OCEAN SECURITIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Independent Auditor's Report to the Members of Ocean Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Ocean Securities 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (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 profit, total comprehensive income, 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.

Other Matter

The financial statements of the Company for the year ended June 30, 2022 were audited by another firm of Chartered Accountants (the auditors) who had expressed a unmodified opinion on those financial statements in their report dated October 24, 2022.

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.

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 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 (XVIII of 1980); and

e) the company has duly complied with the requirements of Section 78 of the Securities Act, 2015 and Section 62 of the Futures Market Act, 2016 and the relevant requirements of Securities Brokers (Licensing and Operations) Regulations 2016 and the Futures Brokers (Licensing and Operations) Regulations, 2018 where applicable at the date on which the financial statements were prepared.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Daoud.

CHARTERED ACCOUNTANTS

Lahore: 30 OCT 2023

UDIN: AR202310082410G3Mntd

OCEAN SECURITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees (Re-stated)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	5	1,465,926	1,122,531
Intangible assets	6	9,800,000	2,600,000
Long term deposits	7	12,004,000	8,502,825
Pre operating expense	8	1,792,158	2,240,197
Deferred taxation	9	69,752	-
		25,131,836	14,465,553
CURRENT ASSETS			
Trade debts	10	3,993,211	-
Investment at fair value through profit or loss	11	3,992,697	-
Trade deposits, short term prepayments and current account balance with statutory authorities	12	2,923,091	1,219,272
Accrued profit		328,357	-
Due from related party	13	3,124,720	3,124,720
Cash and bank balances	14	34,271,376	41,190,455
		48,633,452	45,534,447
		73,765,288	60,000,000
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	15	65,000,000	60,000,000
Revenue reserve			
Un-appropriated profit		256,757	-
		65,256,757	60,000,000
Share deposit money	16	3,850,000	-
		69,106,757	60,000,000
CURRENT LIABILITIES			
Deposits, accrued liabilities and advances	17	316,901	-
Trade and other payables	18	4,341,630	-
Provision for taxation		-	-
		4,658,531	-
CONTINGENCIES AND COMMITMENTS	19	-	-
		73,765,288	60,000,000

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

CHIEF EXECUTIVE

OCEAN SECURITIES LIMITED 527 PSX

DIRECTOR

OCEAN SECURITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Brokerage and commission	20	581,413	-
Capital loss on marketable securities		(25,399)	-
		556,014	-
Direct costs	21	(488,993)	-
		67,021	-
Operating expenses	22	(4,535,406)	-
Other operating expenses	23	(1,082,192)	-
Other income	24	6,221,213	-
		603,615	-
PROFIT FROM OPERATIONS		670,635	-
Finance cost	25	(101,239)	-
PROFIT BEFORE TAXATION		569,397	-
Taxation	26	(312,640)	-
PROFIT FOR THE YEAR		256,757	-
EARNINGS PER SHARE - BASIC AND DILUTED	27	0.04	-

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

CHIEF EXECUTIVE

OCEAN SECURITIES LIMITED 527 PSX

DIRECTOR

OCEAN SECURITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees Re-stated
Profit for the year	256,757	-
Items that will not be reclassified subsequently to statement of profit or loss	-	-
Items that may be reclassified subsequently to statement of profit or loss	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	256,757	-

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

CHIEF EXECUTIVE

OCEAN SECURITIES LIMITED 527 PSX

DIRECTOR

OCEAN SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		569,397	-
Adjustments for non cash items:			
Depreciation	5.1	175,826	-
Provision for doubtful debts	23	69,562	-
Amortization	7	448,039	-
Loss on remeasurement of investment at fair value	11	986,517	-
		1,679,944	-
Operating Cash Flows Before Working Capital Changes		2,249,341	-
(Increase) / Decrease in Working Capital			
(Increase) / decrease in current assets			
Trade debts		(4,062,773)	-
Investment at fair value through profit or loss		(4,979,214)	-
Trade deposits and short term prepayments		(1,181,020)	(1,200,000)
Accrued profit		(328,357)	-
Due from related party		-	(3,124,720)
Pre-Operating expenses		-	(1,090,079)
Increase / (decrease) in current liabilities			
Deposits, accrued liabilities and advances		316,901	-
Trade and other payables		4,341,630	-
		(5,892,833)	(5,414,799)
Cash used in operations		(3,643,492)	(5,414,799)
Taxes paid		(905,192)	(1,477)
Net cash used in operating activities		(4,548,684)	(5,416,276)
CASH FLOWS FROM INVESTING ACTIVITIES			
long term deposits		(3,501,175)	(8,502,825)
Intangible		(7,200,000)	(100,000)
Long term investment		-	-
Fixed capital expenditure		(519,220)	(1,122,531)
Net cash used in investing activities		(11,220,395)	(9,725,356)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued during the year		5,000,000	10,000,000
Share deposit money received		3,850,000	-
Net Cash Flows From Financing Activities		8,850,000	10,000,000
NET DECREASE IN CASH AND CASH EQUIVALENTS		(6,919,079)	(5,141,632)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		41,190,455	46,332,087
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	A	34,271,376	41,190,455
A - Cash and Cash Equivalents			
Cash and bank balances	14	34,271,376	41,190,455
		34,271,376	41,190,455

