

**PUNJAB CAPITAL SECURITIES
(PRIVATE) LIMITED**

CONDENSED INTERIM FINANCIAL STATEMENTS

Six Month (Un-Audited)

For the Six Month Ended January 01, 2022 to June 30, 2022

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	(Un-Audited) June 30, 2022 Rupees	(Audited) December 31, 2021 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	4	1,090,575	1,124,632
Intangible assets	5	7,140,225	7,140,225
Long term security deposits	6	8,192,027	8,192,027
Long term investment	7	23,842,294	20,466,394
		40,265,121	36,923,278
CURRENT ASSETS			
Trade debts	8	5,845,665	7,778,595
Advances , prepayments & other receivables	9	29,632,061	30,936,802
Tax due from Government	10	2,112,405	1,541,491
Cash and bank balances	11	32,202,937	28,208,685
		69,793,068	68,465,573
TOTAL ASSETS		110,058,189	105,388,851
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	76,500,000	76,500,000
Fair value reserve		5,574,500	5,574,500
Accumulated profit/(losses)		(1,927,109)	306,796
		80,147,391	82,381,296
NON-CURRENT LIABILITY			
Deferred tax liability		599,483	599,483
		599,483	599,483
CURRENT LIABILITIES			
Trade and other payables	13	27,879,184	21,403,087
Provision for taxation		1,432,132	1,004,985
		29,311,316	22,408,072
TOTAL EQUITY AND LIABILITIES		110,058,189	105,388,851
CONTINGENCIES AND COMMITMENTS	14	-	-

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
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2022

	Note	06 Month Ended June 30, 2022	06 Month Ended June 30, 2021
		Rupees	Rupees
Brokerage income	15	10,498,336	16,547,495
Administrative & operative expenses	16	(10,595,776)	(10,977,038)
Operating Profit/(Loss)		(97,440)	5,570,457
Bank charges	17	(18,299)	(15,138)
Other income	18	2,628,368	1,396,589
Profit/(loss) before taxation		2,512,629	6,951,908
Taxation	19	(427,147)	(320,757)
Profit/(Loss) after taxation		2,085,482	6,631,151

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	2,085,482	6,631,151

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
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30, 2022

	Issued, subscribed and paid-up capital	Fair Value Reserve	Accumulated Profit/loss	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2021	76,500,000	5,642,018	(4,012,591)	78,129,427
Profit for the period	-	-	4,319,387	4,319,387
Other comprehensive income	-	(67,518)	-	(67,518)
	-	(67,518)	4,319,387	4,251,869
Balance as at December 31, 2021	<u>76,500,000</u>	<u>5,574,500</u>	<u>306,796</u>	<u>82,381,296</u>
Balance as at January 01, 2022	76,500,000	5,574,500	306,796	82,381,296
Profit for the period	-	-	2,085,482	2,085,482
Dividend paid	-	-	(4,319,387)	(4,319,387)
Other comprehensive income	-	-	-	-
	-	-	(2,233,905)	(2,233,905)
Balance as at June 30, 2022	<u>76,500,000</u>	<u>5,574,500</u>	<u>(1,927,109)</u>	<u>80,147,391</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
CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED JUNE 30, 2022

Note	06 Month Ended	06 Month Ended
	June 30, 2022	June 30, 2021
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	2,512,629	6,951,908
Adjustments for non-cash charges and other items:		
Depreciation	107,557	119,128
Accrued markup	(1,001,911)	273,498
Dividend income	(632,981)	-
Financial charges	18,299	15,138
Operating profit/(loss) before working capital changes	1,003,593	7,359,672
Effect on cash flow due to Working capital changes		
(Increase)/decrease in current assets		
Advances , prepayments & other receivables	2,306,652	(16,803,836)
Trade debts	1,932,930	(23,415,867)
Increase in current liabilities		
Trade and other payables	6,476,097	13,102,802
Cash flows from operations	11,719,272	(19,757,228)
Income tax paid	(570,914)	(621,185)
Financial charges paid	(18,299)	(15,138)
Dividend income received	632,981	-
Net cash generated from/(used in) operating activities	11,763,040	(20,393,551)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(73,500)	-
Long term investment	(3,375,900)	-
Security deposit	-	(913,582)
Net cash generated from/(used in) investing activities	(3,449,400)	(913,582)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(4,319,387)	-
Net cash generated from financing activities	(4,319,387)	-
Net increase in cash and cash equivalents	3,994,252	(21,307,133)
Cash and cash equivalents at the beginning of the period	28,208,685	49,622,052
Cash and cash equivalents at the end of the period	32,202,937	28,314,919

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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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX MONTH ENDED 30 JUNE 2022

1 GENERAL INFORMATION

The Punjab Capital Securities (Private) Limited ("the Company") is registered under the repealed Companies Ordinance, 1984 (which is replaced by Companies Act 2017) as a company limited by shares on the 29th day of November 2016. The Company is mainly engaged in business of brokerage services, portfolio management and consultancy services. The registered office of the Company is situated at Room No 319, 3rd Floor, Lahore stock exchange (LSE) Building, Lahore.

