377,000	-
Total comprehensive income for the year ended June 30, 2022	-	(1,377,000)	(7,357,239)	(10,970,214)	(19,704,453)
Balance as at June 30, 2022	35,028,000	12,393,000	140,081	76,055,710	123,616,791

The annexed notes 1 to 34 form an integral part of these financial statements.

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Chief Executive

Praveen
Director

ORIENTAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss)/profit before taxation		(11,833,245)	14,665,540
Adjustment for Non-Cash Items:			
Depreciation		1,817,265	2,139,619
Unrealized loss/(gain) on remeasurement of investments in securities		9,754,788	(12,631,827)
Return on investments in treasury bills		(111,163)	-
Finance cost		160,687	180,385
Capital gain on short term investment		(65,370)	(70,710)
Dividend Income		(3,147,221)	(1,775,738)
Operating profit/(loss) before working capital changes		8,408,985	(12,158,271)
Changes in Working Capital			
Decrease/(Increase) In Current Assets			
Decrease / (increase) in trade debts		3,019,081	(3,833,554)
Decrease in advances, deposits and prepayments		10,539,723	14,430,568
		13,558,804	10,597,014
Increase/(Decrease) In Current Liabilities			
(Decrease) / increase in trade and other payable		(22,192,289)	23,858,097
Net changes in Working Capital		(8,633,486)	34,455,111
Finance cost paid		(160,687)	(180,385)
Taxes paid		(1,433,298)	4,194,311
Net cash (used in)/generated from operating activities		(13,651,731)	40,976,306
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(150,000)	(127,825)
Proceeds from sale of property & equipment		207,288	-
Short term investments - net		176,533	(690,440)
Decrease / (increase) in Investment in Margin Financing		7,182,134	(13,594,243)
(increase) in Investment in Treasury Bills		(9,784,693)	-
Dividend received		3,147,221	1,775,738
Long-term deposits - net		(105,000)	-
Net cash generated from/(used in) investing activities		673,483	(12,636,770)
Net (decrease)/increase in cash and cash equivalent		(12,978,247)	28,339,536
Cash and cash equivalent at beginning of the year		76,815,449	48,475,913
Cash and cash equivalent at end of the year		63,837,201	76,815,449

The annexed notes 1 to 34 form an integral part of these financial statements.

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Chief Executive

Praveen

Director