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

CHIEF EXECUTIVE

OCEAN SECURITIES LIMITED 527 PSX

DIRECTOR

OCEAN SECURITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Paid up capital	Accumulated loss	Fair value adjustment reserve	Sub Total	Share deposit money	Total
			---------- (R u p e e s) ----------			
Balance as at June 30, 2021	60,000,000	-	-	60,000,000	-	60,000,000
Profit after taxation	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Balance as at June 30, 2022	60,000,000	-	-	60,000,000	-	60,000,000
Profit after taxation	-	256,757	-	256,757	-	256,757
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	256,757	-	256,757	-	256,757
Shares issued during the year	5,000,000	-	-	-	-	5,000,000
Share deposit money received during the year	-	-	-	-	3,850,000	3,850,000
Balance as at June 30, 2023	65,000,000	256,757	-	60,256,757	3,850,000	69,106,757

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

CHIEF EXECUTIVE

OCEAN SECURITIES LIMITED 527 PSX

DIRECTOR

OCEAN SECURITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 COMPANY AND ITS OPERATION

1.1 The company was incorporated in pakistan on April 05, 2021 as a limited company, limited by shares, under the companies Act, 2017. The company is engaged in the business of share brokerage and investment in securities. The registered office of the company is situated at Room No. 117,118 1st Floor, Lahore Stock Exchange Building, 19-Khyayaban-e-Aiwan-e-Iqbal, Lahore.

The company is holder of Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS for SMEs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Pakistani Rupee, which is the company's functional and presentation currency.

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision 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 revision and future periods if the revision affects both current and future periods.

Judgments and estimates made by management that may have a significant risk of material adjustments to the financial statements in subsequent years are as follows:

- Useful lives, residual values and depreciation method of property and equipment
- Useful lives, residual values and amortization method of intangible assets
- Provision for doubtful account receivables
- Estimation of provisions
- Estimation of contingent liabilities
- Current income tax expense, provision for current tax and recognition of deferred tax asset

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

Depreciation is charged on reducing balance method at the rates mentioned in the relevant notes to the financial statements. Depreciation on additions is charged from the day in which an asset is ready to use while no depreciation is charged for the day in which an asset is disposed off. Normal repair and maintenance is charged to profit or loss as and when incurred, while major renewals and replacements are capitalized. The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

Gain or loss on disposal of property and equipment, if any is taken to statement of profit or loss.

3.2 INTANGIBLE ASSETS

Intangible assets with finite useful life are stated at cost less amortization and impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where carrying value exceeds estimated recoverable amount, it is written down to estimated recoverable amount. The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

3.2.1 Membership card and offices

This is stated at cost less impairment, if any. The carrying amount is reviewed at each reporting date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

3.2.2 Computer Software

Expenditure incurred to acquire identifiable computer software and having probable economic benefits exceeding the cost beyond one year, is recognized as an intangible asset. Such expenditure includes the purchase cost of software (license fee) and related overhead cost.

Costs associated with maintaining computer software programs are recognized as an expense when incurred.

Costs which enhance or extend the performance of computer software beyond its original specification and useful life is recognized as capital improvement and added to the original cost of the software.

Computer software and license costs are stated at cost less accumulated amortization and any identified impairment loss and amortized is charged using straight line method.

Amortization is charged when asset is available for use until asset is disposed off.

3.3 FINANCIAL ASSETS

Financial assets are initially measured at cost and subsequently classified at fair value through profit or loss or at amortized cost. Management determines the classification of its financial assets at initial recognition.

3.4 FINANCIAL LIABILITIES

Financial liabilities are initially measured at cost, which is the fair value, of the consideration given and subsequently carried at amortized cost using effective interest rate method.

3.5 OFF-SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.6 TRADE DEBTS AND OTHER RECEIVABLES

Trade and other receivables are recognised and carried at transaction price less an allowance for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the statement of profit or loss. Bad debts are written-off in the statement of profit or loss on identification.

