

**M/S. MGM SECURITIES (PRIVATE) LIMITED**  
**UNAUDITED BALANCE SHEET**  
**AS AT DECEMBER 31, 2016 (Half Year)**

<b>CAPITAL &amp; LIABILITIES</b>	<u>Note</u>	<u>31-Dec</u> <u>Rupees</u>
<b><u>Authorized Capital:</u></b>		<u>60,000,000</u>
600,000 Ordinary Shares of Rs. 100/-each		
<b><u>Issued, Subscribed &amp; Paid Up Capital:</u></b>		18,500,000
185,000 Ordinary Shares of Rs. 100/- each		29,188,861
Un-appropriated Profit		(475,093)
Un-realized Profit / (Loss)		47,213,768
 <b>NON-CURRENT LIABILITIES</b>		
Liabilities against Assets subject to Finance Lease	4	1,810,655
 <b>CURRENT LIABILITIES</b>		
Trade Creditors		38,105,891
Curret Portion of Liabilities against Assets subject to Finance Lease	5	513,861
Other Payables		1,000,189
Provision for Taxation		830,778
		40,450,719
		<u>89,475,142</u>
 <b>PROPERTY &amp; ASSETS</b>		
 <b>NON-CURRENT ASSETS</b>		
Fixed Assets - <i>Tangibles</i>	6	10,301,163
Capital Work in Process	7	2,542,008
Trading Rights Entitlement Certificate - TREC	8	321,550
Long Term Investments	9	678,450
		13,843,171
 <b>CURRENT ASSETS</b>		
Trade Debtors	10	16,410,971
Short Term Investment	11	3,311,630
Advances, Deposit & Prepayments	12	14,540,764
Cash and Bank Balance		41,368,605
		75,631,971
		<u>89,475,142</u>

*[Signature]*  
**CHIEF EXECUTIVE**



*[Signature]*  
**DIRECTOR**

**M/S. MGM SECURITIES (PRIVATE) LIMITED**  
**UNAUDITED PROFIT & LOSS ACCOUNT**  
**FOR THE PERIOD ENDED DECEMBER 31, 2016 (Half Year)**

	<u>Note</u>	<u>31-Dec</u> <u>Rupees</u>
Income	13	11,729,248
<b>LESS: OPERATING EXPENSES</b>		
Administrative, Marketing & General Expenses	14	6,627,583
Financial Expenses	15	123,224
		6,750,807
<b>Operating Profit / (Loss)</b>		4,978,441
Add: Other Income	16	1,097,102
<b>Net Profit / (Loss) Before Taxation</b>		6,075,543
Less: Taxation	17	-
<b>Net Profit / (Loss) After Taxation</b>		6,075,543
<b>Basic Earning / (Loss) per share</b>	15	32.84

CHIEF EXECUTIVE



DIRECTOR

**M/S. MGM SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED DECEMBER 31, 2016 (Half Year)**

	<u>31-Dec</u> <u>Rupees</u>
Profit after Taxation	6,075,543
<b>Total Other Comprehensive Income / (Loss)</b>	<u><u>6,075,543</u></u>

  
CHIEF EXECUTIVE



  
DIRECTOR

**M/S. MGM SECURITIES (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED DECEMBER 31, 2016 (Half Year)**

Particulars	Share Capital	Un-appropriated Profit / (Loss)	Un-realized Profit / (Loss)	Total
Balance as at June 30, 2016	18,500,000	23,113,318	(475,093)	42,088,411
	-	6,075,543	-	6,075,543
Balance as at December 30, 2016	<u>18,500,000</u>	<u>29,188,861</u>	<u>(475,093)</u>	<u>48,163,954</u>

*[Handwritten Signature]*  
**CHIEF EXECUTIVE**



*[Handwritten Signature]*  
**DIRECTOR**

31-Dec  
Rupees

4 **LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE:**

Payable:	513,861
Within 1 year	1,810,655
Within 2 to 5 years	<u>2,324,516</u>

5 **ACCRUED & OTHER PAYABLES:**

Staff Welfare Fund	208,960
Other Payables	386,674
Tax Payable	404,555
	<u>1,000,189</u>

6 **FIXED ASSETS - TANGIBLES:**

As per annexure "A" attached.	<u>10,301,163</u>
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7 **CAPITAL WORK IN PROGRESS:**

LSE South Tower	<u>2,542,008</u>
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The current balance of the head represents the company's investment in the South Tower of LSE where it has purchased an office to establish a branch for the promotion

8 **TRADING RIGHTS ENTITLEMENT CERTIFICATE - TREC:**

Lahore Stock Exchange Limited	<u>321,550</u>
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- 8.1 This represents trading rights in Lahore Stock Exchange Limited which have replaced membership cards of stock exchange pursuant to the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 (the 2012 act). Before demutualization the stock exchanges were functioning as Guarantee Limited Companies, wherein ownership and trading rights were conferred to members through membership cards. Pursuant to demutualization, the ownership in a stock exchange has been segregated from the right to trade on the exchange. Therefore, the membership cards have now been replaced by shares in the exchange representing ownership in the exchange and Trading Rights Entitlements Certificates (TREC) representing rights to trade in the exchange. As result 843,975 shares of Rs. 10/- each have been allotted to the Company out of which 60% of the shares are blocked in a separate account held with CDC and would be sold to strategic investors and general public in future at a price which remains to be finalized, proceeds of which would come to the members, while the remaining 40% are available to members with no condition on their future sale. The Institute of Chartered Accountants of Pakistan in its technical guide dated May 29, 2013, concluded that the demutualization, in substance, had not resulted in exchange of dissimilar assets, and therefore no gain or loss should be recognized and the segregation of ownership rights and the trading rights should be accounted for by allocating the cost / carrying value of the membership card between the two distinct

