

**PUNJAB CAPITAL SECURITIES
(PRIVATE) LIMITED**

**FINANCIAL STATEMENTS
03 Months (Un-Audited)**

For the 03 Months Ended January 01, 2023 to March 31, 2023

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Note	(Un-Audited) March 31, 2023 Rupees	(Audited) December 31, 2022 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	4	1,759,275	1,816,515
Intangible assets	5	7,140,225	7,140,225
Long term security deposits	6	8,292,027	8,292,027
Long term investment	7	23,879,429	23,879,429
		41,070,956	41,128,196
CURRENT ASSETS			
Trade debts	8	2,185,241	7,556,939
Advances , prepayments & other receivables	9	32,782,314	20,472,938
Tax due from Government	10	2,220,093	2,182,958
Cash and bank balances	11	26,309,785	35,759,397
		63,497,433	65,972,232
TOTAL ASSETS		104,568,389	107,100,428
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	76,500,000	76,500,000
Fair value reserve		6,711,221	6,711,221
Accumulated profit/(losses)		(2,948,528)	(2,517,000)
		80,262,692	80,694,221
NON-CURRENT LIABILITY			
Deferred tax liability		632,246	632,246
		632,246	632,246
CURRENT LIABILITIES			
Trade and other payables	13	23,086,572	25,235,708
Provision for taxation		586,879	538,253
		23,673,451	25,773,961
TOTAL EQUITY AND LIABILITIES		104,568,389	107,100,428
CONTINGENCIES AND COMMITMENTS	14	-	-

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

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Arshant / Ravi
CHIEF EXECUTIVE OFFICER

[Signature]
DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2023

	Note	(Un-Audited)	(Un-Audited)
		03 Month Ended March 31, 2023	03 Month Ended March 31, 2022
		Rupees	Rupees
Brokerage income	15	3,890,109	5,177,634
Administrative & operative expenses	16	(5,544,278)	(4,827,279)
Operating Profit/(Loss)		(1,654,169)	350,355
Bank charges	17	(189)	(3,625)
		(1,654,358)	346,730
Other income	18	1,271,455	1,610,494
Profit/(loss) before taxation		(382,902)	1,957,225
Taxation	19	(48,626)	(332,728)
Profit/(Loss) after taxation		(431,528)	1,624,497
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		(431,528)	1,624,497

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

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Dasgupta / Dasgupta

CHIEF EXECUTIVE OFFICER

Dasgupta
DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2023

	Issued, subscribed and paid-up capital	Fair Value Reserve	Accumulated Profit/loss	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at January 01, 2022	76,500,000	5,574,500	306,796	82,381,296
Profit for the year	-	-	1,495,591	1,495,591
Dividend paid during the year	-	-	(4,319,387)	(4,319,387)
Other comprehensive income for the year	-	1,136,721	-	1,136,721
	-	1,136,721	(2,823,796)	(1,687,075)
Balance as at December 31, 2022	76,500,000	6,711,221	(2,517,000)	80,694,221
Balance as at January 01, 2023	76,500,000	6,711,221	(2,517,000)	80,694,221
Profit for the Period	-	-	(431,528)	(431,528)
Other comprehensive income	-	-	-	-
	-	-	(431,528)	(431,528)
Balance as at March 31, 2023	76,500,000	6,711,221	(2,948,528)	80,262,693

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

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Aulans/Ravi
CHIEF EXECUTIVE OFFICER

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DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED MARCH 31, 2023

Note	03 Month Ended March 31, 2023	03 Month Ended March 31, 2022
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(382,902)	1,957,225
Adjustments for non-cash charges and other items:		
Depreciation	71,740	52,373
Accrued markup	(1,076,160)	(918,293)
Dividend income	-	(632,981)
Financial charges	189	3,625
Operating profit/(loss) before working capital changes	(1,387,134)	461,949
Effect on cash flow due to Working capital changes		
(Increase)/decrease in current assets		
Advances , prepayments & other receivables	(11,059,331)	22,217,999
Trade debts	5,371,698	(4,532,044)
Increase in current liabilities		
Trade and other payables	(2,149,136)	8,641,841
Cash flows from operations	(9,223,903)	26,789,745
Income tax paid	(211,020)	(386,084)
Financial charges paid	(189)	(3,625)
Dividend income received	-	632,981
Net cash generated from/(used in) operating activities	(9,435,111)	27,033,017
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(14,500)	(73,500)
Long term investment	-	-
Security deposit	-	-
Net cash generated from/(used in) investing activities	(14,500)	(73,500)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	-
Net cash generated from financing activities	-	-
Net increase in cash and cash equivalents	(9,449,612)	26,959,517
Cash and cash equivalents at the beginning of the period	35,759,397	28,208,685
Cash and cash equivalents at the end of the year	26,309,785	55,168,202

