

**PUNJAB CAPITAL SECURITIES
(PRIVATE) LIMITED**

CONDENSED INTERIM FINANCIAL STATEMENTS

Nine Month (Un-Audited)

For the Nine Month Ended July 01, 2019 to March 31, 2020

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

| | Note | (Un-Audited) March 31, 2020 Rupees | (Audited) June 30, 2019 Rupees |
|---------------------------------------|------|---|---|
| ASSETS | | | |
| NON - CURRENT ASSETS | | | |
| Property and equipment | 4 | 1,281,097 | 1,465,449 |
| Cards and rooms | 5 | 7,140,225 | 7,140,225 |
| Long term security deposits | 6 | 2,178,409 | 2,078,409 |
| Long Term Investment | 7 | 19,155,066 | 19,155,066 |
| | | <u>29,754,797</u> | <u>29,839,149</u> |
| CURRENT ASSETS | | | |
| Trade debts | 8 | 4,989,197 | 6,535,096 |
| Advances and deposits | 9 | 11,294,257 | 10,527,878 |
| Income tax refund due from Government | | 2,122,402 | 1,726,020 |
| Cash and bank balances | 10 | 40,997,891 | 34,695,271 |
| | | <u>59,403,747</u> | <u>53,484,265</u> |
| TOTAL ASSETS | | <u><u>89,158,544</u></u> | <u><u>83,323,414</u></u> |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | 11 | 76,500,000 | 76,500,000 |
| Fair Value Reserve | | 4,263,172 | 4,263,172 |
| Accumulated losses | | (10,644,242) | (10,724,325) |
| | | <u>70,118,930</u> | <u>70,038,847</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 18,738,667 | 13,059,908 |
| Provision for taxation | | 300,947 | 224,659 |
| | | <u>19,039,614</u> | <u>13,284,567</u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>89,158,544</u></u> | <u><u>83,323,414</u></u> |
| 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

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PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2020

| | Note | 09 Month Ended Mar 31, 2020 Rupees | 09 Month Ended Mar 31, 2019 Rupees | 03 Month Ended Mar 31, 2020 Rupees | 03 Month Ended Mar 31, 2019 Rupees |
|--|------|---|---|---|---|
| Operating revenues | 14 | 6,105,169 | 7,630,487 | 2,318,737 | 2,556,683 |
| Administrative & Operative Expenses | 15 | (9,604,652) | (9,426,172) | (3,313,704) | (3,317,305) |
| Operating loss | | (3,499,483) | (1,795,685) | (994,967) | (760,622) |
| Finance charges | 16 | (11,335) | (6,392) | (3,908) | (2,789) |
| | | (3,510,818) | (1,802,077) | (998,875) | (763,411) |
| Other Income | 17 | 3,667,188 | 3,243,925 | 1,043,546 | 1,080,651 |
| Gain on re-measurement of investment classified as 'held for trading' | | - | - | - | - |
| Profit/(Loss) before taxation | | 156,371 | 1,441,848 | 44,671 | 317,240 |
| Taxation | 18 | 76,288 | 85,843 | 28,958 | 28,763 |
| Profit/(Loss) after taxation | | 80,083 | 1,356,005 | 15,713 | 288,477 |

OTHER COMPREHENSIVE INCOME

Items which will not will be classified
in Profit & Loss Account

| | | | | | |
|--|--|---------------|------------------|---------------|----------------|
| Unrealized gain charged to OCI | | - | - | - | - |
| Other Comprehensive income/ for the Period | | - | - | - | - |
| Total Comprehensive income/ (loss) for the Period | | 80,083 | 1,356,005 | 15,713 | 288,477 |

yes

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 MARCH 31, 2020

| | 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 | 76,500,000 | - | - | 300,500 | (11,520,265) | 65,280,235 |
| Balance as at July 01, 2018 | 76,500,000 | - | - | 300,500 | (11,520,265) | 65,280,235 |
| Revaluation of Assets | - | - | - | (300,500) | - | (300,500) |
| 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 | 76,500,000 | - | 4,263,172 | - | (10,724,325) | 70,038,847 |
| Balance as at July 01, 2019 | 76,500,000 | - | 4,263,172 | - | (10,724,325) | 70,038,847 |
| Profit / (Loss) for the period | - | - | - | - | 80,083 | 80,083 |
| Balance as at March 31, 2020 | 76,500,000 | - | 4,263,172 | - | (10,644,242) | 70,118,930 |

