

**PUNJAB CAPITAL SECURITIES
(PRIVATE) LIMITED**

CONDENSED INTERIM FINANCIAL STATEMENTS

Six Month (Un-Audited)

For the Six Month Ended July 01, 2020 to December 31, 2020

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

	Note	(Un-Audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	4	1,105,105	1,224,233
Cards and rooms	5	7,140,225	7,140,225
Long term security deposits	6	2,178,409	2,178,409
Long term investment	7	19,605,539	19,605,539
		<u>30,029,278</u>	<u>30,148,406</u>
CURRENT ASSETS			
Trade debts	8	9,356,447	8,983,643
Advances, deposits & prepayments	9	17,123,153	9,065,346
Income tax refund due from Government		2,408,458	2,208,656
Cash and bank balances	10	49,622,052	44,342,701
		<u>78,510,110</u>	<u>64,600,346</u>
TOTAL ASSETS		<u><u>108,539,388</u></u>	<u><u>94,748,752</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	11	76,500,000	76,500,000
Fair value reserve		4,713,645	4,713,645
Accumulated losses		(8,693,129)	(11,609,102)
		<u>72,520,516</u>	<u>69,604,543</u>
CURRENT LIABILITIES			
Trade and other payables	12	35,519,669	24,762,558
Provision for taxation		499,203	381,651
		<u>36,018,872</u>	<u>25,144,209</u>
TOTAL EQUITY AND LIABILITIES		<u><u>108,539,388</u></u>	<u><u>94,748,752</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

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

	Note	06 Month Ended Dec 31, 2020 Rupees	06 Month Ended Dec 31, 2019 Rupees	03 Month Ended Dec 31, 2020 Rupees	03 Month Ended Dec 31, 2019 Rupees
Operating revenues	14	9,404,187	3,786,432	4,352,879	2,445,584
Administrative & operative expenses	15	(8,303,610)	(6,290,948)	(4,282,417)	(3,416,267)
Operating Profit/(Loss)		1,100,577	(2,504,516)	70,462	(970,683)
Finance charges	16	(5,986)	(7,427)	(2,401)	(3,969)
		1,094,591	(2,511,943)	68,061	(974,652)
Other income	17	1,938,935	2,623,642	1,291,015	1,716,378
Gain on re-measurement of investment classified as 'held for trading'		-	-	-	-
Profit/(Loss) before taxation		3,033,526	111,699	1,359,076	741,726
Taxation	18	117,552	47,330	54,411	30,569
Profit/(Loss) after taxation		2,915,974	64,369	1,304,665	711,157

OTHER COMPREHENSIVE INCOME

Items which will not be classified
in profit & loss account

Unrealized gain charged to OCI

	-	-	-	-
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Other comprehensive income/ for the period

	-	-	-	-
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Total Comprehensive income/ (loss) for the Period

	2,915,974	64,369	1,304,665	711,157
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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 DECEMBER 31, 2020

	Issued, subscribed and paid-up capital	Fair Value Reserve	Revaluation of Non- Current Asset	Accumulated Profit/loss	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2018	76,500,000	3,425,810	300,500	(11,520,265)	68,706,046
Reversal revaluation of assets			(300,500)		(300,500)
Profit of the year	-	837,362	-	795,940	795,940
Other comprehensive income	-	837,362	-	-	837,362
Total comprehensive income	-	837,362	-	795,940	1,633,302
Balance as at June 30, 2019	76,500,000	4,263,172	-	(10,724,325)	70,038,848
Loss for the year	-	450,473	-	(884,778)	(884,778)
Other comprehensive income	-	450,473	-	-	450,473
Total comprehensive income	-	450,473	-	(884,778)	(434,305)
Balance as at June 30, 2020	76,500,000	4,713,645	-	(11,609,102)	69,604,543
Balance as at July 01, 2020	76,500,000	4,713,645	-	(11,609,102)	69,604,543
Profit for the period	-	-	-	2,915,974	2,915,974
	-	-	-	2,915,974	2,915,974
Revaluation of assets	-	-	-	-	-
Balance as at December 31, 2020	76,500,000	4,713,645	-	(8,693,129)	72,520,516

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
CASH FLOW STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 2020