11

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2023

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 March 31, 2023

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 year is as follows.

Particulars	Cost			Rate	Accumulated Depreciation			Written down value as at March 31, 2023
	As at Jan 01, 2023	Additions during the period	As at March 31, 2023		As at Jan 01, 2023	Charge for the period	As at March 31, 2023	
Furniture and fixtures	1,145,931	-	1,145,931	15	477,557	24,961	502,518	643,413
Computers	1,382,680	14,500	1,397,180	30	1,078,933	15,009	1,093,942	303,238
Office equipment	1,356,632	-	1,356,632	15	512,238	31,770	544,008	812,624
	3,885,243	14,500	3,899,743		2,068,728	71,740	2,140,468	1,759,275

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, 2022
	As at January 01, 2022	Additions during the period	As at December 31, 2022		As at January 01, 2022	Charge for the period	As at December 31, 2022	
Furniture and fixtures	748,985	396,946	1,145,931	15	405,566	71,991	477,557	668,374
Computers	1,240,980	141,700	1,382,680	30	996,295	82,638	1,078,933	303,747
Office equipment	946,152	410,480	1,356,632	15	409,624	102,614	512,238	844,394
	2,936,117	949,126	3,885,243		1,811,485	257,243	2,068,728	1,816,515

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	(Un-Audited) March 31, 2023 Rupees	(Audited) December 31, 2022 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	201,500	201,500
	<u>8,292,027</u>	<u>8,292,027</u>
7. Long term investment		
Available for Sale		
1,181,565 (Dec-2022: 843,975) shares of LSE Financial Services Limited	<u>23,879,429</u>	<u>23,879,429</u>
Cost	23,879,429	20,466,394
Revaluation loss during year	-	37,135
Right Shares of LSE Financial Services Limited (337,590 @Rs. 10/-)	-	3,375,900
	<u>23,879,429</u>	<u>23,879,429</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>2,185,241</u>	<u>7,556,939</u>
This includes Rs. 913,765/- (Dec-2022: Rs.124,192/-) receivable from related parties.		
9. Advances , prepayments & other receivables		
Advances to suppliers	720,000	720,000
Prepayment	86,154	1,425
Exposure deposit - NCCPL	30,900,000	18,900,000
Accrued income	1,076,160	851,513
	<u>32,782,314</u>	<u>20,472,938</u>
9.1		
This includes Rs. 30,900,000/- (Dec-2022: 18,900,000) given to NCCPL against ready and future exposure for trade activity.		
10. Tax due from Government		
Tax refund due from Government	2,182,958	1,541,491
Advance tax paid during the period	211,020	1,466,019
	<u>2,393,978</u>	<u>3,007,510</u>
Less: Adjusted during the period	<u>(173,885)</u>	<u>(824,552)</u>
	<u>2,220,093</u>	<u>2,182,958</u>

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	(Un-Audited) March 31, 2023 Rupees	(Audited) December 31, 2022 Rupees
11. Cash and bank balances		
Cash at hand	30,000	-
Cash at bank		
Saving account	57,388	481,716
Current account	<u>26,222,397</u>	<u>35,277,680</u>
	<u><u>26,309,785</u></u>	<u><u>35,759,397</u></u>
12. Share Capital		
Authorized		
20,000,000 (Dec-2022: 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-2022: 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	20,839,205	23,462,586
Others payable	13.1. <u>2,247,367</u>	<u>1,773,122</u>
	<u><u>23,086,572</u></u>	<u><u>25,235,708</u></u>
This includes Rs. 8,189/- (Dec-2022: 8,189/-) payable to related parties.		
13.1 Others payable		
Accrued liabilities	2,488	2,488
Worker welfare fund payable	63,324	-
Other payables	1,781,555	1,370,634
Audit fee payable	<u>400,000</u>	<u>400,000</u>
	<u><u>2,247,367</u></u>	<u><u>1,773,122</u></u>

