

**PUNJAB CAPITAL SECURITIES
(PRIVATE) LIMITED**

CONDENSED INTERIM FINANCIAL STATEMENTS

Three Month (Un-Audited)

For the Three Month Ended July 01, 2019 to September 30, 2019

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

	Note	(Un-Audited) September 30, 2019 Rupees	(Audited) June 30, 2019 Rupees
<u>ASSETS</u>			
NON - CURRENT ASSETS			
Property and equipment	4	1,392,659	1,465,452
Cards and rooms	5	7,140,225	7,140,225
Long term security deposits	6	2,078,409	2,078,409
Long Term Investment	7	19,155,066	19,155,066
		29,766,359	29,839,152
CURRENT ASSETS			
Trade debts	8	1,871,951	6,535,096
Advances and deposits	9	8,348,700	10,527,878
Income tax refund due from Government		1,812,769	1,726,019
Cash and bank balances	10	37,173,117	34,695,271
		49,206,537	53,484,264
TOTAL ASSETS		78,972,896	83,323,416
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Share capital	11	76,500,000	76,500,000
Revaluation of Assets		-	-
Fair Value Reserve		4,263,172	4,263,172
Accumulated losses		(11,371,112)	(10,724,325)
		69,392,060	70,038,847
CURRENT LIABILITIES			
Trade and other payables	12	9,339,417	13,059,910
Provision for taxation		241,420	224,659
		9,580,837	13,284,569
TOTAL EQUITY AND LIABILITIES		78,972,896	83,323,416
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statement.


CHIEF EXECUTIVE OFFICER


DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Note	03 Month Ended Sept 30, 2019 Rupees	03 Month Ended Sept 30, 2018 Rupees
Operating revenues	14	1,340,848	2,332,307
Administrative & Operative Expenses	15	(2,874,681)	(3,048,702)
Operating loss		(1,533,833)	(716,395)
Finance charges	16	(3,458)	(638)
		(1,537,291)	(717,033)
Other Income	17	907,264	792,701
Profit/(Loss) before taxation		(630,027)	75,668
Taxation	18	16,761	29,154
Profit/(Loss) after taxation		(646,787)	46,514

OTHER COMPREHENSIVE INCOME

Other comprehensive income that will not be reclassified to profit or loss

Revaluation surplus
Gain on equity instrument designated at fair value through other comprehensive income

-	-
-	-
-	-
(646,787)	46,514

Total comprehensive income for the period

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statement.


CHIEF EXECUTIVE OFFICER


DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

	Issued, subscribed and paid-up capital	Share deposit money	Fair Value Reserve	Revaluation of Non- Current Asset	Accumulated loss	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2017	50,000,000	-	-	-	(5,192,377)	44,807,623
Share deposit money received	-	26,500,000	-	-	-	26,500,000
Right Shares Issued	26,500,000	(26,500,000)	-	-	-	-
Revaluation of Assets	-	-	-	300,500	-	300,500
Loss for the period	-	-	-	-	(6,327,888)	(6,327,888)
Balance as at June 30, 2018	<u>76,500,000</u>	<u>-</u>	<u>-</u>	<u>300,500</u>	<u>(11,520,265)</u>	<u>65,280,235</u>
Balance as at July 01, 2018	76,500,000	-	-	300,500	(11,520,265)	65,280,235
Revaluation of Assets	-	-	-	(300,500)	-	(300,500)
Right Shares Issued	-	-	-	-	-	-
Change of accounting policy - IFRS	-	-	4,263,172	-	-	4,263,172
Profit for the period	-	-	-	-	795,940	795,940
Balance as at June 30, 2019	<u>76,500,000</u>	<u>-</u>	<u>4,263,172</u>	<u>-</u>	<u>(10,724,325)</u>	<u>70,038,847</u>
Balance as at July 01, 2019	76,500,000	-	4,263,172	-	(10,724,325)	70,038,847
Profit for the period	-	-	-	-	(646,787)	(646,787)
Balance as at September 30, 2019	<u>76,500,000</u>	<u>-</u>	<u>4,263,172</u>	<u>-</u>	<u>(11,371,112)</u>	<u>69,392,060</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statement.


