

**PUNJAB CAPITAL SECURITIES
(PRIVATE) LIMITED**

FINANCIAL STATEMENTS

06 Months (Un-Audited)

For the 06 Months From January 01, 2023 to June 30, 2023

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	(Un-Audited) June 30, 2023 Rupees	(Audited) December 31, 2022 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	4	1,823,915	1,816,515
Intangible assets	5	7,140,225	7,140,225
Long term security deposits	6	8,342,027	8,292,027
Long term investment	7	12,609,553	23,879,429
		<u>29,915,720</u>	<u>41,128,196</u>
CURRENT ASSETS			
Trade debts	8	5,175,644	7,556,939
Advances , prepayments & other receivables	9	41,946,398	20,472,938
Tax due from Government	10	2,654,478	2,182,958
Cash and bank balances	11	37,598,086	35,759,397
		<u>87,374,606</u>	<u>65,972,232</u>
TOTAL ASSETS		<u><u>117,290,326</u></u>	<u><u>107,100,428</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	76,500,000	76,500,000
Fair value reserve		(4,558,655)	6,711,221
Share deposit money	12.2	25,000,000	-
Accumulated profit/(losses)		(3,519,852)	(2,517,000)
		<u>93,421,493</u>	<u>80,694,221</u>
NON-CURRENT LIABILITY			
Deferred tax liability		632,246	632,246
		<u>632,246</u>	<u>632,246</u>
CURRENT LIABILITIES			
Trade and other payables	13	22,590,341	25,235,708
Provision for taxation		646,246	538,253
		<u>23,236,587</u>	<u>25,773,961</u>
TOTAL EQUITY AND LIABILITIES		<u><u>117,290,326</u></u>	<u><u>107,100,428</u></u>
CONTINGENCIES AND COMMITMENTS			
	14	-	-

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

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Ambar / Ravi
Certified to be the true copy

Company Secretary / Director

Ambar / Ravi
CHIEF EXECUTIVE OFFICER



Ambar / Ravi
DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2023

	Note	(Un-Audited)	(Un-Audited)
		06 Month Ended	06 Month Ended
		June 30, 2023	June 30, 2022
		Rupees	Rupees
Brokerage income	15	8,639,440	10,498,336
Administrative & operative expenses	16	(12,355,896)	(10,595,776)
Operating Profit/(Loss)		(3,716,456)	(97,440)
Bank charges	17	(192)	(18,299)
Other income	18	2,821,789	2,628,368
Profit/(loss) before taxation		(894,858)	2,512,629
Taxation	19	(107,993)	(427,147)
Profit/(Loss) after taxation		(1,002,852)	2,085,482

OTHER COMPREHENSIVE INCOME

Items that will not be re-classified to profit & loss account

Surplus/(deficit) on re-measurement of investments at fair value through other comprehensive income

Other comprehensive income/(loss) for the period

Total Comprehensive income/ (loss) for the period

(11,269,876)	-
(11,269,876)	-
(12,272,728)	2,085,482

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

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Aulian Bin
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 Company Secretary / Director

Aulian Bin
 CHIEF EXECUTIVE OFFICER



Aulian Bin
 DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED JUNE 30, 2023

	Issued, subscribed and paid-up capital	Share Deposit Money	Fair Value Reserve	Accumulated Profit/loss	Total
	Rupees	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	-	-	-	(1,002,852)	(1,002,852)
Share deposit money	-	25,000,000	-	-	25,000,000
Other comprehensive income	-	-	(11,269,876)	-	(11,269,876)
	-	25,000,000	(11,269,876)	(1,002,852)	12,727,272
Balance as at June 30, 2023	76,500,000	25,000,000	(4,558,655)	(3,519,852)	93,421,493

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

Arshdeep Singh
 Certified to be a true copy
 Company Secretary / Director

Arshdeep Singh
 CHIEF EXECUTIVE OFFICER




Arshdeep Singh
 DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED JUNE 30, 2023