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

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 CHIEF EXECUTIVE OFFICER

Handwritten signature of Director
 DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2020

| Note | 09 Month Ended Mar 31, 2020 | 09 Month Ended Mar 31, 2019 |
|---|--------------------------------|--------------------------------|
| | Rupees | Rupees |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit / (Loss) for the period | 156,371 | 1,441,848 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation | 222,152 | 279,484 |
| Unrealized re-measurement gain on investment | - | - |
| Accrued markup | (229,830) | (707,227) |
| Dividend income | (675,180) | (421,988) |
| Financial charges | 11,335 | 6,392 |
| Operating loss before working capital changes | (515,153) | 598,510 |
| Effect on cash flow due to Working capital changes | | |
| (Increase)/decrease in current assets | | |
| Advance, deposit, prepayments,& other receivables | (536,549) | (2,724,451) |
| Trade debts | 1,545,899 | (7,359,904) |
| Increase in current liabilities | | |
| Trade and other payables | 5,678,759 | 41,088,287 |
| Cash flows from operations | 6,172,956 | 31,602,442 |
| Income tax paid | (396,382) | (1,076,073) |
| Financial charges paid | (11,335) | (6,392) |
| Dividend income received | 675,180 | 421,988 |
| Net cash generated from/(used in) operating activities | 6,440,419 | 30,941,964 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of operating fixed assets | (37,800) | (27,500) |
| Purchase of cards and rooms | - | - |
| Long Term Investment | - | - |
| Security deposit | (100,000) | - |
| Net cash generated from/(used in) investing activities | (137,800) | (27,500) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Share deposit money received | - | - |
| Net cash generated from financing activities | - | - |
| Net increase in cash and cash equivalents | 6,302,619 | 30,914,464 |
| 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 | 40,997,891 | 61,873,568 |

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 March 31, 2020 |
|------------------------|------------------------|-----------------------------------|-----------|--------------------------|--------------------------|---|
| | As at July 01, 2019 | Additions during the period | | As at July 01, 2019 | Charge for the period | |
| Furniture and fixtures | 748,985 | - | 15 | 234,721 | 57,348 | 456,916 |
| Computers | 1,175,180 | 37,800 | 30 | 699,529 | 110,787 | 402,664 |
| Office equipments | 720,852 | - | 15 | 245,317 | 54,018 | 421,517 |
| | 2,645,017 | 37,800 | | 1,179,567 | 222,153 | 1,401,720 |

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 July 01, 2018 | Charge for the period | |
| Furniture and fixtures | 721,485 | 27,500 | 15 | 147,592 | 87,129 | 514,265 |
| Computers | 1,175,180 | - | 30 | 495,662 | 203,867 | 475,652 |
| Office equipments | 707,002 | 13,850 | 15 | 162,254 | 83,063 | 475,533 |
| | 2,603,667 | 41,350 | | 805,508 | 374,059 | 1,465,449 |

| | (Un-Audited) March 31, 2020 Rupees | (Audited) June 30, 2019 Rupees |
|---|---|---|
| 5. Cards and rooms | | |
| LSE room | 4,640,225 | 4,640,225 |
| Trading Right Entitlement Certificate(TREC) | <u>2,500,000</u> | <u>2,500,000</u> |
| | <u>7,140,225</u> | <u>7,140,225</u> |
| 6. 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 |
| MFS Security Deposit | 100,000 | - |
| Others | 1,500 | 1,500 |
| | <u>2,178,409</u> | <u>2,078,409</u> |
| 7. 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> |
| 8. Trade debts | | |
| - Considered good | <u>4,989,197</u> | <u>6,535,096</u> |
| 9. Advances and deposits | | |
| Advances to suppliers | 119,585 | 119,585 |
| Advances to employees | 260 | 116,914 |
| Prepayment | 44,582 | 1,250 |
| Security deposit | 10,900,000 | 9,900,000 |
| Accrued markup | 229,830 | 390,129 |
| | <u>11,294,257</u> | <u>10,527,878</u> |
| 10. Cash and bank balances | | |
| Cash at hand | 34,905 | 1,585 |
| Cash at bank | | |
| Saving account | 21,904,885 | 23,104,509 |
| Current account | 19,058,101 | 11,589,177 |
| | <u>40,997,891</u> | <u>34,695,271</u> |
| 11. 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> |

