

**PUNJAB CAPITAL SECURITIES
(PRIVATE) LIMITED**

CONDENSED INTERIM FINANCIAL STATEMENTS

Nine Month (Un-Audited)

For the Nine Month Ended January 01, 2022 to September 30, 2022

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

	Note	(Un-Audited) September 30, 2022 Rupees	(Audited) December 31, 2021 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	4	1,509,166	1,124,632
Intangible assets	5	7,140,225	7,140,225
Long term security deposits	6	8,292,027	8,192,027
Long term investment	7	22,969,624	20,466,394
		39,911,042	36,923,278
CURRENT ASSETS			
Trade debts	8	14,831,072	7,778,595
Advances , prepayments & other receivables	9	26,052,267	30,936,802
Tax due from Government	10	2,499,430	1,541,491
Cash and bank balances	11	25,341,987	28,208,685
		68,724,756	68,465,573
TOTAL ASSETS		108,635,797	105,388,851
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	76,500,000	76,500,000
Fair value reserve		4,701,830	5,574,500
Accumulated profit/(losses)		(797,823)	306,796
		80,404,007	82,381,296
NON-CURRENT LIABILITY			
Deferred tax liability		599,483	599,483
		599,483	599,483
CURRENT LIABILITIES			
Trade and other payables	13	25,968,876	21,403,087
Provision for taxation		1,663,431	1,004,985
		27,632,307	22,408,072
TOTAL EQUITY AND LIABILITIES		108,635,797	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 SEPTEMBER 30, 2022

	Note	09 Month Ended September 30, 2022	09 Month Ended September 30, 2021
		Rupees	Rupees
Brokerage income	15	14,801,193	23,443,888
Administrative & operative expenses	16	(15,473,338)	(16,786,587)
Operating Profit/(Loss)		(672,145)	6,657,301
Bank charges	17	(25,220)	(20,370)
Other income	18	4,570,579	1,903,718
Profit/(loss) before taxation		3,873,214	8,540,648
Taxation	19	(658,446)	(1,862,236)
Profit/(Loss) after taxation		3,214,768	6,678,412
OTHER COMPREHENSIVE INCOME			
Items which will not be classified in profit & loss account			
Unrealized gain charged to OCI		(872,670)	928,373
Other comprehensive income/ for the period		(872,670)	928,373
Total Comprehensive income/ (loss) for the period		2,342,098	7,606,785

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 SEPTEMBER 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	76,500,000	5,574,500	306,796	82,381,296
Balance as at January 01, 2022	76,500,000	5,574,500	306,796	82,381,296
Profit for the period	-	-	3,214,768	3,214,768
Dividend paid	-	-	(4,319,387)	(4,319,387)
Other comprehensive income	-	(872,670)	-	(872,670)
	-	(872,670)	(1,104,619)	(1,977,289)
Balance as at September 30, 2022	76,500,000	4,701,830	(797,823)	80,404,007

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 SEPTEMBER 30, 2022

Note	09 Month Ended September 30, 2022	09 Month Ended September 30, 2021
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	3,873,214	8,540,648
Adjustments for non-cash charges and other items:		
Depreciation	171,592	165,661
Accrued markup	(1,152,107)	178,075
Dividend income	(1,223,764)	-
Financial charges	25,220	20,370
Operating profit/(loss) before working capital changes	1,694,156	8,904,755
Effect on cash flow due to Working capital changes		
(Increase)/decrease in current assets		
Advances , prepayments & other receivables	6,036,642	(9,700,188)
Trade debts	(7,052,477)	(4,255,384)
Increase in current liabilities		
Trade and other payables	4,565,789	2,344,123
Cash flows from operations	5,244,110	(2,706,694)
Income tax paid	(957,939)	(844,387)
Financial charges paid	(25,220)	(20,370)
Dividend income received	1,223,764	-
Net cash generated from/(used in) operating activities	5,484,714	(3,571,451)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(556,126)	-
Long term investment	(3,375,900)	-
Security deposit	(100,000)	(6,013,618)
Net cash generated from/(used in) investing activities	(4,032,026)	(6,013,618)
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	(2,866,699)	(9,585,070)
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 11	25,341,987	40,036,982

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 NINE MONTH ENDED 30 SEPTEMBER 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 September 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 September 30, 2022
	As at Jan 01, 2022	Additions during the period		As at Jan 01, 2022	Charge for the period	
Furniture and fixtures	748,985	292,446	15	405,566	45,636	590,229
Computers	1,240,980	6,500	30	996,295	57,043	194,142
Office equipment	946,152	257,180	15	409,624	68,913	724,795
	2,936,117	556,126		1,811,485	171,592	1,509,166

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 July 01, 2021	Charge for the period	
Furniture and fixtures	748,985	-	15	377,721	27,845	343,419
Computers	1,212,980	28,000	30	958,057	38,238	244,685
Office equipment	739,852	206,300	15	380,062	29,562	536,528
	2,701,817	234,300		1,715,840	95,645	1,124,632