Note	06 Month Ended June 30, 2023 Rupees	06 Month Ended June 30, 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(894,858)	2,512,629
Adjustments for non-cash charges and other items:		
Depreciation	164,168	107,557
Accrued markup	(1,240,244)	(1,001,911)
Dividend income	-	(632,981)
Financial charges	192	18,299
Operating profit/(loss) before working capital changes	(1,970,742)	1,003,593
Effect on cash flow due to Working capital changes		
(Increase)/decrease in current assets		
Advances , prepayments & other receivables	(20,059,331)	2,306,652
Trade debts	2,381,295	1,932,930
Increase in current liabilities		
Trade and other payables	(2,645,367)	6,476,097
Cash flows from operations	(22,294,145)	11,719,272
Income tax paid	(645,405)	(570,914)
Financial charges paid	(192)	(18,299)
Dividend income received	-	632,981
Net cash generated from/(used in) operating activities	(22,939,742)	11,763,040
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(171,568)	(73,500)
Long term investment	-	(3,375,900)
Security deposit	(50,000)	-
Net cash generated from/(used in) investing activities	(221,568)	(3,449,400)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share deposit money	25,000,000	-
Dividend paid	-	(4,319,387)
Net cash generated from financing activities	25,000,000	(4,319,387)
Net increase in cash and cash equivalents	1,838,689	3,994,253
Cash and cash equivalents at the beginning of the period	35,759,397	28,208,685
Cash and cash equivalents at the ended of period	37,598,086	32,202,938

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


CHIEF EXECUTIVE OFFICER




Company Secretary / Director


DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 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.

During the period, The Board of Director of The Bank of Punjab has approved the acquisition of Punjab Capital Securities (Pvt.) Ltd from First Punjab Modaraba. After approval from SBP and SECP, the acquisition has been completed and The Punjab Capital Securities (Private) Limited has become wholly-owned subsidiary of The Bank of Punjab ("the Parent") by virtue of 100% holding of the Company.

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

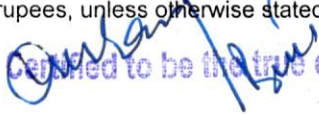
These financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which are stated at their fair value or amortized cost as applicable.

2.3 Accounting estimates

The preparation of financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates, judgments and assumptions that affect the reported amount of assets and liabilities, income and expenses. It also requires the 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.

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.


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Company Secretary / 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 June 30, 2023
	As at Jan 01, 2023	Additions during the period		As at Jan 01, 2023	Charge for the period	
Furniture and fixtures	1,145,931	-	15	477,557	49,922	618,452
Computers	1,382,680	171,568	30	1,078,933	50,706	424,609
Office equipment	1,356,632	-	15	512,238	63,540	780,854
	3,885,243	171,568		2,068,728	164,168	1,823,915

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 January 01, 2022	Charge for the period	
Furniture and fixtures	748,985	396,946	15	405,566	71,991	668,374
Computers	1,240,980	141,700	30	996,295	82,638	303,747
Office equipment	946,152	410,480	15	409,624	102,614	844,394
	2,936,117	949,126		1,811,485	257,243	1,816,515

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Company Secretary / Director

	Note	(Un-Audited) June 30, 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		6,540,527	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>8,342,027</u>	<u>8,292,027</u>
7. Long term investment			
Available for Sale		<u>12,609,553</u>	<u>23,879,429</u>
Investment in shares (unlisted)			
1,181,565 (Dec-2022: 843,975) shares of LSE Financial Services Limited		-	-
Cost		-	20,466,394
Revaluation gain during year		-	37,135
Right Shares of LSE Financial Services Limited (337,590 @Rs. 10/-)		-	3,375,900
Investment in shares (listed)			
LSE Proptect Ltd (LSEPL) 413,750@Rs.4.81	7.1	1,990,138	-
LSE Venture Ltd (LSEVL) 1,179,935@Rs. 9/-		10,619,415	-
		<u>12,609,553</u>	<u>23,879,429</u>
7.1			
After demerger scheme of LSE Financial Service Limited, LSEFS shares has be converted into LSE Proptech Ltd (LSEPL) and LSE Venture Ltd (LSEVL) with ratio 35.017% and 99.86 % respectively. Under the scheme 1,181,565 shares of LSEFS converted into 1,179,935 shares of LSEVL and 413,750 shares of LSEPL received.			
8. Trade debts			
- Considered good		<u>5,175,644</u>	<u>7,556,939</u>
This includes Rs. 1,420,152/- (Dec-2022: Rs.124,192/-) receivable from related parties.			
9. Advances , prepayments & other receivables			
Advance to supplier		720,000	720,000
Prepayment		86,154	1,425
Exposure deposit - NCCPL	9:1	39,900,000	18,900,000
Accrued income		1,240,244	851,513
		<u>41,946,398</u>	<u>20,472,938</u>
9.1			
This includes Rs. 39,900,000/- (Dec-2022: 18,900,000) given to NCCPL against ready and future exposure for trade activity.			

