

**PUNJAB CAPITAL SECURITIES
(PRIVATE) LIMITED**

CONDENSED INTERIM FINANCIAL STATEMENTS

Six Month (Un-Audited)

For the Six Month Ended July 01, 2019 to December 31, 2019

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	Note	(Un-Audited) December 31, 2019 Rupees	(Audited) June 30, 2019 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	1	1,356,725	1,465,449
Cards and rooms	2	7,140,225	7,140,225
Long term security deposits	3	2,078,409	2,078,409
Long Term Investment	4	19,155,066	19,155,066
		<u>29,730,425</u>	<u>29,839,149</u>
CURRENT ASSETS			
Trade debts	5	3,319,328	6,535,096
Advances, deposits and pre-payments	6	11,442,357	10,527,878
Income tax refund due from Government		2,022,675	1,726,020
Cash and bank balances	7	39,272,843	34,695,271
		<u>56,057,203</u>	<u>53,484,265</u>
TOTAL ASSETS		<u><u>85,787,628</u></u>	<u><u>83,323,414</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	8	76,500,000	76,500,000
Fair Value Reserve		4,263,172	4,263,172
Accumulated losses		(10,659,956)	(10,724,325)
		<u>70,103,216</u>	<u>70,038,847</u>
CURRENT LIABILITIES			
Trade and other payables	9	15,412,422	13,059,908
Provision for taxation		271,989	224,659
		<u>15,684,411</u>	<u>13,284,567</u>
TOTAL EQUITY AND LIABILITIES		<u><u>85,787,628</u></u>	<u><u>83,323,414</u></u>
CONTINGENCIES AND COMMITMENTS	10		

The annexed notes from 1 to 22 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 DECEMBER 31, 2019

	Note	06 Month Ended Dec 31, 2019	06 Month Ended Dec 31, 2018	03 Month Ended Dec 31, 2019	03 Month Ended Dec 31, 2018
		Rupees	Rupees	Rupees	Rupees
Operating revenues	11	3,786,432	5,073,804	2,445,584	2,741,497
Administrative & Operative Expenses	12	(6,290,948)	(6,108,867)	-3,416,267	(3,060,165)
Operating loss		(2,504,516)	(1,035,063)	(970,683)	(318,668)
Finance charges	13	(7,427)	(3,604)	-3,969	(2,966)
		(2,511,943)	(1,038,667)	(974,652)	(321,634)
Other Income	14	2,623,642	2,163,274	1,716,378	1,370,573
Gain on remeasurement of investment classified as 'held for trading'		-	-	-	-
Profit/(Loss) before taxation		111,699	1,124,608	741,726	1,048,940
Taxation	15	47,330	57,080	30,569	27,926
Profit/(Loss) after taxation		64,369	1,067,528	711,157	1,021,014

OTHER COMPREHENSIVE INCOME

Items which will not be classified
in Profit & Loss Account

Unrealized gain charged to OCI	-	-	-	-
Other Comprehensive income/ for the Period	-	-	-	-
Total Comprehensive income/ (loss) for the Period	64,369	1,067,528	711,157	1,021,014

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statement.

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CHIEF EXECUTIVE OFFICER


DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
 STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED DECEMBER 31, 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 9	-	-	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 / (Loss) for the period	-	-	-	-	64,369	64,369
Balance as at December 31, 2019	<u>76,500,000</u>	<u>-</u>	<u>4,263,172</u>	<u>-</u>	<u>(10,659,956)</u>	<u>70,103,216</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statement.

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Arjun Singh
 CHIEF EXECUTIVE OFFICER

Harpreet Singh
 DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2019

Note	06 Month Ended Dec 31, 2019 Rupees	06 Month Ended Dec 31, 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit / (Loss) for the period	111,699	1,124,608
Adjustments for non-cash charges and other items:		
Depreciation	146,524	185,816
Unrealized re-measurement gain on investment	-	-
Accrued markup	(378,190)	(577,263)
Dividend income	(675,180)	(421,988)
Financial charges	7,427	3,604
Operating loss before working capital changes	<u>(787,720)</u>	<u>314,777</u>
Effect on cash flow due to Working capital changes		
(Increase)/decrease in current assets		
Advance, deposit and prepayments	(536,289)	(11,651,587)
Trade debts	3,215,768	(15,427,632)
Increase in current liabilities		
Trade and other payables	2,352,514	1,464,479
Cash flows from operations	<u>4,244,273</u>	<u>(25,299,963)</u>
Income tax paid	(296,655)	(736,454)
Financial charges paid	(7,427)	(3,604)
Dividend income received	675,180	421,988
Net cash generated from/(used in) operating activities	<u>4,615,371</u>	<u>(25,618,033)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(37,800)	-
Purchase of cards and rooms	-	-
Long Term Investment	-	-
Security deposit	-	-
Net cash generated from/(used in) investing activities	<u>(37,800)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Share deposit money received	-	-
Net cash generated from financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>4,577,571</u>	<u>(25,618,033)</u>
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	<u>39,272,843</u>	<u>5,341,071</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statement.


