

AUDITED

# FINANCIAL STATEMENT

For the  
**Year 2023**



**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.

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**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, 2023 together with the Audit Report thereon.

### OPERATING RESULTS

Operating results of the Company are noted below:

	Amount in Rupees
Profit / (Loss) before taxation	(5,693,739)
Profit / (Loss) after taxation	(6,239,876)
Un-appropriated Profit brought forward	76,055,710
Un-appropriated Profit carried forward	71,055,134

Brokerage Commission / Operating Revenue of the Company decreased from Rs.13,728,927/- to Rs.8,499,187/- which, among others, may be attributed to economic meltdown all over the globe resulting in recession. The same has affected our domestic economy due to adverse political & economic factors resulting in an economic recession. Record high Interest Rates, Inflation Rates and negative growth led to a 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 2024.

### 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 Ullah Khan*  
By Order of the Board  
Basharat Ullah Khan  
Chief Executive  
Place: Karachi  
Dated: 5<sup>th</sup> October, 2023



*Naveed*  
By Order of the Board  
Naveed Ullah Khan  
Director





**INDEPENDENT AUDITOR'S 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, 2023, 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, 2023 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.

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

  
Chartered Accountants

Karachi :

Dated : October 06, 2023

UDIN : AR202310232WfQk0iOjc



**ORIENTAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	5	19,909,042	15,258,597
Intangible asset	6	2,500,000	2,500,000
Long term investment	7	4,506,918	6,230,510
Long term deposits	8	1,641,497	1,641,497
		<b>28,557,457</b>	<b>25,630,604</b>
<b>CURRENT ASSETS</b>			
Short term Investments	9	26,884,610	29,239,337
Trade debts	10	1,776,837	1,984,696
Receivable against margin financing	11	5,144,408	8,519,744
Investment in treasury bills	12	14,534,874	9,784,693
Advances and deposits	13	10,784,895	8,172,034
Cash and bank balances	14	50,028,082	63,837,201
		<b>109,153,706</b>	<b>121,537,705</b>
<b>Total assets</b>		<b>137,711,163</b>	<b>147,168,309</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized Capital	15	50,000,000	50,000,000
Issued, subscribed and paid-up capital	15	35,028,000	35,028,000
<b>Capital Reserves</b>			
Revaluation surplus on property and equipment	16	17,480,000	12,393,000
<b>Revenue Reserve</b>			
Unappropriated profit		71,055,134	76,055,710
Unrealized (loss)/gain on remeasurement of equity investment at FVTOCI		(1,583,511)	140,081
		<b>121,979,623</b>	<b>123,616,791</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	15,731,540	23,551,518
Contingencies and Commitments	18	-	-
<b>Total equity and liabilities</b>		<b>137,711,163</b>	<b>147,168,309</b>

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

*Bommar*  
*delal Khan*  
**Chief Executive**



*Prasad*  
**Director**



**ORIENTAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
Operating revenue	19	8,499,187	13,728,927
Capital (loss)/gain on investments at FVTPL		(138,684)	65,370
Unrealized loss on investments at FVTPL		(2,615,528)	(9,643,625)
		<u>5,744,974</u>	<u>4,150,672</u>
Administrative and other general expenses	20	(24,812,285)	(26,223,401)
Finance cost	21	(147,253)	(160,687)
Other Income	22	13,520,824	10,400,171
Loss before taxation		<u>(5,693,739)</u>	<u>(11,833,245)</u>
Taxation	23	(546,137)	(513,969)
Loss after taxation		<u>(6,239,876)</u>	<u>(12,347,214)</u>
Loss per share - basic and diluted	24	<u>(1.78)</u>	<u>(3.52)</u>

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

*Baharat Mees Khan*  
 Chief Executive



*R. Javed*  
 Director





**ORIENTAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees
Loss after taxation	(6,239,876)	(12,347,214)
<b>Other Comprehensive Income:</b>		
<b>Items that will not be reclassified subsequently to statement of profit or loss</b>		
Revaluation Surplus on property and equipment	6,326,300	(1,377,000)
Unrealized diminution on remeasurement of investment at FVOCI	(1,723,592)	(7,357,239)
<b>Total comprehensive loss for the year</b>	<u><u>(1,637,168)</u></u>	<u><u>(21,081,453)</u></u>