The Company is wholly-owned subsidiary of First Punjab Modaraba ("the Parent") by virtue of 100% holding of the Company which in turn is the subsidiary of Punjab Modaraba Services (Private) Limited, ultimate parent of the company is The Bank of Punjab.

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 Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulation)

Wherever, the requirements of the Companies Act, 2017 or directives issued by the SECP differ with the requirements of these IFRS, the Regulation and the requirements of the Companies Act, 2017 or the requirements of the said directives take precedence.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at their fair value or amortized cost as applicable.

2.3 Accounting estimates

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 the historical experience and other factors involving a higher degree of expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements for the period ended June 30, 2022.

3 Functional and presentation currency

These financial statements are presented in Pakistan rupees, which is the functional and presentation currency for the Company. The figures have been rounded-off to nearest rupees, unless otherwise stated.

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 June 30, 2022
	As at Jan 01, 2022	Additions during the period	As at June 30, 2022		As at Jan 01, 2022	Charge for the period	As at June 30, 2022	
Furniture and fixtures	748,985	-	748,985	15	405,566	25,550	431,116	317,869
Computers	1,240,980	6,500	1,247,480	30	996,295	38,208	1,034,503	212,977
Office equipment	946,152	67,000	1,013,152	15	409,624	43,799	453,423	559,729
	2,936,117	73,500	3,009,617		1,811,485	107,557	1,919,042	1,090,575

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 December 31, 2021
	As at July 01, 2021	Additions during the period	As at December 31, 2021		As at July 01, 2021	Charge for the period	As at December 31, 2021	
Furniture and fixtures	748,985	-	748,985	15	377,721	27,845	405,566	343,419
Computers	1,212,980	28,000	1,240,980	30	958,057	38,238	996,295	244,685
Office equipment	739,852	206,300	946,152	15	380,062	29,562	409,624	536,528
	2,701,817	234,300	2,936,117		1,715,840	95,645	1,811,485	1,124,632

		(Un-Audited) June 30, 2022 Rupees	(Audited) December 31, 2021 Rupees
5. Intangible assets			
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>
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		6,490,527	6,490,527
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		101,500	101,500
		<u>8,192,027</u>	<u>8,192,027</u>
7. Long term investment			
Available for Sale			
1,181,565 (Dec-2021: 843,975) shares of LSE Financial Services Limited		<u>23,842,294</u>	<u>20,466,394</u>
Cost		20,466,394	20,533,912
Revaluation gain during year		-	(67,518)
Right Shares of LSE Financial Services Limited (337,590 @Rs. 10/-)	7.1	<u>3,375,900</u>	-
		<u>23,842,294</u>	<u>20,466,394</u>
7.1	LSE Financial Services Ltd offered their 40% right shares to existing share holders at par value i.e. Rs.10/-. The company subscribed their shares which were 337,590 shares.		
8. Trade debts			
- Considered good		<u>5,845,665</u>	<u>7,778,595</u>
	This includes Rs. 114,755/- (Dec-2021: Rs.1,306,246/-) receivable from related parties.		
9. Advances , prepayments & other receivables			
Advances to suppliers		730,150	797,140
Prepayment		-	99,303
Exposure deposit - NCCPL	9.1	27,900,000	29,917,195
Accrued income		1,001,911	123,164
		<u>29,632,061</u>	<u>30,936,802</u>
9.1	This includes Rs. 27,900,000/- (Dec-2021: 29,917,195) given to NCCPL against ready and future exposure for trade activity.		
10. Tax due from Government			
Tax refund due from Government		1,541,491	2,752,370
Advance tax paid during the period		570,914	347,529
		<u>2,112,405</u>	<u>3,099,899</u>
Less: Adjusted during the period		-	(1,558,408)
		<u>2,112,405</u>	<u>1,541,491</u>

	(Un-Audited) June 30, 2022 Rupees	(Audited) December 31, 2021 Rupees
11. Cash and bank balances		
Cash at hand	-	-
Cash at bank		
Saving account	3,317,517	2,660,203
Current account	28,885,421	25,548,482
	<u>32,202,937</u>	<u>28,208,685</u>
This includes Rs. 2,850,114/- (Dec-2021: Rs.2,600,785/-) provident fund balance held in designated bank account.		
12. Share Capital		
Authorized		
20,000,000 (Dec-2021: 20,000,000) ordinary shares of Rs.10 each	<u>200,000,000</u>	<u>200,000,000</u>
12.1. Issued, subscribed and Paid up		
7,650,000 (Dec-2021: 7,650,000) ordinary shares of Rs.10 each fully paid-up in cash	<u>76,500,000</u>	<u>76,500,000</u>
13. Trade and other payables		
Trade payables	23,333,377	16,082,830
Others payable	4,545,807	5,320,257
	<u>27,879,184</u>	<u>21,403,087</u>
13.1 Others payable		
Accrued liabilities	2,461	2,461
Provident fund payable	3,015,167	2,687,107
Other payables	1,268,179	2,110,689
Audit fee payable	260,000	520,000
	<u>4,545,807</u>	<u>5,320,257</u>