CHIEF EXECUTIVE OFFICER


DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED SEPTEMBER 30, 2019

Note	03 Month Ended Sept 30, 2019 Rupees	03 Month Ended Sept 30, 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES	(630,027)	75,668
Adjustments for non-cash charges and other items:		
Depreciation	72,793	93,667
Accrued markup	(265,030)	(359,120)
Financial charges	3,458	638
Operating loss before working capital changes	<u>(818,806)</u>	<u>(189,147)</u>
Effect on cash flow due to Working capital changes		
(Increase)/decrease in current assets		
Advance, deposit, prepayments,& other receivables	2,444,208	(1,855,515)
Trade debts	4,663,145	(9,045,675)
Increase in current liabilities		
Trade and other payables	<u>(3,720,493)</u>	<u>(1,245,097)</u>
Cash flows from operations	2,568,054	(12,335,434)
Income tax paid	(86,750)	(333,229)
Financial charges paid	(3,458)	(638)
Net cash generated from/(used in) operating activities	<u>2,477,846</u>	<u>(12,669,301)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	-	-
Long Term Investment	-	-
Security deposit	-	-
Net cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Share deposit money received	-	-
Net cash generated from financing activities	-	-
Net increase in cash and cash equivalents	2,477,846	(12,669,301)
Cash and cash equivalents at the beginning of the period	34,695,271	30,959,104
Cash and cash equivalents at the end of the period 10	<u><u>37,173,117</u></u>	<u><u>18,289,803</u></u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statement.


CHIEF EXECUTIVE OFFICER


DIRECTOR

4. Property and equipment

4.1 Reconciliation of the carrying amounts at the end of the period is as follows. (Un-Audited)

Particulars	Cost			Rate	Accumulated Depreciation			Written down value as at September 30, 2019
	As at July 01, 2019	Additions during the period	As at September 30, 2019		As at July 01, 2019	Charge for the period	As at September 30, 2019	
				%				
	-----Rupees-----				-----Rupees-----			
Furniture and fixtures	748,985	-	748,985	15	234,721	19,116	253,837	495,148
Computers	1,175,180	-	1,175,180	30	699,529	35,669	735,198	439,982
Office equipments	720,852	-	720,852	15	245,317	18,006	263,323	457,529
	2,645,017	-	2,645,017		1,179,567	72,791	1,252,358	1,392,659

4.2 Reconciliation of the carrying amounts at the beginning of the period is as follows. (Audited)

Particulars	Cost			Rate	Accumulated Depreciation			Written down value as at June 30, 2019
	As at July 01, 2018	Additions during the period	As at June 30, 2019		As at July 01, 2018	Charge for the period	As at June 30, 2019	
				%				
	-----Rupees-----				-----Rupees-----			
Furniture and fixtures	721,485	27,500	748,985	15	147,592	87,129	234,721	514,264
Computers	1,175,180	-	1,175,180	30	495,662	203,867	699,529	475,651
Office equipments	707,002	13,850	720,852	15	162,254	83,063	245,317	475,535
	2,603,667	41,350	2,645,017		805,508	374,059	1,179,567	1,465,450

	(Un-Audited) September 30, 2019	(Audited) June 30, 2019
Note	Rupees	Rupees
5.	Cards and rooms	
	LSE room	4,640,225
	Trading Right Entitlement Certificate(TREC)	2,500,000
		<u>7,140,225</u>
6.	Long term security deposits	
	National Clearing Company of Pakistan Limited	200,000
	Central Depository Company	100,000
	Deposit against base minimum capital	576,909
	Basic deposit for regular	200,000
	Basic deposit for future	1,000,000
	Others	1,500
		<u>2,078,409</u>
7.	Long Term Investment Available for Sale	
	843,975 (June-2018: 843,975) shares of LSE Financial Services Limited	<u>19,155,066</u>
8.	Trade debts	
	- Considered good	<u>1,871,951</u>
9.	Advances and deposits	
	Advances to suppliers	119,585
	Advances to employees	62,835
	Prepayment	1,250
	Security deposit	7,900,000
	Accrued markup	265,030
		<u>8,348,700</u>
		<u>10,527,878</u>