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

*Banawat  
Nitesh Khay*  
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 Chief Executive



*Praised*  
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 Director



**ORIENTAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Issued, Subscribed and Paid-up Capital	Capital Reserve		Revenue Reserves Unappropriated Profit	Total
		Surplus on Revaluation	Surplus/(Deficit) on Investment at FVTOCI Rupees		
<b>Balance as at June 30, 2021</b>	35,028,000	13,770,000	7,497,320	87,025,924	143,321,244
<b>Other Comprehensive Income</b>					
Loss for the year ended June 30, 2022	-	-		(12,347,214)	(12,347,214)
Other comprehensive loss	-	-	(7,357,239)	-	(7,357,239)
Total comprehensive loss for the year ended June 30, 2022	-	-	(7,357,239)	(12,347,214)	(19,704,453)
Transfer of incremental depreciation on revaluation surplus	-	(1,377,000)	-	1,377,000	-
<b>Balance as at June 30, 2022</b>	35,028,000	12,393,000	140,081	76,055,710	123,616,791
<b>ther Comprehensive Income</b>					
Loss for the year ended June 30, 2023	-	-	-	(6,239,876)	(6,239,876)
Other comprehensive income/(loss)	-	6,326,300	(1,723,592)	-	4,602,708
Total comprehensive loss for the year ended June 30, 2023	-	6,326,300	(1,723,592)	(6,239,876)	(1,637,168)
Transfer of incremental depreciation on revaluation surplus	-	(1,239,300)	-	1,239,300	-
<b>Balance as at June 30, 2023</b>	35,028,000	17,480,000	(1,583,511)	71,055,134	121,979,623

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

*Banawat*  
*Welles Kuan*  
 Chief Executive



*P. J. J. J.*  
 Director





**ORIENTAL SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(5,693,739)	(11,833,245)
<b>Adjustment for Non-Cash Items:</b>			
Depreciation		1,675,854	1,817,265
Unrealized loss on remeasurement of Investments		2,615,528	9,754,788
Return on investments In treasury bills		-	(111,163)
Finance cost		147,253	160,687
Capital gain on short term investment		138,684	(65,370)
Dividend income		(2,054,276)	(3,147,221)
<b>Operating profit before working capital changes</b>		<b>2,523,044</b>	<b>8,408,985</b>
<b>Changes in Working Capital</b>			
<b>Decrease/(increase) In current assets</b>			
Trade debts		207,859	3,019,081
Advances and deposits		(1,169,434)	10,539,723
		(961,575)	13,558,804
<b>(Decrease) In Current Liabilities</b>			
Decrease in trade and other payable		(7,819,978)	(22,192,289)
<b>Net changes in Working Capital</b>		<b>(8,781,554)</b>	<b>(8,633,486)</b>
Finance cost paid		(147,253)	(160,687)
Taxes paid		(1,989,558)	(1,433,298)
<b>Net cash (used in) operating activities</b>		<b>(14,089,061)</b>	<b>(13,651,731)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment		-	(150,000)
Proceeds from sale of property & equipment		-	207,288
Short term investments - net		(399,485)	176,533
Investment in margin financing		3,375,336	7,182,134
Investment in treasury bills		(4,750,181)	(9,784,693)
Dividend received		2,054,276	3,147,221
Long-term deposits - net		-	(105,000)
<b>Net cash (used in)/generated from investing activities</b>		<b>279,945</b>	<b>673,483</b>
<b>Net (decrease) in Cash and Cash Equivalent</b>		<b>(13,809,115)</b>	<b>(12,978,247)</b>
<b>Cash and Cash Equivalent at beginning of the year</b>		<b>63,837,201</b>	<b>76,815,449</b>
<b>Cash and Cash equivalent at end of the year</b>		<b>50,028,081</b>	<b>63,837,201</b>

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

Chief Executive



Director