Note	06 Month Ended Dec 31, 2020 Rupees	06 Month Ended Dec 31, 2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	3,033,526	111,699
Adjustments for non-cash charges and other items:		
Depreciation	119,128	146,524
Accrued markup	(483,072)	(378,190)
Dividend income	(590,783)	(675,180)
Financial charges	5,986	7,427
Operating loss before working capital changes	<u>2,084,785</u>	<u>(787,720)</u>
Effect on cash flow due to Working capital changes		
(Increase)/decrease in current assets		
Advances, deposits & prepayments	(7,574,735)	(536,289)
Trade debts	(372,804)	3,215,768
Increase in current liabilities		
Trade and other payables	<u>10,757,111</u>	<u>2,352,514</u>
Cash flows from operations	4,894,357	4,244,273
Income tax paid	(199,802)	(296,655)
Financial charges paid	(5,986)	(7,427)
Dividend income received	590,783	675,180
Net cash generated from/(used in) operating activities	<u>5,279,352</u>	<u>4,615,371</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	-	(37,800)
Net cash generated from/(used in) investing activities	-	(37,800)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share deposit money received	-	-
Net cash generated from financing activities	-	-
Net increase in cash and cash equivalents	<u>5,279,350</u>	<u>4,577,571</u>
Cash and cash equivalents at the beginning of the period	44,342,701	34,695,271
Cash and cash equivalents at the end of the period 10	<u><u>49,622,052</u></u>	<u><u>39,272,842</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 December 31, 2020
	As at July 01, 2020	Additions during the period		As at December 31, 2020	Charge for the period	
Furniture and fixtures	748,985	-	15	311,184	32,496	405,305
Computers	1,212,980	-	30	848,820	54,614	309,547
Office equipments	739,852	-	15	317,580	32,018	390,254
	2,701,817	-		1,477,584	119,128	1,105,105

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, 2020
	As at July 01, 2019	Additions during the period	As at June 30, 2020		As at July 01, 2019	Charge for the period	As at June 30, 2020	
Furniture and fixtures	748,985	-	748,985	15	234,721	76,464	311,184	437,801
Computers	1,175,180	37,800	1,212,980	30	699,529	149,292	848,820	364,161
Office equipments	720,852	19,000	739,852	15	245,317	72,263	317,580	422,272
	2,645,017	56,800	2,701,817		1,179,567	298,019	1,477,584	1,224,233

	(Un-Audited) December 31, 2020 Rupees	(Audited) June 30, 2020 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
Deposit against MSF	100,000	100,000
Others	1,500	1,500
	<u>2,178,409</u>	<u>2,178,409</u>
7. Long term investment available for sale		
843,975 (June-2020: 843,975) shares of LSE Financial Services Limited	<u>19,605,539</u>	<u>19,605,539</u>
8. Trade debts		
- Considered good	<u>9,356,447</u>	<u>8,983,643</u>
9. Advances, deposits & prepayments		
Advances to suppliers	119,585	119,585
Prepayment	120,496	1,250
Security deposit	16,400,000	8,900,000
Accrued markup	483,072	44,511
	<u>17,123,153</u>	<u>9,065,346</u>
10. Cash and bank balances		
Cash at hand	15,000	-
Cash at bank		
Saving account	9,705,135	21,254,082
Current account	39,901,918	23,088,619
	<u>49,622,052</u>	<u>44,342,701</u>
11. Share Capital		
Authorized		
20,000,000 (June-2020: 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-2020: 7,650,000) ordinary shares of Rs.10 each fully paid-up in cash	<u>76,500,000</u>	<u>76,500,000</u>
12. Trade and other payables		
Trade payables	30,319,598	22,314,774
Others payable	5,200,071	2,447,784
	<u>35,519,669</u>	<u>24,762,558</u>
12.1.		
Accrued liabilities	2,461	-
Provident fund payable	1,637,469	1,310,304
Other payables	3,300,141	877,480
Audit fee payable	260,000	260,000
	<u>5,200,071</u>	<u>2,447,784</u>