11.1. Issued, subscribed and Paid up

7,650,000 (June-2019: 7,650,000) ordinary shares of Rs.10
each fully paid-up in cash

76,500,000 76,500,000

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

26,500,000 26,500,000

76,500,000 76,500,000

12. Trade and other payables

Trade payables

16,771,190 11,518,564

Others payable

1,967,477 1,541,346

18,738,667 13,059,910

12.1.

Accrued liabilities

33,780

Provident fund payable

1,159,572 713,622

Other Payables

562,625 616,224

Audit fee payable

211,500 211,500

1,967,477 1,541,346

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13. Contingencies and commitments

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

| Note | 09 Month Ended | 09 Month Ended |
|--|------------------|------------------|
| | Mar 31, 2020 | Mar 31, 2019 |
| | Rupees | Rupees |
| 14. Operating revenues | | |
| Commission income | 6,105,169 | 7,630,487 |
| | <u>6,105,169</u> | <u>7,630,487</u> |
| 15. Administrative & Operative Expenses | | |
| Salaries, allowances and other benefits | 7,500,648 | 7,211,968 |
| Rent, rates and taxes | 12,190 | 13,027 |
| Repairs and Maintenance | 175,321 | 128,350 |
| Utilities | 349,090 | 274,629 |
| Fees & subscription | 281,999 | 285,542 |
| PSX, Clearing house and CDC charges, etc. | 351,296 | 488,622 |
| Insurance charges | 3,998 | 8,288 |
| Travelling and conveyance | 10,620 | 21,580 |
| Depreciation | 222,153 | 279,484 |
| Communication, printing and stationery | 135,474 | 78,482 |
| Legal and professional charges | 423,738 | 300,977 |
| Commission paid to Trader | 27,096 | 265,188 |
| Entertainment | 109,859 | 68,899 |
| Auditor Remuneration | | - |
| Misc Expenses | 1,170 | 1,136 |
| | <u>9,604,652</u> | <u>9,426,172</u> |
| 15.2 Auditor Remuneration | | |
| Statutory audit | - | - |
| Others | - | - |
| | <u>-</u> | <u>-</u> |
| 16. Finance Cost | | |
| Bank charges | 9,820 | 6,389 |
| FED charges | 1,514 | 3 |
| | <u>11,335</u> | <u>6,392</u> |
| 17. Other income | | |
| Income from financial assets | | |
| Profit on Bank deposit | 1,756,373 | 272,472 |
| Dividend Income | 675,180 | 421,988 |
| Margin finance income | 382,197 | 1,374,886 |
| Margin Trading income | - | 7,768 |
| Return on exposure deposit with PSX | 715,858 | 526,555 |
| Return on exposure deposit - BMC | 16,081 | |
| commission receivable on MF | - | 90,134 |
| income receivable on MF | - | 525,410 |
| Misc. Income | 121,500 | 24,712 |
| | <u>3,667,188</u> | <u>3,243,925</u> |

| | 09 Month Ended Mar 31, 2020 Rupees | 09 Month Ended Mar 31, 2019 Rupees |
|----------------|--|--|
| 18. Taxation | | |
| Current period | 76,288 | 85,843 |
| | 76,288 | 85,843 |

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 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.

