

**MGM SECURITIES PRIVATE LIMITED**

**Quarterly Financial Statements  
For the Period Ended on 31 March, 2022**

# MGM SECURITIES PRIVATE LIMITED

## Balance Sheet

As at 31 March, 2022

		Mar-22	Mar-21
	Note	Rupees	Rupees
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	7	9,537,624	7,876,465
Intangible asset	8	2,500,000	2,500,000
Long term investments	9	20,533,912	19,605,540
Long term deposits	10	1,511,000	1,511,000
		<b>34,082,536</b>	<b>31,493,005</b>
<b>Current Assets</b>			
Trade debts - net	11	12,661,290	21,999,168
Advances	12	2,667,426	4,765,683
Current Portion of Loan Adv.		1,396,000	1,451,000
Deposits and other receivables	13	232,015	123,064
PSX Exposure		10,800,000	18,100,000
Income tax refundable	14	-	-
Short term investments	15	-	-
Cash and bank balances	16	64,020,826	66,828,559
		<b>91,777,557</b>	<b>113,267,474</b>
		<b>125,860,094</b>	<b>144,760,481</b>
<b>Equity and Liabilities</b>			
<b>Share capital and reserves</b>			
Share capital	17	50,000,000	50,000,000
Unappropriated profit		24,045,180	25,453,754
Capital Reserve		21,496,217	20,567,845
<b>Total equity</b>		<b>95,541,396</b>	<b>96,021,599</b>
<b>Non-Current Liabilities</b>			
Liabilities against assets subject to finance lease	18	(325,963)	6,255
<b>Current Liabilities</b>			
Trade and other payables	19	29,548,806	46,719,236
Current portion of liabilities against assets subject to finance lease	18	-	-
Other Payables		1,095,854	2013390.26
Provision for Taxation	20	-	-
		<b>30,644,660</b>	<b>48,732,627</b>
<b>Contingencies and commitments</b>	21		
		<b>125,860,093</b>	<b>144,760,481</b>

The annexed notes 1 to 40 form an integral part of these financial statements.

  
Chief Executive



  
Director

# MGM SECURITIES PRIVATE LIMITED

## Profit and Loss Account

For the Year ended 31 March, 2022

	Note	Mar-22 Rupees	Mar-21 Rupees
Operating Revenue	22	11,234,991	34,641,028
Gain/(Loss) on sale of short term investments - net			
Fair value Gain/(Loss) on remeasurement of investments through profit or loss			
Other Income	23	4,222,453	2,486,094
		<u>15,457,444</u>	<u>37,127,122</u>
Operating and administrative expenses	24	(10,983,713)	(13,677,849)
Financial charges	25	(230,702)	(20,149)
<b>Profit / (loss) before taxation</b>		<u>4,243,029</u>	<u>23,429,123</u>
Taxation	26	-	-
<b>Profit/ (loss) for the year</b>		<u>4,243,029</u>	<u>23,429,123</u>
<b>Earning/ (Loss) per share - basic</b>	27	8.49	66.94

The annexed notes 1 to 40 form an integral part of these financial statements.

  
\_\_\_\_\_  
Chief Executive



  
\_\_\_\_\_  
Director

7 PROPERTY AND EQUIPMENT

	Cost				Accumulated Depreciation				Net book value as at 31 March 2022	Rate of dep		
	As at 1 July 2021	Transferred from leased to owned assets	Additions	Disposals	As at 31 March 2022	As at 1 July 2021	Transferred from leased to Owned	For the Year			Adjustments	As at 31 March 2022
	<b>Rupees</b>											
<b>Owned</b>											<b>%age</b>	
Member Room	11,500,000	-	-	-	11,500,000	6,648,814		181,919	-	6,830,733	4,669,267	5%
Office equipment	384,150	-	-	-	384,150	287,435		7,254		294,689	89,461	10%
Computer & Printers	738,600	-	-	-	738,600	485,980		18,947		504,927	233,674	10%
Furniture and fixtures	1,028,586	-	-	-	1,028,586	879,094		11,212	-	890,306	138,280	10%
<b>Leased</b>												
Vehicles	4,406,942				4,406,942	-				-	4,406,942	10%
	<b>18,058,278</b>	-	-	-	<b>18,058,278</b>	<b>8,301,322</b>	-	<b>219,332</b>	-	<b>8,520,654</b>	<b>9,537,624</b>	

## 8 INTANGIBLE ASSETS

		Mar-22	Mar-21
		---Rupees---	
Trading Right Entitlement Certificate ("TREC")	8.1	2,500,000	2,500,000
Revaluation gain	8.2		
		<u>2,500,000</u>	<u>2,500,000</u>

- 8.1 Pursuant to the Stock Exchange (Corporatization, Demutualization and Integration) Act, 2012, stock exchanges operating as guarantee limited companies were converted to public limited companies. Ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization and corporatization, the Company received shares of the relevant exchange and a Trading Rights Entitlement Certificate ("TREC") against its membership card.