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	(Un-Audited) June 30, 2023 Rupees	(Audited) December 31, 2022 Rupees
10. Tax due from Government		
Tax refund due from Government	2,182,958	1,541,491
Advance tax paid during the period	<u>645,405</u>	<u>1,466,019</u>
	2,828,363	3,007,510
Less: Adjusted during the period	<u>(173,885)</u>	<u>(824,552)</u>
	<u><u>2,654,478</u></u>	<u><u>2,182,958</u></u>
11. Cash and bank balances		
Cash at hand	2,397	-
Cash at bank		
Saving account	14,810,784	481,716
Current account	<u>22,784,905</u>	<u>35,277,680</u>
	<u><u>37,598,086</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>
12.2. Share deposit money	<u>25,000,000</u>	<u>-</u>
It represents cash injected by The Bank of Punjab i.e parent bank against further issue of shares. The company is in process of completing regulatory requirements for issuance of shares.		
13. Trade and other payables		
Trade payables	21,496,664	23,462,586
Others payable	13.1. <u>1,093,677</u>	<u>1,773,122</u>
	<u>22,590,341</u>	<u>25,235,708</u>
This includes Rs. 5,689/- (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	1,027,865	1,370,634
Audit fee payable	-	400,000
	<u>1,093,677</u>	<u>1,773,122</u>

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Company Secretary / Director

14. **Contingencies and commitments**

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

Note	06 Month Ended	
	June 30, 2023	June 30, 2022
	Rupees	Rupees
15. Brokerage income		
Commission income - Regular & Future	8,464,918	9,556,092
Commission income - MI'	174,522	942,244
	<u>8,639,440</u>	<u>10,498,336</u>
16. Administrative & operative expenses		
Salaries, allowances and other benefits	8,436,074	6,320,197
Sales reward allowance	787,261	1,720,925
Shariah advisor fee	300,000	300,000
Rent, rates and taxes	398,255	189,608
Repairs and maintenance	420,506	244,240
Utilities	327,267	259,553
Fees & subscription	205,415	220,177
PSX, clearing house and CDC charges, etc.	480,386	602,380
Insurance charges	84,729	99,303
Travelling and conveyance	29,700	44,650
Depreciation	164,168	107,557
Communication, printing and stationery	162,039	96,934
Legal and professional charges	145,820	147,095
Marketing expenses	152,250	126,000
Worker welfare fund	63,324	-
Entertainment	197,512	114,961
Misc. expenses	1,190	2,196
	<u>12,355,896</u>	<u>10,595,776</u>
17. Bank charges		
Bank charges	165	15,871
FXD charges	27	2,428
	<u>192</u>	<u>18,299</u>
18. Other income		
Income from financial assets		
Profit on bank deposit	32,529	29,165
Dividend income	-	632,981
Margin finance income	14,571	766,907
Return on exposure deposit with PSX	2,260,000	960,200
Return on exposure deposit - BMC	514,690	234,743
Misc. income	-	4,372
	<u>2,821,789</u>	<u>2,628,368</u>

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Company Secretary / Director

19. **Taxation**
Current period
Deffered tax

06 Month Ended June 30, 2023	06 Month Ended June 30, 2022
Rupees	Rupees
107,993	427,147
-	-
<u>107,993</u>	<u>427,147</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	
	06 Month Ended June 30, 2023	06 Month Ended June 30, 2022
	Rupees	Rupees
Managerial remuneration	2,189,802	1,904,178
Other benefits	624,000	579,879
Performance bonus	198,352	172,480
Provident fund	114,006	99,138
	<u>3,126,160</u>	<u>2,755,675</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	06 Month Ended June 30, 2023	06 Month Ended June 30, 2022
		Rupees	Rupees
Parent Company			
The Bank of Punjab	Commission income	3,180,531	1,742,339
	Balance Receivable	1,420,252	114,755
First Punjab Modaraba	Commission income	-	15,015
	Balance Payable	(5,689)	(8,291)
Key management personnel			
Chief Executive Officer	Commission paid to PCS	117,608	309,725
Head of Operations	Commission paid to PCS	1,546	868
Senior Risk Manager	Commission paid to PCS	90	346
Head of Internal Audit	Commission paid to PCS	1,140	992

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Certified to be true copy
Company Secretary / Director

22. **Provident fund and related disclosures**

	(Un-Audited) June 30, 2023 Rupees	(Audited) December 31, 2022 Rupees
Size of the fund	<u>4,162,824</u>	<u>3,729,727</u>
Percentage of investments made	<u>89%</u>	<u>91%</u>
Fair value of investments	<u>3,710,000</u>	<u>3,400,000</u>
Cost of investments made	<u>3,710,000</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) June 30, 2023 Number	(Audited) December 31, 2022 Number
Number of employees	<u>19</u>	<u>14</u>
Average number of employees	<u>16</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 28 AUG 2023.

25. **General**

Figures have been rounded off to the nearest rupees

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Company Secretary / Director

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CHIEF EXECUTIVE OFFICER



[Handwritten Signature]
DIRECTOR