The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

3.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash balances and call deposits. For the purpose of statement of cash flows; cash and cash equivalents comprise cash in hand, bank balances and running finances.

3.8 PRE-OPERATING EXPENSES

These represents expenses incurred before the commencement of operations of the company. Thses are amortised on straight line method over the period not exceeding five years.

3.9 BORROWINGS

Loans are measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

In case the loan is interest-free or carries interest below the prevalent market rate, it is initially recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The difference between the discounted present value and actual receipt is recognised as finance income. Subsequently, the interest-free loan is measured at amortized cost, using the effective Interest rate method, this involves unwinding of discount, such that at the repayment date, the carrying value of obligation equals the amount to be repaid. The unwinding of discount is included in finance costs in the statement of profit or loss.

3.10 TAXATION

Current

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

Deferred

Deferred tax is recognized using the liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax liabilities are recognized for all the taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted by the reporting date.

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

3.11 TRADE AND OTHER PAYABLES

Trade and other payables are recognised initially at cost, which is the fair value of the consideration to be paid, in the future for goods and services received and subsequently measured at amortized cost.

3.12 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in the statement of profit or loss.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

3.13 CONTINGENT LIABILITIES

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.14 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

Transactions denominated in foreign currencies are translated to Pakistan Rupees at the exchanges rate ruling at the date of transaction.

Monetary assets and liabilities in foreign currencies at reporting date are translated into Pakistan Rupees at exchange rates ruling on that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

3.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

3.16 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses and sales tax. Revenue is recognized on the following basis:

- Brokerage, consultancy and advisory fee, commission etc. are recognized as and when such services are provided, and thereby the performance obligations are satisfied.
- Profit on saving accounts, profit on exposure deposits and markup on marginal financing is recognized at effective yield on time proportion basis.
- Gains/(losses) arising on sale of investments are included in the statement of profit or loss in the period in which they arise.
- Dividend income is recorded when the right to receive the dividend is established.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Other revenues are recorded, as and when due, on accrual basis.

3.17 BASIC AND DILUTED EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) for its shareholders. 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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.18 RELATED PARTY TRANSACTIONS

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method except permitted by the regulatory authorities or reason disclosed in relevant note to the financial statements, if any. Transactions with related parties have been disclosed in the relevant notes to the financial statements.

3.19 TRADE DATE ACCOUNTING

All "regular way" purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

4 CORRECTION OF FUNDAMENTAL ERRORS

During the previous year, the company erroneously recorded long term investment and related remeasurement gain amounting Rs. 6.07 million and Rs. 2.95 million respectively despite the fact that the title of the respective securities had not been transferred. The correction of the error is accounted for retrospectively and the comparative balances for the year ended June 30, 2022 has been restated accordingly. The error has been corrected by restating each of the affected financial statement line items for the previous year.

These retrospective adjustments have been made in accordance with the requirement of International Accounting Standards (IAS - 8) "Accounting Policies, Changes in Accounting Estimates and Errors". The effect of correction of fundamental error is summarised below:

	As at June 30, 2023		
	As previously reported	As-restated	Re-statement
	Rupees		
Effect on statement of financial position			
Long Term Investments			
LSE Financial Service Limited	6,074,456	-	(6,074,456)
Capital Reserve			
Fair value reserve	(2,949,736)	-	2,949,736
Due from related party	-	3,124,720	3,124,720

	Note	2023 Rupees	2022 Rupees
5 PROPERTY AND EQUIPMENT			
Owned assets	5.1	1,465,926	-
Capital work in progress	5.2	-	1,122,531
		1,465,926	1,122,531

5.1 Owned assets

Particulars	Cost				Depreciation					W.D.V
	As at June 30, 2022	Additions /Transferred	(Deletion)	As at June 30, 2023	Rate %	As at June 30, 2022	Charge for the year	Adjustment	As at June 30, 2023	As at June 30, 2023
	---------- Rupees ----------					---------- Rupees ----------				
OWNED										
Furniture and fixture	-	448,503	-	448,503	10%	-	27,834	-	27,834	420,669
Electric installation	-	355,350	-	355,350	15%	-	52,718	-	52,718	302,632
Office equipment	-	597,999	-	597,999	15%	-	78,082	-	78,082	519,917
Computer and allied items	-	239,900	-	239,900	30%	-	17,192	-	17,192	222,708
	-	1,641,752	-	1,641,752		-	175,826	-	175,826	1,465,926