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14. Contingencies and commitments

There are no material contingencies and commitments at the balance sheet date. (Nil: 2022)

Note	03 Month Ended	03 Month Ended
	March 31, 2023	March 31, 2022
	Rupees	Rupees
15. Brokerage income		
Commission income - Regular & Future	3,715,587	4,690,603
Commission income - MF	174,522	487,031
	<u>3,890,109</u>	<u>5,177,634</u>
16. Administrative & operative expenses		
Salaries, allowances and other benefits	3,713,370	2,698,912
Sales reward allowance	344,915	854,392
Shariah advisor fee	150,000	150,000
Rent, rates and taxes	189,000	94,517
Repairs and maintenance	154,430	116,071
Utilities	105,736	124,898
Fees & subscription	123,713	149,404
PSX, clearing house and CDC charges, etc.	209,838	259,704
Insurance charges	84,729	49,650
Travelling and conveyance	16,860	32,450
Depreciation	71,740	52,373
Communication, printing and stationery	50,174	48,773
Legal and professional charges	63,000	69,920
Marketing expenses	89,250	63,000
Worker welfare fund	63,324	-
Entertainment	114,199	61,495
Misc. expenses	-	1,720
	<u>5,544,278</u>	<u>4,827,279</u>
17. Bank charges		
Bank charges	162	3,125
FED charges	27	500
	<u>189</u>	<u>3,625</u>
18. Other income		
Income from financial assets		
Profit on bank deposit	5,885	21,199
Dividend income	-	632,981
Margin finance income	14,571	67,162
Return on exposure deposit with PSX	1,000,999	506,037
Return on exposure deposit - BMC	250,000	-
Misc. income	-	3,765
	<u>1,271,455</u>	<u>1,610,494</u>

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	03 Month Ended March 31, 2023	03 Month Ended March 31, 2022
	Rupees	Rupees
19. Taxation		
Current period	48,626	332,728
Deffered tax	-	-
	<u>48,626</u>	<u>332,728</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	
	03 Month Ended March 31, 2023	03 Month Ended March 31, 2022
	Rupees	Rupees
Managerial remuneration	952,089	827,904
Other benefits	312,000	286,047
Provident fund	49,569	43,104
	<u>1,313,658</u>	<u>1,157,055</u>
No. of persons	<u>1</u>	<u>1</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	03 Month Ended March 31, 2023	03 Month Ended March 31, 2022
		Rupees	Rupees
Parent Company			
The Bank of Punjab	Commission income	1,297,971	1,019,610
	Balance Receivable	913,766	1,067,881
First Punjab Modaraba	Commission income	-	-
	Balance Payable	(8,189)	-
Key management personnel			
Chief Executive Officer	Commission paid to PCS	70,692	309,725
Head of Operations	Commission paid to PCS	780	868
Senior Risk Manager	Commission paid to PCS	90	346
Head of Internal Audit	Commission paid to PCS	1,875	992

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22. **Provident fund and related disclosures**

	(Un-Audited) March 31, 2023 Rupees	(Audited) December 31, 2022 Rupees
Size of the fund	<u>3,770,706</u>	<u>3,729,727</u>
Percentage of investments made	<u>98%</u>	<u>91%</u>
Fair value of investments	<u>3,700,000</u>	<u>3,400,000</u>
Cost of investments made	<u>3,700,000</u>	<u>3,400,000</u>

The investments out of the provident fund have been made in accordance with the provisions of Section 218 of the 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, 2023 Number	(Audited) December 31, 2022 Number
Number of employees	<u>14</u>	<u>14</u>
Average number of employees	<u>14</u>	<u>13</u>

24. **Date of authorization**

These financial statements have been authorized for issue by the Board of Directors of the Company on 27 APR 2023.

25. **General**

Figures have been rounded off to the nearest rupees.

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CHIEF EXECUTIVE OFFICER

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DIRECTOR