13. Contingencies and commitments

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

Note	06 Month Ended	06 Month Ended
	Dec 31, 2020	Dec 31, 2019
	Rupees	Rupees
14. Operating revenues		
Commission income	9,404,187	3,786,432
	<u>9,404,187</u>	<u>3,786,432</u>
15. Administrative & operative expenses		
Salaries, allowances and other benefits	6,167,029	4,873,952
Rent, rates and taxes	13,463	12,190
Repairs and maintenance	130,622	117,315
Utilities	259,319	256,764
Fees & subscription	235,681	209,426
PSX, clearing house and CDC charges, etc.	558,655	246,743
Insurance charges	106,759	3,998
Travelling and conveyance	6,410	7,500
Depreciation	119,128	146,527
Communication, printing and stationery	84,799	100,575
Legal and professional charges	535,785	213,738
Commission paid to trader	-	27,096
Entertainment	72,160	74,174
Auditor remuneration	-	-
Misc expenses	13,800	950
	<u>8,303,610</u>	<u>6,290,948</u>
15.2 Auditor remuneration		
Statutory audit	-	-
Others	-	-
	<u>-</u>	<u>-</u>
16. Finance cost		
Bank charges	5,160	6,424
FED charges	826	1,002
	<u>5,986</u>	<u>7,427</u>
17. Other income		
Income from financial assets		
Profit on bank deposit	255,273	1,240,522
Dividend income	590,783	675,180
Margin finance income	436,474	141,296
Return on exposure deposit with PSX	387,207	447,063
Return on exposure deposit - BMC	-	16,081
commission receivable on MF	103,075	-
income receivable on MF	166,124	-
Misc. Income	-	103,500
	<u>1,938,935</u>	<u>2,623,642</u>

18. **Taxation**
Current period

06 Month Ended Dec 31, 2020	06 Month Ended Dec 31, 2019
Rupees	Rupees
117,552	47,330
<u>117,552</u>	<u>47,330</u>

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	
	06 Month Ended Dec 31, 2020	06 Month Ended Dec 31, 2019	06 Month Ended Dec 31, 2020	06 Month Ended Dec 31, 2019
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	1,320,000	1,260,000	1,942,500	862,500
Other benefits	484,977	505,491	30,000	30,000
Provident fund	68,724	65,601	85,510	44,904
	<u>1,873,701</u>	<u>1,831,092</u>	<u>2,058,010</u>	<u>937,404</u>
No. of persons	<u>1</u>	<u>1</u>	<u>5</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 company	Nature of transactions	06 Month Ended Dec 31, 2020	06 Month Ended Dec 31, 2019
		Rupees	Rupees
Other related parties	Commission income	1,512,624	33,138
Key management	Commission income	647,450	-
Provident fund	Employer contribution	154,234	110,505
	Employee contribution	154,234	110,505

21. Financial instruments and related disclosures
 21.1 Maturities of financial assets and liabilities

As At December 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									
Long term security deposits	-	-	-	-	-	-	2,178,409	2,178,409	2,178,409
Trade debts	-	-	-	-	9,356,447	-	9,356,447	9,356,447	9,356,447
Advances, deposits & prepayments	16,400,000	-	-	16,400,000	723,153	-	723,153	17,123,153	17,123,153
Long term investment	-	-	-	-	-	-	19,605,539	19,605,539	19,605,539
Cash and bank balances	9,705,135	-	-	9,705,135	39,901,918	-	39,901,918	49,607,052	49,607,052
	26,105,135			26,105,135	49,981,518		21,783,948	71,765,466	97,870,600
Financial liabilities									
On balance sheet									
Trade and other payables	-	-	-	-	35,519,669	-	-	35,519,669	35,519,669
					35,519,669			35,519,669	35,519,669
Off balance sheet									
					35,519,669			35,519,669	35,519,669

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 reporting date. There were no transfers between different levels of fair values during the year.

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 31st December:

	(Un-Audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
Size of the fund	<u>1,637,469</u>	<u>1,310,304</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 been made and transfer into separate bank account of the company which is not under usage of the company. Provident fund trust is under process.

23. No. of employees

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

	(Un-Audited) December 31, 2020 Number	(Audited) June 30, 2020 Number
Number of employees	<u>11</u>	<u>11</u>
Average number of employees	<u>11</u>	<u>11</u>

24. Date of authorization

These financial statements have been authorized for issue by the Board of Directors of the Company on 17 FEB 2021.

25. General

Figures have been rounded off to the nearest rupees.

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CHIEF EXECUTIVE OFFICER




DIRECTOR