assets on a reasonable basis. The TREC can only be sold or transferred once, however, once sold it would not be sellable / transferable again. The transaction is in nature an The above mentioned face value (Rs. 8,439,750/-) of the shares issued by the LSE to its members including the Company has been determined on the basis of the fair valuation of the underlying assets and liabilities of the Stock Exchange in accordance with the requirements of the Demutualization Act. In other words, shares worth Rs. 8,439,750/- received by the Company represent its share in the fair value of the net assets of the LSE. Under the current circumstances where active market is not available for such shares, this net asset valued based valuation has been considered as the closest Further recently, the LSE has introduced a minimum capital regime for the brokers, and for this purpose have valued TREC at Rs. 4,000,000/- as per the decision of the BOD of the LSE. This fact indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and to safeguard the investor's interest. In the absence of an active market for TREC, this assigned value of Rs. 4,000,000/- has been considered as the closest estimate of the fair value of the TREC.

The value of the TREC and shares have thus been measured at the value of the membership card with which they have been exchanged. For this purpose value of the membership card has been allocated between TREC and shares on proportionate basis at ratio of 32:68 which has been determined on the basis of the above estimates of fair value of LSE Shares (Rs. 8,439,750/-) and TREC (Rs. 4,000,000/-). Recently the shares have been recognized at Rs. 678,450/- and TREC at Rs. 321,550/-

	<u>31-Dec</u> <u>Rupees</u>
<b>9</b>	
<b><u>LONG TERM INVESTMENTS:</u></b>	
LSE Shares - <i>available for sale</i>	
- Blocked	678,450
- Unblocked	-
<i>(refer note 7.1)</i>	<u>678,450</u>
<b>10</b>	
<b><u>SHORT TERM INVESTMENTS:</u></b>	
Investment in Listed Securities	3,311,630
	<u>3,311,630</u>

		<u>31-Dec</u> <u>Rupees</u>
<b>11</b>	<b><u>ADVANCES, DEPOSITS &amp; PREPAYMENTS:</u></b>	
	Securities	10,704,000
	Loans & Advances	1,592,674
	Income Tax Refundable	2,244,090
		<u>14,540,764</u>
<b>12</b>	<b><u>CASH AND BANK BALANCES:</u></b>	
	Cash in Hand	13,429
	Cash at Bank	41,355,176
		<u>41,368,605</u>
<b>13</b>	<b><u>INCOME:</u></b>	
	Brokerage Income	11,729,248
	Bank Profit	-
	Dividend	-
	IPO Commission	-
		<u>11,729,248</u>
<b>14</b>	<b><u>ADMINISTRATIVE, MARKETING &amp; GENERAL EXPENSES:</u></b>	
	Director's Remuneration	14.1 1,680,000
	Staff Salaries and Allowances	2,115,655
	Rent	87,000
	Printing & Stationery	102,007
	Charity & Donations	5,000
	Insurance Expenses on Leased Asset	-
	EOBI Contribution	11,700
	Postage & Telegram	81,817
	Telephone Charges	80,483
	Fee & Subscription	414,004
	Electricity Charges	97,831
	Entertainment	158,025
	Travelling & Conveyance	-
	Software Inst. & Maint.	11,000
	Auditor's Remuneration	14.2 54,800
	Repair & Maintenance	100,604
	Commission Expenses	825,619
	Trading Expenses	303,800
	N.C.C.S Charges	84,525
	M.C.F Charges	-
	Newspapers & Priodicals	4,932
	Vehicle Maintenance	6,100
	Miscellaneous Exp.	25,500
	Depreciation	377,181
		<u>6,627,583</u>

		<u>31-Dec</u> <u>Rupees</u>
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		<u>6,627,583</u>



21 **FIGURES:**

- in the accounts have been rounded-off to the nearest of rupees.
- of the previous year have been re-arranged wherever necessary for the purpose of comparison.

  
CHIEF EXECUTIVE



  
DIRECTOR

**M/S. MGM SECURITIES (PRIVATE) LIMITED**  
**SCHEDULE OF FIXED ASSETS**  
**AS AT DECEMBER 31, 2016**

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PARTICULARS	COST		As At 31-12-16	Rate %	DEPRECIATION		W.D.V. As At 31-12-16
	As At 01-07-16	Addition / (Deletion)			As At 01-07-16	For The Year	
<b>Owned:</b>							
Office Building	11,500,000	-	11,500,000	5%	5,230,542	156,736	6,112,722
Tools & Equipment	345,500	-	345,500	10%	224,117	6,069	115,314
Computer & Softwares	600,800	-	600,800	10%	385,509	10,765	204,526
Furniture & Fixture	1,028,586	-	1,028,586	10%	764,116	13,224	251,246
<b>Leased:</b>							
Vehicles	-	4,043,620	4,043,620	10%	235,878	190,387	3,617,355
<b>Total - 2016</b>	<b>13,474,886</b>	<b>4,043,620</b>	<b>17,518,506</b>		<b>6,840,162</b>	<b>377,181</b>	<b>10,301,163</b>