	Note	2023 Rupees	2022 Rupees
5.2 CAPITAL WORK IN PROGRESS			
Furniture and fixture		252,182	252,182
Electric installation		355,350	355,350
Office equipment		514,999	514,999
		1,122,531	1,122,531
Less: Transferred to operating fixed assets		(1,122,531)	-
		-	1,122,531
5.3 ALLOCATION OF DEPRECIATION:			
Operating expenses	22	175,826	-

	Note	2023 Rupees	2022 Rupees
6 INTANGIBLE ASSETS			
Trading right entitlement certificate (TREC)	6.2	2,500,000	2,500,000
Computer Software		100,000	100,000
Rights of rooms		7,200,000	-
		9,800,000	2,600,000

6.2 This represents Trading Right Entitlement Certificate (TREC) received from the Pakistan Stock Exchange Limited without any additional payment, in lieu of TREC issued by the Lahore Stock Exchange Limited, surrendered on, January 10, 2016 on the consequence of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan vide Order No. 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Demutualization and Integration) Regulations, 2012. This is carried at cost less impairment.

	Note	2023 Rupees	2022 Rupees
7 LONG TERM DEPOSITS			
Deposits with:			
National Clearing Company of Pakistan Limited		400,000	400,000
Central Depositary Company Limited		100,000	102,825
Pakistan Stock Exchange against BMC		11,500,000	8,000,000
Other		4,000	-
		12,004,000	8,502,825

	Note	2023 Rupees	2022 Rupees
8 PRE OPERATING EXPENSES			
Pre-commencement expenditures		2,240,197	2,240,197
Accumulated amortization as at July 01,		-	-
Amortization for the year	22	448,039	-
		448,039	-
Net book value as at June 30,		1,792,158	2,240,197
Rate (Straight line)		20%	-

	Note	2023 Rupees	2022 Rupees
9 DEFERRED TAXATION			
Deferred credits/(debits) arising due to:			
Accelerated tax depreciation		98,324	-
Provision for doubtful debts		(20,099)	-
Loss on short term investment - net		(147,977)	-
		(69,752)	-
Balance as at July 01,		-	-
Add: Charge for the year in profit and loss		(69,752)	-
		(69,752)	-

	Note	2023 Rupees	2022 Rupees
10 TRADE DEBTS			
Receivable from clients on account of:			
Considered good			
Purchase of shares on behalf of clients		1,879,127	-
Receivable from related party	10.2	1,603,200	-
Less: Provision for doubtful debts	10.5	(69,562)	-
		3,412,765	-
National Clearing Company of Pakistan Ltd.		580,446	-
		3,993,211	-

10.2 Receivable from related party comprises of the following:

Name	Basis of relationship	Maximum aggregate amount	2023 Rupees	2022 Rupees
Mr. Syead Shazad Anjum	Director	123,507	90,451	-
Mr. Khurram Shahzad	Director	1,512,749	1,512,749	-
			1,603,200	-

10.3 Ageing analysis of the amounts due from related parties as follows:

	Upto 1 months	1 to 6 months	More than 6 months	As at June 30, 2023
	----------	----------	Rupees ----------	----------
Mr. Syead Shazad Anjum	90,451	-	-	90,451
Mr. Khurram Shahzad	1,512,749	-	-	1,512,749
	1,603,200	-	-	1,603,200

10.4 Aging Analysis

Upto five days	539,015	-
More than five days	3,454,196	-
	3,993,211	-

10.5 Movement is as follows	2023 Rupees	2022 Rupees
Opening balance	-	-
Provision made during the year	(69,562)	-
	(69,562)	-

	Note	2023 Rupees	2022 Rupees
11 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Carrying value as on July 01,	11.1	4,979,214	-
Loss on re-measurement of investment		(986,517)	-
		3,992,697	-

11.1 This includes shares having carrying value of Rs.nil (2022: Rs. nil) pledged with financial institutions and shares amounting Rs. 3.92 million (2022: Rs.nil) pledged with National Clearing Company of Pakistan Limited for exposure margins.

12 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES	Note	2023 Rupees	2022 Rupees
Deposits with:			
National Clearing Company of Pakistan Ltd.	12.1	2,381,020	-
Advance against office		-	1,200,000
Tax deducted at source		542,071	19,272
		2,923,091	1,219,272

12.1 This represents deposit with National Clearing Company of Pakistan Limited against exposure margin in respect of trade in future and ready market. These deposits carry profit at rates ranging from 7% to 15% (2022: 3% to 6%) per annum.

13 DUE FROM RELATED PARTY

Name	Basis of relationship	Shareholding %	2023 Rupees	2022 (Re-stated) Rupees
Mr. Syed Ali Raza	CEO	54%	3,124,720	3,124,720

13.1 The balance is unsecured and interest free and receivable on the demand of the company. The maximum amount due as at the end of any month during the year was Rs. 3,124,720. This outstanding since more than one year.