The TREC has been recorded as an indefinite-life intangible asset pursuant to the provisions and requirements of IAS 38. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of the Pakistan Stock Exchange Limited ("PSX") post-mutualization was used as the initial value of the intangible. The TREC, which has been pledged with the PSX to meet Base Minimum Capital ("BMC") requirements, is assessed for impairment in accordance with relevant approved accounting standards.

- 8.2 Vide its notice dated November 10, 2017, the PSX revised the notional value of the TREC from PKR 5 million to PKR 2.5 million. As a result, the Company has recognized a revaluation gain of PKR 2,178,450 during fiscal 2018.

		Mar-22	Mar-21
		---Rupees---	
	<i>Note</i>		
<b>9 LONG-TERM INVESTMENTS</b>			
<b>Investments available for sale</b>			
LSE Financial Services Limited (unquoted) - at fair value	9.1	20,533,912	19,605,540
Adjustment for remeasurement to fair value		-	-
		<u>20,533,912</u>	<u>19,605,540</u>

- 9.1 As a result of the demutualization and corporatization of stock exchanges as detailed in note 8.1, the Company received 843,975 shares of LSE Financial Services Limited. Of these, 60% (506,385 shares) were held in a separate Central Depository Company Limited ("CDC") sub-account, blocked until they are sold to strategic investors, financial institutions and/or the general public. The remaining shares (40% of total, or 337,590 shares) were allotted to the Company.

337,590 shares of LSE Financial Services Limited are pledged with the PSX to meet BMC requirements.

	Note	Mar-22 Rupees	Mar-21 Rupees
<b>10 LONG-TERM DEPOSITS</b>			
Central Depository Company Limited		-	0
National Clearing Company of Pakistan Limited		1,400,000	1,400,000
Pakistan Stock Exchange Clearing House Deposit		30,000	30,000
Rent Security		81,000	81,000
Security Deposit PSX Office		-	-
		<u>1,511,000</u>	<u>1,511,000</u>
<b>11 TRADE DEBTS</b>			
Considered good	11.1	8,537,342	13,634,807
Considered doubtful		-	-
		<u>8,537,342</u>	<u>13,634,807</u>
Less Provision for doubtful debts	11.2	583,568	1,057,535
		<u>7,953,773</u>	<u>12,577,272</u>
<p>11.1 The Company holds client-owned securities with a total fair value of PKR _____ (2018: PKR ) as collateral against trade recognized a provision for doubtful debts after consideration of a number of factors, including (but not limited to) an analysis of history experience, aging of the receivables portfolio, expected future write-offs, the nature and quantum of collateral held, and an assessment of identifiable customer accounts considered at risk or uncollectible.</p> <p>Trade debts include PKR _____ receivable from related parties.</p>			
<p>11.2 Movement in provision against trade debts is as under:</p>			
Opening balance (as at July 1)		583,568	1,057,535
Charged to profit and loss during the year		-	-
		<u>583,568</u>	<u>1,057,535</u>
Amounts written off during the year		-	-
Closing balance (as at June 30)		<u>583,568</u>	<u>1,057,535</u>
<b>12 LOANS AND ADVANCES</b>			
Staff advances - unsecured, considered good		66,000	121,000
Loan to CEO		1,330,000	1,330,000
Advance Against room LSE South Tower		1,127,438	2,634,723
PSX Exposure		-	-
Withholding Tax Deduction		1,539,988	2,130,960
		<u>4,063,426</u>	<u>6,216,683</u>
<b>13 TRADE DEPOSITS, SHORT-TERM PREPAYMENTS AND OTHER RECEIVABLES</b>			
NCSS Receivable		4,123,948	8,364,362
Exposure margin with PSX		10,800,000	18,100,000
Receivables - House account		-	-
Other Receivables		199,574	102,351.35
		<u>15,123,522</u>	<u>26,566,712.9</u>
<b>14 INCOME TAX REFUNDABLE</b>			
	Note		
Balance at the beginning of the year		2,027,606	2,027,606
Add Current Year Additions		(2,027,606)	(2,027,606)
		<u>-</u>	<u>-</u>
Less Adjustment against provision of taxation		-	-
<b>Balance at the end of the year</b>		<u>-</u>	<u>-</u>
<b>15 SHORT TERM INVESTMENTS</b>			
<b>Investments at fair value through profit or loss</b>			
Investment in listed securities		-	-
Gain/(Loss) on investment		-	-
		<u>-</u>	<u>-</u>