CHIEF EXECUTIVE OFFICER


DIRECTOR

1. Property and equipment

1.1 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 December 31, 2019
	As at July 01, 2019	Additions during the period		As at July 01, 2019	Charge for the period	
	Rupees			Rupees		
Furniture and fixtures	748,985	-	15	234,720	38,232	272,952
Computers	1,175,180	37,800	30	699,528	72,283	771,811
Office equipments	720,852	-	15	245,317	36,012	281,329
	2,645,017	37,800		1,179,565	146,527	1,326,092

1.2 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 July 01, 2018	Charge for the period	
	Rupees			Rupees		
Furniture and fixtures	721,485	27,500	15	147,592	87,129	234,720
Computers	1,175,180	-	30	495,662	203,867	699,528
Office equipments	707,002	13,850	15	162,254	83,063	245,317
	2,603,667	41,350		805,508	374,059	1,179,565

		(Un-Audited) December 31,2019 Rupees	(Audited) June 30,2019 Rupees
2.	Cards and rooms		
	LSE room	4,640,225	4,640,225
	Trading Right Entitlement Certificate(TREC)	2,500,000	2,500,000
		<u>7,140,225</u>	<u>7,140,225</u>
3.	Long term security deposits		
	National Clearing Company of Pakistan Limited	200,000	200,000
	Central Depository Company	100,000	100,000
	Deposit against base minimum capital	576,909	576,909
	Basic deposit for regular	200,000	200,000
	Basic deposit for future	1,000,000	1,000,000
	Others	1,500	1,500
		<u>2,078,409</u>	<u>2,078,409</u>
4.	Long Term Investment Available for Sale		
	843,975 (June-2019: 843,975) shares of LSE Financial Services Limited	<u>19,155,066</u>	<u>19,155,066</u>
5.	Trade debts		
	- Considered good	<u>3,319,328</u>	<u>6,535,096</u>
6.	Advances, deposits and pre-payments		
	Advances to suppliers	119,585	119,585
	Advances to employees	-	116,914
	Prepayment	44,582	1,250
	Security deposit	10,900,000	9,900,000
	Accrued markup	378,190	390,129
		<u>11,442,357</u>	<u>10,527,878</u>

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	(Un-Audited) December 31,2019 Rupees	(Audited) June 30,2019 Rupees
7. Cash and bank balances		
Cash at hand	17,109	1,585
Cash at bank		
Saving account	25,014,966	23,104,509
Current account	14,240,768	11,589,177
	<u>39,272,843</u>	<u>34,695,271</u>
8. Share Capital		
Authorized		
20,000,000 (June-2019: 20,000,000) ordinary shares of Rs.10 each	<u>200,000,000</u>	<u>200,000,000</u>
8.1. Issued, subscribed and Paid up		
7,650,000 (June-2019: 7,650,000) 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-2019: 5,000,000) ordinary shares of Rs.10 each fully paid-up in cash	50,000,000	50,000,000
2,650,000 (June-2019: 2,650,000) Right shares of Rs.10 each fully paid-up in cash	<u>26,500,000</u>	<u>26,500,000</u>
	<u>76,500,000</u>	<u>76,500,000</u>
9. Trade and other payables		
Trade payables	13,238,302	11,518,564
Others payable	2,174,120	1,541,344
	<u>15,412,422</u>	<u>13,059,908</u>
9.1. Accrued liabilities		
Provident fund payable	33,780	-
Other Payables	1,008,840	713,621
Audit fee payable	920,000	616,223
	<u>211,500</u>	<u>211,500</u>
	<u>2,174,120</u>	<u>1,541,344</u>

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10. **Contingencies and commitments**

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

Note	06 Month Ended	06 Month Ended
	Dec 31, 2019	Dec 31, 2018
	Rupees	Rupees
11. Operating revenues		
Commission income	3,786,432	5,073,804
	<u>3,786,432</u>	<u>5,073,804</u>
12. Administrative & Operative Expenses		
Salaries, allowances and other benefits	4,873,952	4,602,130
Rent, rates and taxes	12,190	13,027
Repairs and Maintenance	117,315	75,070
Utilities	256,764	201,166
Fees & subscription	209,426	192,258
PSX, Clearing house and CDC charges, etc.	246,743	334,244
Insurance charges	3,998	8,288
Travelling and conveyance	7,500	14,180
Depreciation	146,527	185,818
Communication, printing and stationery	100,575	51,238
Legal and professional charges	213,738	144,624
Commission paid to Trader	27,096	240,082
Entertainment	74,174	45,906
Auditor Remuniriom	-	-
Misc Expenses	950	836
	<u>6,290,948</u>	<u>6,108,867</u>
12.1 Auditor Remuniriom		
Statutory audit	-	-
Others	-	-
	<u>-</u>	<u>-</u>
13. Finance Cost		
Bank charges	6,424	3,600
FED charges	1,002	3
	<u>7,427</u>	<u>3,604</u>
14. Other income		
Income from financial assets		
Profit on Bank deposit	1,240,522	210,308
Dividend Income	675,180	421,988
Margin finance income	141,296	757,248
Margin Trading income	-	526
Return on exposure deposit with PSX	447,063	209,531
Return on exposure deposit - BMC	16,081	-
commission receivable on MF	-	93,779
income receivable on MF	-	445,678
Misc. Income	103,500	24,217
	<u>2,623,642</u>	<u>2,163,274</u>