	(Un-Audited) September 30, 2019 Rupees	(Audited) June 30, 2019 Rupees
10. Cash and bank balances		
Cash at hand	2,174	1,585
Cash at bank		
Saving account	26,994,065	23,104,509
Current account	10,176,879	11,589,177
	<u>37,173,117</u>	<u>34,693,686</u>
11. Share Capital		
Authorized		
20,000,000 (June-2017: 10,000,000) ordinary shares of Rs.10 each	<u>200,000,000</u>	<u>200,000,000</u>
11.1. Issued, subscribed and Paid up		
7,650,000 (June-2017: 5,000,000) ordinary shares of Rs.10 each fully paid-up in cash	<u>76,500,000</u>	<u>76,500,000</u>
5,000,000 (June-2017: 5,000,000) ordinary shares of Rs.10 each fully paid-up in cash	50,000,000	50,000,000
2,650,000 (June-2017: Nil) Right shares of Rs.10 each fully paid-up in cash	26,500,000	26,500,000
	<u>76,500,000</u>	<u>76,500,000</u>
12. Trade and other payables		
Trade payables	7,894,527	11,518,564
Others payable	1,444,890	1,541,346
	<u>9,339,417</u>	<u>13,059,910</u>
12.1.0		
Accrued liabilities	42,029	-
Provident fund payable	858,108	713,622
Other Payables	333,253	616,224
Audit fee payable	211,500	211,500
	<u>1,444,890</u>	<u>1,541,346</u>

13. Contingencies and commitments

There are no material contingencies and commitments at the balance sheet date.

Note	03 Month Ended Sept 30, 2019	03 Month Ended Sept 30, 2018
	Rupees	Rupees
14. Operating revenues		
Commission income	1,340,848	2,332,307
	1,340,848	2,332,307
15. Administrative & Operative Expenses		
Salaries, allowances and other benefits	2,232,915	2,246,903
Rent, rates and taxes	1,940	-
Repairs and Maintenance	41,180	36,810
Utilities	135,993	113,184
Fees & subscription	87,213	88,200
PSX, Clearing house and CDC charges, etc.	145,932	169,543
Insurance charges	3,998	4,860
Travelling and conveyance	3,000	7,600
Depreciation	72,791	93,667
Communication, printing and stationery	28,675	25,493
Legal and professional charges	55,000	69,251
Commission paid to Trader	27,096	165,112
Entertainment	38,648	27,679
Misc Expenses	300	400
	2,874,681	3,048,702
16. Finance Cost		
Bank charges	3,019	638
FED charges	438	-
	3,458	638
17. Other income		
Income from financial assets		
Profit on Bank deposit	606,660	178,230
Margin finance income	96,626	258,588
Margin Trading income	-	526
Return on exposure deposit with PSX	203,978	55,344
commission receivable on MF	-	113,575
income receivable on MF	-	163,191
Misc. Income	-	23,247
	907,264	792,701

Note

	03 Month Ended Sept 30, 2019	03 Month Ended Sept 30, 2018
	Rupees	Rupees
18. Taxation		
Current period	16,761	29,154
	<u>16,761</u>	<u>29,154</u>

18.2 Relationship between federal tax expense and accounting profit

In view of available income tax losses, provision for current taxation for the period ended september 30, 2018 is based on "Minimum Tax" u/s 113 of Income Tax Ordinance, 2001, there was no relationship between aggregate tax expense and accounting profit. Owing to accounting and tax losses and charging minimum tax, the reconciliation of average effective tax rate with applicable tax rate is not given.

19. Remuneration of Chief executive, Director and Executives

The aggregate amount charged in the financial statements for the period for remuneration, including all benefits, to the Chief Executive, Director and Executives of the Company are as follows:

	Chief Executive		Executives	
	03 Month Ended Sept 30, 2019	03 Month Ended Sept 30, 2018	03 Month Ended Sept 30, 2019	03 Month Ended Sept 30, 2018
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	600,000	600,000	431,250	431,250
Other benefits	253,125	235,273	15,000	44,426
Provident fund	31,239	31,239	22,452	21,282
	<u>884,364</u>	<u>866,512</u>	<u>468,702</u>	<u>496,958</u>
No. of persons	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>

19.2 No remuneration is paid to any Director other than Chief Executive.

20. Related party transaction

The related parties comprise parent, associates, directors and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under respective notes of these financials statement. Other significant transactions with related parties are as follows:

Relationship with the Con Nature of transactions		03 Month Ended Sept 30, 2019	03 Month Ended Sept 30, 2018
		Rupees	Rupees
Company	Preliminary expenses	-	-
Other Related Parties	Commission Income	-	37,630
Key Management	Commission Income	-	74,829
Provident fund	Employer contribution	53,691	52,521
	Employee contribution	53,691	52,521

21. Financial instruments and related disclosures

21.2 Maturities of financial assets and liabilities

As At September 30, 2019 (Un-Audited)

