

**PUNJAB CAPITAL SECURITIES
(PRIVATE) LIMITED**

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

For the 09 Months From January 01, 2023 to September 30, 2023

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

	Note	(Un-Audited) September 30, 2023 Rupees	(Audited) December 31, 2022 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	4	1,731,487	1,816,515
Intangible assets	5	7,140,225	7,140,225
Long term security deposits	6	7,042,027	8,292,027
Long term investment	7	9,501,572	23,879,429
		<u>25,415,311</u>	<u>41,128,196</u>
CURRENT ASSETS			
Trade debts	8	35,376,413	7,556,938
Advances , prepayments & other receivables	9	33,633,084	20,472,939
Tax due from Government	10	3,300,614	2,182,958
Cash and bank balances	11	25,838,443	35,759,397
		<u>98,148,553</u>	<u>65,972,232</u>
TOTAL ASSETS		<u><u>123,563,864</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		(7,666,637)	6,711,221
Share deposit money	12.2	25,000,000	-
Accumulated profit/(losses)		319,341	(2,517,000)
		<u>94,152,703</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	27,299,026	25,235,708
Provision for taxation		1,479,888	538,253
		<u>28,778,914</u>	<u>25,773,961</u>
TOTAL EQUITY AND LIABILITIES		<u><u>123,563,864</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.


CHIEF EXECUTIVE OFFICER




DIRECTOR

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

	Note	(Un-Audited)	(Un-Audited)
		09 Month Ended	09 Month Ended
		September 30, 2023	September 30, 2022
		Rupees	Rupees
Brokerage income	15	17,712,642	14,801,193
Administrative & operative expenses	16	(20,227,183)	(15,473,338)
Operating Profit/(Loss)		(2,514,541)	(672,145)
Bank charges	17	(194)	(25,220)
Other income	18	6,417,226	4,570,579
Profit/(loss) before taxation		3,902,490	3,873,214
Taxation	19	(1,066,149)	(658,446)
Profit/(Loss) after taxation		2,836,341	3,214,768

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	(14,377,858)	(872,670)
Other comprehensive income/(loss) for the period	(14,377,858)	(872,670)
Total Comprehensive income/ (loss) for the period	(11,541,518)	2,342,098

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

Arshdeep Singh

CHIEF EXECUTIVE OFFICER



Arshdeep Singh

DIRECTOR

PUNJAB CAPITAL SECURITIES (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 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	-	-	-	2,836,341	2,836,341
Share deposit money	-	25,000,000	-	-	25,000,000
Other comprehensive income / (loss)	-	-	(14,377,858)	-	(14,377,858)
	-	25,000,000	(14,377,858)	2,836,341	13,458,482
Balance as at September 30, 2023	76,500,000	25,000,000	(7,666,637)	319,341	94,152,703

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


CHIEF EXECUTIVE OFFICER




DIRECTOR

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

Note	09 Month Ended September 30, 2023	09 Month Ended September 30, 2022
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	3,902,490	3,873,214
Adjustments for non-cash charges and other items:		
Depreciation	256,596	171,592
Accrued markup	(1,926,930)	(1,152,107)
Dividend income	-	(1,223,764)
Financial charges	194	25,220
Operating profit/(loss) before working capital changes	2,232,350	1,694,155
Effect on cash flow due to Working capital changes		
(Increase)/decrease in current assets		
Advances , prepayments & other receivables	(11,059,330)	6,036,642
Trade debts	(27,819,475)	(7,052,477)
Increase in current liabilities		
Trade and other payables	2,063,318	4,565,789
Cash flows from operations	(34,583,136)	5,244,109
Income tax paid	(1,416,055)	(957,939)
Financial charges paid	(194)	(25,220)
Dividend income received	-	1,223,764
Net cash generated from/(used in) operating activities	(35,999,385)	5,484,714
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(171,568)	(556,126)
Long term investment	-	(3,375,900)
Security deposit	1,250,000	(100,000)
Net cash generated from/(used in) investing activities	1,078,432	(4,032,026)
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	(9,920,954)	(2,866,699)
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	25,838,443	25,341,987

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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 SEPTEMBER 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.

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, 2023
	As at January 01, 2023	Additions during the period		As at January 01, 2023	Charge for the period	
Furniture and fixtures	1,145,931	-	15	477,557	74,883	593,491
Computers	1,382,680	171,568	30	1,078,933	86,403	388,912
Office equipment	1,356,632	-	15	512,238	95,310	749,084
	3,885,243	171,568		2,068,728	256,596	1,731,487

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

		(Un-Audited)	(Audited)
		September 30, 2023	December 31, 2022
	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		5,240,527	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>7,042,027</u>	<u>8,292,027</u>
7. Long term investment			
Available for Sale		<u>9,501,572</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 Proptech Ltd (LSEPL) 413,750@Rs.4.00	7.1	1,655,004	-
LSE Venture Ltd (LSEVL) 1,179,935@Rs. 6.65/-		7,846,568	-
		<u>9,501,572</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>35,376,413</u>	<u>7,556,938</u>
This includes Rs. 1,294,704/- (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	30,900,000	18,900,000
Accrued income		1,926,930	851,513
		<u>33,633,084</u>	<u>20,472,939</u>
9.1	This includes Rs. 30,900,000/- (Dec-2022: 18,900,000) given to NCCPL against ready and future and MTS exposure for trade activity.		