Shares with fair value of PKR NIL (2018: PKR NIL) have been pledged with [commercial banks / other] for obtaining finance facilities. Of these of PKR NIL (2018: PKR NIL) are clients' shares

		Mar-22 Rupees	Mar-21 Rupees
<b>16 CASH AND BANK BALANCES</b>			
	<i>Note</i>		
Cash in hand		14,335	12,031
Cash at bank			
Current accounts	<i>16.1</i>	52,115,471	63,704,417
Savings accounts		11,891,020	3,112,112
		<u>64,020,826</u>	<u>66,828,559</u>

16.1 Cash in current accounts includes customers' assets in the amount of PKR 144,958 (2018: 363,382) held in designated bank accounts.

		Mar-22 Rupees	Mar-21 Rupees
<b>17 SHARE CAPITAL</b>			
	<i>Note</i>		
17.1 <b>Authorized capital</b>			
600,000 (2018: 600,000) ordinary shares of PKR 100 each		<u>60,000,000</u>	<u>60,000,000</u>
17.2 <b>Issued, subscribed and paid-up share capital</b>			
185,000 (2018: 185,000) ordinary shares of PKR 100/- each, issued for cash		50,000,000	50,000,000
		<u>50,000,000</u>	<u>50,000,000</u>

17.3 Shareholders holding 5% or more of total shareholding

	Number of Shares		Percentage	
	June 19	Jun-18	June-19	Jun-18
Mian Ghulam Mohiuddin	208,108	110,000	59%	59%
Hassan Iqbal	134,324	71,000	38%	38%
Zia Muhiudin	3,784	2,000	1%	1%
Nagina Akhtar	3,784	2,000	1%	1%
	350,000	185,000		

<b>18 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>			
Present value of minimum lease payments		-	632,099
Less: Current portion		(325,963)	(625,844)
		(325,963)	6,255
<b>Minimum lease rentals payable:</b>			
Within one year			
After one year but within five years			
After five years		-	-
		-	-
Less: Future financial charges		-	-
Net lease obligation		<u>(325,963.00)</u>	<u>6,255.00</u>

18.1 [Details of leases, e.g.: The Company has acquired vehicles under finance lease arrangements from a commercial bank and a leasing its Chief Executive Officer. The liabilities under the lease agreements are repayable in monthly installments and during the year carry 11.29% to 13.00% (2018: 11.98% to 15.54%) per annum. These lease finance facilities are secured against title of the leased vehicle

		Mar-22 Rupees	Mar-21 Rupees
<b>19 TRADE AND OTHER PAYABLES</b>			
	<i>Note</i>		
Trade creditors	<i>19.1</i>	29,548,806	46,719,236
Staff welfare fund		215,391	140,598
Tax payable		156,297	537,012
Accrued		-	-
Auditor's remuneration payable		-	3,768
Other payables		724,166	1,332,012.00
		<u>30,644,660</u>	<u>48,732,627</u>

19.1 This includes PKR 264,119 (2018: PKR 92,134) due to related parties





	<i>Note</i>	Mar-22 Rupees	Mar-21 Rupees
<b>TAXATION</b>			
26 Provision made during the year for:			
- current			
- prior year	10		

-
-

		Mar-22 Rupees	Mar-21 Rupees
<b>EARNINGS PER SHARE</b>			
27. Basic			
Profit / (loss) after taxation, attributable to ordinary shareholders		4,243,029.19	23,429,123.25
Weighted average number of ordinary shares in issue during the year		500,000.00	500,000.00
Earnings per share		8.49	66.94
figure for			