	Mark-up bearing maturity				Non-mark-up bearing maturity				Total
	Upto one year	Over one year upto five years	Over five years	Sub-total	Upto one year	Over one year upto five years	Over five years	Sub-total	
	Rupees-----								
Financial assets									
Long term security deposits	-	-	-	-	-	-	2,078,409	2,078,409	2,078,409
Trade Debts	-	-	-	-	1,871,951	-	1,871,951	1,871,951	1,871,951
Advances and deposits	7,900,000	-	-	7,900,000	448,700	-	448,700	448,700	8,348,700
Long Term Investment	-	-	-	-	-	-	19,155,066	19,155,066	19,155,066
Cash and bank balances	26,994,065	-	-	26,994,065	10,176,879	-	10,176,879	10,176,879	37,170,943
	34,894,065	-	-	34,894,065	12,497,530	-	21,233,475	33,731,005	68,625,069
Financial liabilities									
On balance sheet									
Trade and other payables	-	-	-	-	9,339,417	-	9,339,417	9,339,417	9,339,417
	-	-	-	-	9,339,417	-	9,339,417	9,339,417	9,339,417
Off balance sheet									
	-	-	-	-	9,339,417	-	9,339,417	9,339,417	9,339,417

As At June 30, 2019 (Audited)

	Mark-up bearing maturity				Non-mark-up bearing maturity				Total
	Upto one year	Over one year upto five years	Over five years	Sub-total	Upto one year	Over one year upto five years	Over five years	Sub-total	
Rupees									
Financial assets									
Long term security deposits	-	-	-	-	6,535,096	-	2,078,409	2,078,409	2,078,409
Trade debts	9,900,000	-	-	9,900,000	-	627,878	-	627,878	10,527,878
Advances and deposits	-	-	-	-	-	19,155,066	-	19,155,066	19,155,066
Long Term Investment	23,104,509	-	-	23,104,509	11,589,177	-	-	11,589,177	34,693,686
Cash and bank balances	33,004,509	-	-	33,004,509	18,124,273	627,878	21,233,475	39,985,626	72,990,135
Financial liabilities									
On balance sheet									
Trade and other payables	-	-	-	-	13,059,910	-	-	13,059,910	13,059,910
Off balance sheet									
	-	-	-	-	13,059,910	-	-	13,059,910	13,059,910

21.3 Interest / mark-up rate risk

Interest / mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest / mark-up rates. Sensitivity to interest / mark up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company is not exposed to any short term borrowing arrangements having variable rate pricing.

21.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash & cash equivalents and marketable securities and the ability to close out market positions due to dynamic nature of the business. Currently, there is no liquidity risk.

21.5 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Company believes that it is not exposed to major concentration of credit risk. To manage exposure to credit risk, Company applies credit limits and deal with credit worthy parties. It makes full provision against those balances considered doubtful and by dealing with variety of major banks and financial institutions.. The Company is not materially exposed to credit risk.

21.6 Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The estimated fair values of all the financial assets and liabilities are not materially different from their book values as at the balance sheet date.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The carrying values of financial assets and financial liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each

21.7 Foreign exchange risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency. The Company is currently not exposed to foreign exchange risk.

21.8 Capital Risk Management

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital. Currently, the Company has zero borrowing at balance sheet thus minimizing the gearing ratio.

22. Provident fund and related disclosures

The following information is based on latest unaudited financial statements of the Fund as on 30th June:

	(Un-Audited) September 30, 2019 Rupees	(Audited) June 30, 2019 Rupees
Size of the fund	<u>858,108</u>	<u>579,158</u>
Cost of investments made	<u>-</u>	<u>-</u>
Percentage of investments made	<u>-</u>	<u>-</u>
Fair value of investments	<u>-</u>	<u>-</u>

The investments out of the provident fund have not been made in accordance with the provisions of Section 227 of the repealed Companies Ordinance, 1984 and rules formulated for this purpose.

23. No. of employees

The total and average number of employees respectively are as follows:

	(Un-Audited) September 30, 2019 Number	(Audited) June 30, 2019 Number
Number of employees	<u>10</u>	<u>10</u>
Average number of employees	<u>10</u>	<u>10</u>

24. Date of authorization

These financial statements have been authorized for issue by the Board of Directors of the Company on 14 OCT 2019.

25. General

Figures have been rounded off to the nearest rupees.


CHIEF EXECUTIVE OFFICER


DIRECTOR