14 CASH AND BANK BALANCES	Note	2023 Rupees	2022 Rupees
These were held as under:			
In hand		67,075	17,651
At banks:			
In current accounts			
Pertaining to brokerage house		29,741,389	41,172,804
Pertaining to clients		4,462,912	-
		34,204,301	41,172,804
		34,271,376	41,190,455

15 SHARE CAPITAL			
Authorized			
7,500,000 (2022: 6,000,000) ordinary shares of Rs.10 each		75,000,000	60,000,000
Issued, subscribed and paid up			
6,500,000 (2022: 6,000,000) ordinary shares of Rs.10 each fully paid in cash	15.1	61,850,000	60,000,000
315,000 (2022: nil) ordinary shares of Rs.10 each fully paid for consideration other than cash (issued against rights of room no NT-117,118)	15.2	3,150,000	-
		65,000,000	60,000,000

	Note	2023 Rupees	2022 Rupees
15.1 Shares Issued Against Cash:			
Opening balance		60,000,000	60,000,000
Shares issued during the year 185,000 shares of Rs. 10 each		1,850,000	-
		61,850,000	60,000,000
15.2 Shares Issued Against Other Than Cash:			
Opening balance		-	-
Shares issued during the year 315,000 shares of Rs. 10 each		3,150,000	-
		3,150,000	-

15.3 Pattern of Shareholding:

	% age of Shares Held		Number of Shares Held	
	2023	2022	2023	2022
Categories of shareholders				
Individual - Chief Executive Officer				
Mr. Syed Ali Raza	54%	54%	3,531,667	3,260,000
Individual - Directors				
Mr. Khurram Shazad	15%	15%	975,000	900,000
Mr. Syed Shazad Anjum	16%	16%	1,018,333	940,000
Mr. Rizwan Zafar Khan	10%	10%	650,000	600,000
Ms. Faiza Faiyaz	5%	5%	325,000	300,000
	100%	100%	6,500,000	6,000,000

15.4 There is no variation in the rights of the shareholders.

	Note	2023 Rupees	2022 Rupees
16 SHARE DEPOSIT MONEY			
Share deposit money	16.1	3,850,000	-

16.1 This represents share deposit money received/adjusted as follows;

Particulars	Nature of relationship	% of shareholding	2023 Rupees	2022 Rupees
Related parties:				
Syed Ali Raza	CEO	54%	543,297	-
Khurram Shahzad	Director	15%	3,000,000	-
Syead Shazad Anjum	Director	16%	156,703	-
Muhammad Rizwan Zafar Khan	Director	10%	100,000	-
Ms. Faiza Faiyaz	Director	5%	50,000	-
			3,850,000	-

17 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES	Note	2023 Rupees	2022 Rupees
Accrued expenses		316,901	-

18 TRADE AND OTHER PAYABLES			
Creditors for sale of shares on behalf of clients	18.2	4,262,388	-
Punjab workers welfare fund payable		26,113	-
Sales tax payable		53,129	-
		4,341,630	-

18.1 The total value of securities pertaining to clients, employees and directors/sponsors are amounting Rs.114.33 million, Rs. 0.37 million and Rs. 10.57 million respectively held in sub-accounts of the company. No client security is pledged with the financial institutions except with National Clearing Company of Pakistan Limited amounting Rs. 4.35 million for exposure margin.

18.2 Creditors for sale of shares on behalf of clients include the following amount due to related parties:

Name of related party	Basis of relationship	2023 Rupees	2022 Rupees
Mr. Rizwan Zafar Khan	Director	111,582	-
Ms. Faiza Faiyaz	Director	159,297	-
		270,879	-

19 CONTINGENCIES AND COMMITMENTS

Contingencies and commitments as at reporting date were Rs. nil (2022: Rs. nil).