		(Un-Audited)	(Audited)
		September 30, 2022	December 31, 2021
	Note	Rupees	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	101,500
		<u>8,292,027</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>22,969,624</u>	<u>20,466,394</u>
Cost		20,466,394	20,533,912
Revaluation loss during year		(872,670)	(67,518)
Right Shares of LSE Financial Services Limited (337,590 @Rs. 10/-)	7.1	3,375,900	-
		<u>22,969,624</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>14,831,072</u>	<u>7,778,595</u>
	This includes Rs. 1,842,121/- (Dec-2021: Rs.1,306,246/-) receivable from related parties.		
9. Advances , prepayments & other receivables			
Advances to suppliers		1,000,160	797,140
Prepayment		-	99,303
Exposure deposit - NCCPL	9.1	23,900,000	29,917,195
Accrued income		1,152,107	123,164
		<u>26,052,267</u>	<u>30,936,802</u>
9.1	This includes Rs. 23,900,000/- (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		957,939	347,529
		<u>2,499,430</u>	<u>3,099,899</u>
Less: Adjusted during the period		-	(1,558,408)
		<u>2,499,430</u>	<u>1,541,491</u>

	(Un-Audited) September 30, 2022	(Audited) December 31, 2021
Note	Rupees	Rupees
11. Cash and bank balances		
Cash at hand	15,000	-
Cash at bank		
Saving account	607,829	2,660,203
Current account	<u>24,719,158</u>	<u>25,548,482</u>
	<u>25,341,987</u>	<u>28,208,685</u>

This includes Rs. Nil (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	25,138,632	16,082,830
Others payable	13.1. <u>830,244</u>	<u>5,320,257</u>
	<u>25,968,876</u>	<u>21,403,087</u>

This includes Rs. 8,291/- (Dec-2021: Nil/-) payable to related parties.

13.1 Others payable		
Accrued liabilities	2,488	2,461
Provident fund payable	-	2,687,107
Other payables	827,756	2,110,689
Audit fee payable	-	520,000
	<u>830,244</u>	<u>5,320,257</u>

14. Contingencies and commitments

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

	Note	09 Month Ended September 30, 2022	09 Month Ended September 30, 2021
		Rupees	Rupees
15. Brokerage income			
Commission income - Regular & Future		13,579,577	22,763,208
Commission income - MF		1,221,616	680,680
		14,801,193	23,443,888
16. Administrative & operative expenses			
Salaries, allowances and other benefits		9,281,934	8,510,273
Sales reward allowance		2,072,816	4,054,543
Shariah advisor fee		450,000	450,000
Rent, rates and taxes		447,298	148,379
Repairs and maintenance		377,732	239,412
Utilities		531,602	425,611
Fees & subscription		310,100	289,779
PSX, clearing house and CDC charges, etc.		907,329	1,235,523
Insurance charges		102,195	107,274
Travelling and conveyance		53,996	45,983
Depreciation		171,592	165,661
Communication, printing and stationery		156,259	149,071
Legal and professional charges		226,845	120,500
Marketing expenses		189,000	183,370
Entertainment		190,567	117,853
Auditor remuneration	15.1	-	260,000
Penalty	15.2	-	275,000
Misc. expenses		4,046	8,355
		15,473,338	16,786,587
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		21,788	17,600
FED charges		3,432	2,770
		25,220	20,370
18. Other income			
Income from financial assets			
Profit on bank deposit		51,051	46,169
Dividend income		1,223,764	-
Margin finance income		1,012,453	380,143
Return on exposure deposit with PSX		1,873,419	1,066,486
Return on exposure deposit - BMC		403,379	12,830
Physical share transfer fee		-	398,089
Misc. income		6,515	-
		4,570,579	1,903,718

	09 Month Ended September 30, 2022	09 Month Ended September 30, 2021
	Rupees	Rupees
19. Taxation		
Current period	658,446	1,850,057
Deffered tax	-	12,179
	658,446	1,862,236

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	
	09 Month Ended September 30, 2022	09 Month Ended September 30, 2021	09 Month Ended September 30, 2022	09 Month Ended September 30, 2021
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	2,856,267	2,217,600	3,746,439	3,307,275
Other benefits	891,879	754,034	45,000	45,000
Performance Bonus	172,480	462,000	192,171	171,094
Provident fund	148,707	115,452	195,048	172,188
	4,069,333	3,549,086	4,178,658	3,695,557
No. of persons	1	1	5	5

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	09 Month Ended September 30, 2022	09 Month Ended September 30, 2021
		Rupees	Rupees
Parent Company			
The Bank of Punjab	Commission income	3,538,746	3,953,035
	Balance Receivable	1,842,121	496,536
First Punjab Modaraba	Commission income	15,013	-
	Balance Payable	(8,291)	-
Key management personnel			
Chief Executive Officer	Commission paid to PCS	763,763	790,097
Head of Operations	Commission paid to PCS	6,130	9,275
Senior Risk Manager	Commission paid to PCS	1,060	2,142
Head of Internal Audit	Commission paid to PCS	4,637	19,563

22. **Provident fund and related disclosures**

	(Un-Audited) September 30, 2022 Rupees	(Audited) December 31, 2021 Rupees
Size of the fund	<u>3,343,385</u>	<u>2,687,107</u>
Percentage of investments made	<u>100%</u>	<u>-</u>
Fair value of investments	<u>3,343,385</u>	<u>-</u>
Cost of investments made	<u>3,343,385</u>	<u>-</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) September 30, 2022 Number	(Audited) December 31, 2021 Number
Number of employees	<u>12</u>	<u>12</u>
Average number of employees	<u>11</u>	<u>12</u>

24. **Date of authorization**

These financial statements have been authorized for issue by the Board of Directors of the Company on 26 OCT 2022.

25. **General**

Figures have been rounded off to the nearest rupees.


CHIEF EXECUTIVE OFFICER




DIRECTOR