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 | |
|-------------------------|--|--|--|--|
| | 09 Month Ended Mar 31, 2020 Rupees | 09 Month Ended Mar 31, 2019 Rupees | 09 Month Ended Mar 31, 2020 Rupees | 09 Month Ended Mar 31, 2019 Rupees |
| Managerial remuneration | 1,920,000 | 1,800,000 | 1,293,750 | 1,610,000 |
| Other benefits | 759,003 | 702,742 | 45,000 | 64,426 |
| Provident fund | 99,963 | 93,717 | 67,356 | 62,481 |
| | 2,778,966 | 2,596,459 | 1,406,106 | 1,736,907 |
| No. of persons | 1 | 1 | 2 | 3 |

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 Company | Nature of transactions | 09 Month Ended Mar 31, 2020 Rupees | 09 Month Ended Mar 31, 2019 Rupees |
|----------------------------------|------------------------|--|--|
| | | Other Related Parties | Commission Income |
| Key Management | Commission Income | 123,251 | 127,001 |
| Provident fund | Employer contribution | 167,319 | 156,198 |
| | Employee contribution | 167,319 | 156,198 |

21. Financial instruments and related disclosures

21.2 Maturities of financial assets and liabilities

As At March 31, 2020 (Un-Audited)

| | Mark-up bearing maturity | | | | Non-mark-up bearing maturity | | | | Total |
|------------------------------|--------------------------|-----------------------------------|--------------------|-------------------|------------------------------|-----------------------------------|--------------------|-------------------|-------------------|
| | Up to one year | Over one year up to five years | Over five years | Sub-total | Up to one year | Over one year up to five years | Over five years | Sub-total | |
| Financial assets | -----Rupees----- | | | | | | | | |
| Long term security deposits | - | - | - | - | - | - | 2,178,409 | 2,178,409 | 2,178,409 |
| Trade Debts | - | - | - | - | 4,989,197 | - | - | 4,989,197 | 4,989,197 |
| Advances and deposits | 10,900,000 | - | - | 10,900,000 | 394,257 | - | - | 394,257 | 11,294,257 |
| Long Term Investment | - | - | - | - | - | - | 19,155,066 | 19,155,066 | 19,155,066 |
| Cash and bank balances | 21,904,885 | - | - | 21,904,885 | 19,058,101 | - | - | 19,058,101 | 40,962,986 |
| | 32,804,885 | - | - | 32,804,885 | 24,441,555 | - | 21,333,475 | 45,775,030 | 78,579,915 |
| Financial liabilities | | | | | | | | | |
| On balance sheet | | | | | | | | | |
| Trade and other payables | - | - | - | - | 18,738,667 | - | - | 18,738,667 | 18,738,667 |
| | - | - | - | - | 18,738,667 | - | - | 18,738,667 | 18,738,667 |
| Off balance sheet | | | | | | | | | |
| | - | - | - | - | 18,738,667 | - | - | 18,738,667 | 18,738,667 |

As At June 30, 2019 (Audited)

| | Mark-up bearing maturity | | | | Non-mark-up bearing maturity | | | | Total |
|------------------------------|--------------------------|--------------------------------|-----------------|-------------------|------------------------------|--------------------------------|-------------------|-------------------|-------------------|
| | Up to one year | Over one year up to five years | Over five years | Sub-total | Up to one year | Over one year up to five years | Over five years | Sub-total | |
| Financial assets | | | | | | | | | |
| Long term security deposits | - | - | - | - | - | - | 2,078,409 | 2,078,409 | 2,078,409 |
| Trade debts | - | - | - | - | 6,535,096 | - | - | 6,535,096 | 6,535,096 |
| Advances and deposits | 9,900,000 | - | - | 9,900,000 | - | 627,878 | - | 627,878 | 10,527,878 |
| 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 | - | - | - | - | 13,059,908 | - | - | 13,059,908 | 13,059,908 |
| Trade and other payables | - | - | - | - | 13,059,908 | - | - | 13,059,908 | 13,059,908 |
| Off balance sheet | - | - | - | - | 13,059,908 | - | - | 13,059,908 | 13,059,908 |

Rupees-

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) March 31, 2020 Rupees | (Audited) June 30, 2019 Rupees |
|--------------------------------|---|---|
| Size of the fund | 1,159,572 | 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.

23. **No. of employees**

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

| | (Un-Audited) March 31, 2020 Number | (Audited) June 30, 2019 Number |
|-----------------------------|---|---|
| Number of employees | 11 | 10 |
| Average number of employees | 10 | 8 |

24. **Date of authorization**

These financial statements have been authorized for issue by the Board of Directors of the Company on 20 APR 2020.

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25. **General**

Figures have been rounded off to the nearest rupees.

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CHIEF EXECUTIVE OFFICER

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DIRECTOR