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	06 Month Ended Dec 31, 2019	06 Month Ended Dec 31, 2018
	Rupees	Rupees
15. Taxation		
Current period	47,330	57,080
	<u>47,330</u>	<u>57,080</u>

15.2 Relationship between federal tax expense and accounting profit

In view of available income tax losses, provision for current taxation for the period ended December 31, 2019 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.

16. 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	
	06 Month Ended Dec 31, 2019	06 Month Ended Dec 31, 2018	06 Month Ended Dec 31, 2019	06 Month Ended Dec 31, 2018
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	1,260,000	1,200,000	862,500	1,088,750
Other benefits	505,491	470,470	30,000	49,426
Provident fund	65,601	62,478	44,904	40,029
	<u>1,831,092</u>	<u>1,732,948</u>	<u>937,404</u>	<u>1,178,205</u>
No. of persons	<u>1</u>	<u>1</u>	<u>2</u>	<u>3</u>

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

17. 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 Company	Nature of transactions	06 Month Ended Dec 31, 2019	06 Month Ended Dec 31, 2018
		Rupees	Rupees
Other Related Parties	Commission Income	33,138	74,230
Key Management	Commission Income	-	102,196
Provident fund	Employer contribution	110,505	102,507
	Employee contribution	110,505	102,507

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18. Financial instruments and related disclosures
18.1 Maturities of financial assets and liabilities

As At December 31, 2019 (Un-Audited)

	Mark-up bearing maturity			Non-mark-up bearing maturity			Total
	Upto one year	Over upto five years	Over five years	Upto one year	Over upto five years	Over five years	
	-----Rupees-----						
Financial assets							
Long term security deposits	-	-	-	-	2,078,409	2,078,409	2,078,409
Trade Debts				3,319,328		3,319,328	3,319,328
Advances, deposits and pre-p	10,900,000	-	-	542,357	-	542,357	11,442,357
Long Term Investment	-	-	-	-	19,155,066	19,155,066	19,155,066
Cash and bank balances	25,014,966	-	-	14,240,768	-	14,240,768	39,255,734
	35,914,966	-	-	18,102,453	-	21,233,475	75,250,894
Financial liabilities							
On balance sheet							
Trade and other payables	-	-	-	15,412,422	-	15,412,422	15,412,422
	-	-	-	15,412,422	-	15,412,422	15,412,422
Off balance sheet							
	-	-	-	-	-	-	-
	-	-	-	15,412,422	-	15,412,422	15,412,422

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18.2 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	Upto one year	Over one year upto five years	Over five years	
	Rupees						
Financial assets							
Long term security deposits	-	-	-	-	-	2,078,409	2,078,409
Trade debts	-	-	-	6,535,096	-	-	6,535,096
Advances, deposits and pre-p	9,900,000	-	-	-	627,878	-	10,527,878
Long Term Investment	23,104,509	-	-	11,589,177	-	19,155,066	19,155,066
Cash and bank balances	33,004,509	-	-	18,124,273	627,878	21,233,475	34,693,686
							72,990,135
Financial liabilities							
On balance sheet							
Trade and other payables	-	-	-	13,059,908	-	-	13,059,908
	-	-	-	13,059,908	-	-	13,059,908
Off balance sheet							
	-	-	-	13,059,908	-	-	13,059,908

18.3 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.

18.4 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.

18.5 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.

18.6 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

18.7 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.

18.8 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.

19. **Provident fund and related disclosures**

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

	(Un-Audited) December 31,2019 Rupees	(Audited) June 30,2019 Rupees
Size of the fund	1,008,840	713,621
Cost of investments made	-	-
Percentage of investments made	-	-
Fair value of investments	-	-

The investments out of the provident fund have not been made in accordance with the provisions of Section 218 of the repealed Companies Act, 2017 and rules formulated for this purpose.

20. **No. of employees**

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

	(Un-Audited) December 31,2019 Number	(Audited) June 30,2019 Number
Number of employees	11	10
Average number of employees	10	7

21. **Date of authorization**


These financial statements have been authorized for issue by the Board of Directors of the Company on 10 FEB 2020.

22. **General**

Figures have been rounded off to the nearest rupees.

The annexed notes from 1 to 22 form an integral part of these condensed interim


CHIEF EXECUTIVE OFFICER


DIRECTOR