20 BROKERAGE AND COMMISSION	Note	2023 Rupees	2022 Rupees
Retail customers	20.1	674,439	-
Less: Sales tax		(93,026)	-
		581,413	-

20.1 Commission from retail customers includes the commission earned from following related parties:

Name of related party	Basis of relationship	2023 Rupees	2022 Rupees
Mr. Khurram Shazad	Director	14,903	-
Mr. Syed Shazad Anjum	Director	2,360	
Mr. Rizwan Zafar Khan	Director	6,587	
Ms. Faiza Faiyaz	Director	19,549	-
		43,399	-

21 DIRECT COSTS		
Charges paid to /against:		
Pakistan Stock Exchange Limited	245,681	-
Central Depository Company	119,437	-
National Clearing Company of Pakistan Limited	123,875	-
	488,993	-

	Note	2023 Rupees	2022 Rupees
22 OPERATING EXPENSES			
Staff salaries and benefits		1,827,000	-
Rent, rates and taxes		47,432	-
Communication and postage		85,606	-
Electricity charges		402,895	-
Printing and stationery		82,906	-
Repair and maintenance		348,611	-
Legal and professional charges	22.1	409,750	-
Fee and subscription		194,935	-
Travelling and conveyance		12,300	
Entertainment		259,899	-
Depreciation	5	175,826	-
Amortization	8	448,039	
Miscellaneous		240,207	-
		4,535,406	-

22.1 Auditors' remuneration

The audit fee and remuneration for other services included in the financial statements is as follows:

Amin, Mudassar & Co. Chartered Accountants	Note	2023 Rupees	2022 Rupees
Statutory audit		150,000	-
Certification fee		36,000	-
		186,000	-

23 OTHER OPERATING EXPENSES			
Loss on remeasurement of investment at fair value		986,517	-
Provision for doubtful debts		69,562	-
Punjab workers' welfare fund		26,113	-
		1,082,192	-

	Note	2023 Rupees	2022 Rupees
24 OTHER INCOME			
Income from financial assets			
Profit on savings account		5,900,739	-
Profit on expoure margin		72,274	-
		5,973,013	-
Income from assets other than financial assets			
Account maintenance and custody fee		248,200	-
		6,221,213	-

25 FINANCE COST			
Bank charges		101,239	-

	Note	2023 Rupees	2022 Rupees
26 TAXATION			
Income tax:			
Current:			
For the year		382,392	-
Deferred	9.1	(69,752)	-
		312,640	-

26.1 Reconciliation of tax expense and accounting profit:

	Note	2023 Rupees
Profit before tax		569,397
Tax of profit before tax @ 29%		165,125
Tax effect on inadmissible expense		78,519
Tax effect on admissible expense		(156,699)
Effect of deferred tax		(69,752)
Tax on income under final tax regime		295,446
		312,639

26.2 No tax reconciliation has been presented in respect of previous year as there was no taxable income and this is the first year of company's operations after the incorporation.

27 EARNINGS PER SHARE - BASIC AND DILUTED

	2023	2022
Profit for the year-Rupees	256,757	-
Weighted Average Number of ordinary shares outstanding during the year-Numbers	6,005,479	-
Earnings per share-Rupees	0.04	-

28 NUMBER OF EMPLOYEES

	2023	2022
	(number)	
Total number of employees at the end of year	11	-
Average number of employees during the year	4	-

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration to the chief executive, directors and executives of the company is as follows:

	2023		
	Chief Executive	Director	Executives
	---------- Rupees ----------		
Managerial remuneration	-	-	-
Number of persons	-	-	-

	2022		
	Chief Executive	Director	Executives
	---------- Rupees ----------		
Managerial remuneration	-	-	-
Number of persons	-	-	-

29.1 No employee fall under the definition of executive as per the provisions of the Companies Act, 2017.

	2023 Rupees	2022 Rupees
30 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets and financial liabilities		
Financial assets		
At fair value through profit or loss		
Short term investment	3,992,697	-
At amortized cost		
Long term deposits	12,004,000	8,502,825
Trade debts	3,993,211	-
Trade deposits	2,381,020	1,200,000
Accrued profit	328,357	-
Due from related party	3,124,720	3,124,720
Cash and bank balances	34,271,376	41,190,455
	56,102,684	54,018,000

	2023 Rupees	2022 Rupees
Financial liabilities		
At amortized cost		
Deposits, accrued liabilities and advances	316,901	-
Trade and other payables	4,341,630	-
	4,658,531	-

31 LIQUID CAPITAL BALANCE

The liquid capital balance has been prepared on the basis of Securities Brokers (Licensing and Operations) Regulations, 2016 (The Regulations) issued by Securities and Exchange Commission of Pakistan.

Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1.	Assets						
1.1	Property & Equipment	Balance Sheet Value net of depreciation	100% of net value	Nil	1,465,926	1,465,926	-
1.2	Intangible Assets	Balance Sheet Value net of amortization	100% of net value	Nil	9,800,000	9,800,000	-
1.3	Investment in Govt. securities	Balance Sheet Value	Difference between book value and sale value on the date on the basis of PKRV published by NIFT	Sale value on the date on the basis of PKRV published by NIFT	-	-	-
1.4	Investment in debt securities	Balance Sheet Value net of any provision	**If listed than** i. 5% of the balance sheet value in the case of tenure up to 1 year	Net amount after deducting provisions and haircuts		5%	-
			ii. 7.5% of the balance sheet value, in the case of tenure from 1-3 years			7.5%	-
			iii. 10% of the balance sheet value, in the case of tenure of more than 3 years			10%	-
	Investment in debt securities	Balance Sheet Value net of any provision	**If unlisted than** i. 10% of the balance sheet value in the case of tenure up to 1 year	Net amount after deducting provisions and haircuts		10%	-
			ii. 12.5% of the balance sheet value, in the case of tenure from 1-3 years			12.5%	-
			iii. 15% of the balance sheet value, in the case of tenure of more than 3 years			15%	-
1.5	Investment in equity securities	Balance Sheet Value net of any provision	i. If listed 15% or VaR of each security on the cutoff date as computed by the clearing house for respective security whichever is higher.	Net amount after deducting provisions and haircuts	3,992,698	598,905	3,393,793

Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Investment in equity securities	Balance Sheet Value net of any provision	Provided that if any of these securities are pledged with the securities exchange for maintaining Base Minimum Capital Requirement, 100% haircut on the value of eligible securities to the extent of minimum required value of Base Minimum Capital.	Net amount after deducting provisions and haircuts		100%	-
			ii. If unlisted, 100% of carrying value			-	-
1.6	Investment in subsidiaries	Balance Sheet Value net of any provision	100% of net value	Nil		100%	-
1.7	Investment in associated companies/u ndertaking	Balance Sheet Value net of any provision	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	Net amount after deducting provisions and haircuts		-	-
1.8	Statutory or regulatory deposits/ basic deposits with exchanges, clearing house or central depository or any other entity	Balance Sheet Value	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.	Nil, or any excess cash amount.	12,004,000	100%	-
1.9	Margin deposits with exchange and clearing house	Balance Sheet Value	Nil	Balance Sheet Value	2,381,020	-	2,381,020
1.10	Deposit with authorized intermediary against borrowed securities under SLB	Balance Sheet Value	Nil	Balance Sheet Value		-	-
1.11	Other deposits and prepayments	Balance Sheet Value	100% of carrying value	Nil	2,403,981	100%	-
1.12	Accrued interest, profit or mark-up on amounts placed with financial institutions or debt securities etc.	Balance Sheet Value	Nil 100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	Balance Sheet Value	328,357	-	328,357
1.13	Dividends receivables	Balance Sheet Value	Nil	Balance Sheet Value		-	-
1.14	Amount receivable against Repo financing	Balance Sheet Value	Amount paid as purchases under the REPO agreement. Securities purchased under repo arrangement shall not be included in the investments	Balance Sheet Value		-	-
1.15	Advances and Receivables other than trade receivables	Balance Sheet Value	1. No Haircut may be applied on the short term loan to employees provided these loans are secured and due for repayment within 12 months 2. No Haircut may be applied to the advance tax to the extent it is netted with provision of taxation	Adjusted Value		100%	-

Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Advances and Receivables other than trade receivables	Balance Sheet Value	3. In all other cases, 100% of net value	Adjusted Value	3,124,720	100%	-
1.16	Receivables from clearing house or securities exchange(s)	Balance Sheet Value	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains	Lower of net balance sheet value or value determined through adjustments	580,446	-	580,446
1.17	Receivables from customers	Balance Sheet Value net of provisions	i. In case receivables are against margin financing, the aggregate of (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		-	-
	Receivables from customers	Balance Sheet Value net of provisions	ii. In case receivables are against margin trading,5% of the net balance sheet value	ii. Net amount after deducting haircut		5%	-
	Receivables from customers	Balance Sheet Value net of provisions	iii. In case receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract	iii. Net amount after deducting haircut		-	-
	Receivables from customers	Balance Sheet Value net of provisions	iv. In case of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value	iv. Balance sheet value		-	-
	Receivables from customers	Balance Sheet Value net of provisions	v. In case of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub-accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts	v. Lower of net balance sheet value or value determined through adjustments	539,015		539,015
	Receivables from related parties	Balance Sheet Value net of provisions	vi. In the case of amount of receivable form related parties, values determined after applying applicable haircuts on underlying securities readily available in respective CDS account of the related party in the following manner: a. Up to 30 days, values determined after applying VaR based haircuts;	vi. [Lower of net balance sheet values or values determined through adjustments.]	1,270,550		1,270,550

Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
	Receivables from related parties	Balance Sheet Value net of provisions	b. Above 30 days but upto 90 days, values determined after applying 50% or VaR based haircuts whichever is higher;	vi. [Lower of net balance sheet values or values determined through adjustments.]		50%	-
			c. Above 90 days, 100% haircut shall be applicable		1,803,200	100%	-
1.18	Cash and bank Balances	i. Bank balance – Proprietary accounts	Nil	Balance sheet value	29,741,389	-	29,741,389
		ii. Bank balance – Customer accounts	Nil	Balance sheet value	4,462,912	-	4,462,912
		iii. Cash in hand	Nil	Balance sheet value	67,075	-	67,075
1.19	Subscription money against investment in IPO/ offer for sale (asset)	Balance Sheet Value	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 investments 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.	Balance sheet value or Net value after deducting haircuts.	-	-	-
1.20	**Total Assets**	**Balance Sheet Value**		**Adjusted Value**	**73,765,289**		**42,764,557**
2. Liabilities							
2.1	Trade payables	i. Payable to exchanges and clearing house	Nil	Balance sheet value	-	-	-
		ii. Payable against leveraged market products			-	-	-
		iii. Payable to customers			4,262,388	-	4,262,388
2.2	Current Liabilities	i. Statutory and regulatory dues	Nil	Balance sheet value	79,242	-	79,242
		ii. Accruals and other payables			316,901	-	316,901
		iii. Short-term borrowings				-	-
		iv. current portion of subordinated loans				-	-
		vi. Deferred liabilities			-	-	-
		vii. Provision for Taxation				-	-
		viii. other liabilities as per accounting principles and included in the financial statements				-	-

Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
2.3	Non-current liabilities	i. Long-term financing	1. 100% haircut may be allowed against long term portion of financing obtained from a financial institution including amount due against finance leases. 2. Nil in all other cases	Nil or Balance sheet Value as the case may be		-	-
		ii. Staff retirement benefits				-	-
		iii. other liabilities as per accounting principles and included in the financial statements				-	-
2.4	Subordinated Loans	Balance Sheet Value	100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted	Net value after deducting adjustments, [if any.]		-	-
2.5	Advance against shares for increase in capital of securities broker	Balance Sheet Value	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.	Net amount after deducting haircuts		-	-
2.6	**Total Liabilities**	**Balance Sheet Value**		**Adjusted Value**	4,658,531		4,658,531
3.	**Ranking Liabilities relating to**						
3.1	Concentration in margin financing	Nil	The amount calculated [on] client-to-client basis by which any amount receivable from any of the financees exceed 10% of the aggregate of amounts receivable from total finances Provided that above prescribed adjustments shall not be applicable where the aggregate amount of receivable against margin financing does not exceed Rs. 5 million. Note: Only amount exceeding by 10% of each financee from aggregate amount shall be included in the ranking liabilities.	Amount as determined through adjustment	-	-	-

Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3.2	Concentration in securities lending and borrowing	Nil	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. [Note: Only amount exceeding by 110% of each borrower from market value of shares borrowed shall be included in the ranking liabilities.]	Amount as determined through adjustment	-	-	-
3.3	Net underwriting Commitment s	Nil	(a) in the case of rights 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 commitment 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 commitment (b) in any other case: 12.5% of the net underwriting commitments	Amount as determined through adjustment	-	-	-
3.4	Negative equity of subsidiary	Nil	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary	Amount as determined through adjustment	-	-	-
3.5	Foreign exchange agreements and foreign currency positions	Nil	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	Amount as determined through adjustment	-	-	-
3.6	Amount payable under REPO	Balance sheet value	Carrying value	Carrying value	-	-	-

Sr. #	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
3.7	Repo adjustment	Nil	In the case of financer/ 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	Amount as determined through adjustment	-	-	-
3.8	Concentrated proprietary positions	Nil	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 value of a security exceeds 51% of the proprietary position, then 10% of the value of such security.	Amount as determined through adjustment	-	73,925	73,925
3.9	Opening Positions in futures and options	Nil	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	Amount as determined through adjustment	-	-	-
3.10	Short sell positions	Nil	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	Amount as determined through adjustment	-	-	-
3.11	**Total Ranking Liabilities**			Total determined amount	-	73,925	73,925
					69,106,757		38,032,101
	Liquid Balance Balance						38,032,101

32 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and better presentation. However, there was no major reclassification to report except as referred to note 4 to the financial statements.

33 GENERAL

Figures have been rounded off to the nearest of rupee.

34 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 30 OCT 2023 by the Board of Directors of the Company.

CHIEF EXECUTIVE

OCEAN SECURITIES LIMITED 527 PSX

DIRECTOR