14. Contingencies and commitments

There are no material contingencies and commitments at the balance sheet date. (Nil: 2021)

		06 Month Ended June 30, 2022	06 Month Ended June 30, 2021
	Note	Rupees	Rupees
15. Brokerage income			
Commission income - Regular & Future		9,556,092	16,114,529
Commission income - MF		942,244	432,966
		10,498,336	16,547,495
16. Administrative & operative expenses			
Salaries, allowances and other benefits		6,320,197	5,213,310
Sales reward allowance		1,720,925	2,763,718
Shariah advisor fee		300,000	300,000
Rent, rates and taxes		189,608	129,290
Repairs and maintenance		244,240	176,656
Utilities		259,553	221,270
Fees & subscription		220,177	195,626
PSX, clearing house and CDC charges, etc.		602,380	831,440
Insurance charges		99,303	104,070
Travelling and conveyance		44,650	38,833
Depreciation		107,557	119,128
Communication, printing and stationery		96,934	91,810
Legal and professional charges		147,095	58,250
Marketing expenses		126,000	120,370
Entertainment		114,961	72,462
Auditor remuneration	15.1	-	260,000
Penalty	15.2	-	275,000
Misc. expenses		2,196	5,805
		10,595,776	10,977,038
15.1 Auditor remuneration			
Statutory audit		-	200,000
Certifications		-	50,000
Out of pocket expenses		-	10,000
		-	260,000
15.2 Penalty			
The Securities and Exchange Commission of Pakistan has imposed penalty of Rs. 275,000/- under section 40A of the act on violation of AML regulations. The company has filed appeal in appellate bench of SECP.			
17. Bank charges			
Bank charges		15,871	13,090
FED charges		2,428	2,048
		18,299	15,138
18. Other income			
Income from financial assets			
Profit on bank deposit		29,165	37,828
Dividend income		632,981	-
Margin finance income		766,906	239,422
Return on exposure deposit with PSX		960,200	713,753
Return on exposure deposit - BMC		234,743	12,830
Physical share transfer fee		-	392,756
Misc. income		4,372	-
		2,628,368	1,396,589

	06 Month Ended June 30, 2022	06 Month Ended June 30, 2021
	Rupees	Rupees
19. Taxation		
Current period	427,147	320,757
Deffered tax	-	-
	<u>427,147</u>	<u>320,757</u>

20. 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 June 30, 2022	06 Month Ended June 30, 2021	06 Month Ended June 30, 2022	06 Month Ended June 30, 2021
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	1,904,178	1,478,400	2,497,626	2,148,600
Other benefits	579,879	497,237	30,000	30,000
Performance Bonus	172,480	462,500	192,171	170,094
Provident fund	99,138	73,920	130,032	111,864
	<u>2,583,195</u>	<u>2,049,557</u>	<u>2,657,658</u>	<u>2,290,464</u>
No. of persons	<u>1</u>	<u>1</u>	<u>5</u>	<u>5</u>

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

21. 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 June 30, 2022	06 Month Ended June 30, 2021
		Rupees	Rupees
Parent Company			
The Bank of Punjab	Commission income	1,742,339	3,284,585
	Balance Receivable	114,755	1,746,007
Key management personnel			
Chief Executive Officer	Commission paid to PCS	520,164	468,207
Head of Operations	Commission paid to PCS	3,745	8,419
Senior Risk Manager	Commission paid to PCS	985	1,452
Head of Internal Audit	Commission paid to PCS	3,092	12,510

22. **Provident fund and related disclosures**

	(Un-Audited) June 30, 2022 Rupees	(Audited) December 31, 2021 Rupees
Size of the fund	3,015,167	2,687,107
Cost of investments made	-	-
Percentage of investments made	-	-
Fair value of investments	-	-

The investments out of the provident fund have not been made and transfer into separate bank account of the company which is not under usage of the company.

23. **No. of employees**

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

	(Un-Audited) June 30, 2022 Number	(Audited) December 31, 2021 Number
Number of employees	11	12
Average number of employees	11	12

24. **Date of authorization**

These financial statements have been authorized for issue by the Board of Directors of the Company on ~~06 SEP 2022~~

25. **General**

Figures have been rounded off to the nearest rupees.


CHIEF EXECUTIVE OFFICER




DIRECTOR