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	(Un-Audited) September 30, 2023	(Audited) December 31, 2022
Note	Rupees	Rupees
10. Tax due from Government		
Tax refund due from Government	2,182,958	1,541,491
Advance tax paid during the period	<u>1,291,541</u>	<u>1,466,019</u>
	<u>3,474,499</u>	<u>3,007,510</u>
Less: Adjusted during the period	<u>(173,885)</u>	<u>(824,552)</u>
	<u><u>3,300,614</u></u>	<u><u>2,182,958</u></u>
11. Cash and bank balances		
Cash at hand	2,290	-
Cash at bank		
Saving account	535,178	481,716
Current account	<u>25,300,975</u>	<u>35,277,680</u>
	<u><u>25,838,443</u></u>	<u><u>35,759,397</u></u>
This includes Rs. 24.8 million (Dec-2022: Rs.24.5 million) related to clients held in designated bank accounts.		
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	25,111,224	23,462,586
Others payable	13.1. <u>2,187,802</u>	<u>1,773,122</u>
	<u>27,299,026</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	2,121,990	1,370,634
Audit fee payable	-	400,000
	<u>2,187,802</u>	<u>1,773,122</u>

14. Contingencies and commitments

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

Note	09 Month Ended	09 Month Ended
	September 30, 2023	September 30, 2022
	Rupees	Rupees
15. Brokerage income		
Commission income - Regular & Future	17,528,296	13,579,577
Commission income - MF	184,346	1,221,616
	<u>17,712,642</u>	<u>14,801,193</u>
16. Administrative & operative expenses		
Salaries, allowances and other benefits	12,376,582	9,281,934
Sales reward allowance	2,571,825	2,072,816
Shariah advisor fee	300,000	450,000
Rent, rates and taxes	737,247	447,298
Repairs and maintenance	660,234	377,732
Utilities	740,325	531,602
Fees & subscription	316,895	310,100
PSX, clearing house and CDC charges, etc.	1,052,329	907,329
Insurance charges	87,616	102,195
Travelling and conveyance	44,716	53,996
Depreciation	256,596	171,592
Communication, printing and stationery	299,500	156,259
Legal and professional charges	211,830	226,845
Marketing expenses	220,500	189,000
Worker welfare fund	63,324	-
Entertainment	286,474	190,567
Misc. expenses	1,190	4,046
	<u>20,227,183</u>	<u>15,473,338</u>
17. Bank charges		
Bank charges	167	21,788
FED charges	27	3,432
	<u>194</u>	<u>25,220</u>
18. Other income		
Income from financial assets		
Profit on bank deposit	55,344	51,051
Dividend income	-	1,223,764
Margin finance income	33,635	1,012,453
Margin Trading income	1,245,864	-
Return on exposure deposit with PSX	4,213,323	1,873,417
Return on exposure deposit - BMC	868,331	403,379
Misc. income	728	6,515
	<u>6,417,226</u>	<u>4,570,579</u>

	09 Month Ended September 30, 2023	09 Month Ended September 30, 2022
	Rupees	Rupees
19. Taxation		
Current period	1,066,149	658,446
Deferred tax	-	-
	<u>1,066,149</u>	<u>658,446</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	
	09 Month Ended September 30, 2023	09 Month Ended September 30, 2022
	Rupees	Rupees
Managerial remuneration	3,284,703	2,856,267
Other benefits	936,000	891,879
Performance bonus	198,352	172,480
Provident fund	171,009	148,707
	<u>4,590,064</u>	<u>4,069,333</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	09 Month Ended September 30, 2023	09 Month Ended September 30, 2022
		Rupees	Rupees
Parent Company			
The Bank of Punjab	Commission income	6,011,040	3,538,746
	Balance Receivable	1,294,704	1,842,121
First Punjab Modaraba	Commission income	-	15,013
	Balance Payable	(5,689)	(8,291)
Key management personnel			
Chief Executive Officer	Commission paid to PCS	185,274	763,763
Head of Operations	Commission paid to PCS	1,638	6,130
Senior Risk Manager	Commission paid to PCS	120	1,060
Head of Internal Audit	Commission paid to PCS	2,040	4,637

22. **Provident fund and related disclosures**

	(Un-Audited) September 30, 2023 Rupees	(Audited) December 31, 2022 Rupees
Size of the fund	<u>2,888,437</u>	<u>3,729,727</u>
Percentage of investments made	<u>87%</u>	<u>91%</u>
Fair value of investments	<u>2,500,000</u>	<u>3,400,000</u>
Cost of investments made	<u>2,500,000</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) September 30, 2023 Number	(Audited) December 31, 2022 Number
Number of employees	<u>19</u>	<u>14</u>
Average number of employees	<u>17</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 31 OCT 2023.

25. **General**

Figures have been rounded off to the nearest rupees.


CHIEF EXECUTIVE OFFICER




DIRECTOR