

**MGM SECURITIES PRIVATE LIMITED**

**Quarterly Financial Statements  
For the Period Ended on 31 March, 2024**

**MGM SECURITIES (PVT) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE PERIOD ENDED MARCH 31, 2024**

	Note	Un-Audited 31 March 2024 Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property and equipment	5	12,612,211
Intangible assets	6	2,500,000
Long term investments	7	9,006,813
Long term deposits	8	17,127,858
		41,246,882
<b>CURRENT ASSETS</b>		
Trade debts	9	478,643
Loans and advances	10	1,695,500
Trade deposits, short term prepayments and current account balance with statutory authorities	11	3,978,326
Cash and bank balances	12	47,078,892
		53,231,361
		94,478,243
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Share capital	13	50,000,000
Un appropriated profit		39,414,589
Fair value adjustment reserve	14	-
		89,414,589
<b>NON CURRENT LIABILITIES</b>		
Lease liability	15	-
Deferred liabilities	16	2,697,817
		2,697,817
<b>CURRENT LIABILITIES</b>		
Deposits, accrued liabilities and advances	17	323,724
Trade and other payables	18	2,042,110
Current portion of lease liability	15	-
Provision for taxation		-
		2,365,834
<b>CONTINGENCIES AND COMMITMENTS</b>	19	-
		94,478,240

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

Woh  
**CHIEF EXECUTIVE**



**DIRECTOR**

**MGM SECURITIES (PVT) LIMITED  
STATEMENT OF PROFIT OR LOSS  
FOR THE PERIOD ENDED MARCH 31, 2024**

	Note	Un-Audited 31 March 2024 Rupees
Operating revenue	20	13,764,700
Direct costs	21	<u>(1,697,313)</u>
		12,067,387
Operating expenses	22	<u>(12,357,242)</u>
Other operating expenses	23	-
Other income	24	<u>11,929,820</u>
		<u>(427,422)</u>
<b>PROFIT FROM OPERATIONS</b>		11,639,965
Finance cost	25	<u>(7,875)</u>
<b>PROFIT BEFORE TAXATION</b>		11,632,090
Taxation	26	-
<b>PROFIT FOR THE YEAR</b>		<u><u>11,632,090</u></u>
<b>EARNINGS PER SHARE - BASIC AND DILUTED</b>	27	<u><u>23.26</u></u>

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

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**

**MGM SECURITIES (PVT) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2024**

	Paid up capital	Un appropriated profit	Fair value adjustment reserve	Total
	----- (R u p e e s) -----			
Balance as at June 30, 2022	50,000,000	21,229,074	17,369,179	88,598,252
Profit after taxation	-	6,553,425	-	6,553,425
Other comprehensive loss	-	-	(17,369,179)	(17,369,179)
Total comprehensive loss for the year	-	6,553,425	(17,369,179)	(10,815,754)
<b>Balance as at June 30, 2023 - Audited</b>	<b>50,000,000</b>	<b>27,782,499</b>	<b>-</b>	<b>77,782,498</b>
Profit after taxation	-	11,632,090	-	11,632,090
Other comprehensive loss	-	-	-	-
Total comprehensive loss for period	-	11,632,090	-	11,632,090
<b>Balance as at March 31, 2024 - Un-Audited</b>	<b>50,000,000</b>	<b>39,414,589</b>	<b>-</b>	<b>89,414,588</b>

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

CHIEF EXECUTIVE

DIRECTOR

	Note	Un-Audited 31 March 2024 Rupees
<b>6 INTANGIBLE ASSETS</b>		
Trading right entitlement certificate (TREC)	6.1	2,500,000
		<u>2,500,000</u>
<b>6.1</b>	This represents Trading Right Entitlement Certificate (TREC) received from the Pakistan Stock Exchange Limited additional payment, in lieu of TREC issued by the Lahore Stock Exchange Limited, surrendered on, January consequence of Scheme(s) of Integration approved by the Securities and Exchange Commission of Pakistan 01/2016 dated January 11, 2016 under regulation 6 (8) of the Stock Exchange (Corporatization, Dem Integration) Regulations, 2012. This is carried at cost less accumulated impairment.	

## 7 LONG TERM INVESTMENTS

### Quoted - Shares of LSE Ventures Limited and LSE Proptech Limited (Previously un-quoted shares of LSE Financial Services Limited)

#### At fair value through profit or loss

Carrying value	7.2	16,406,874
Fair value adjustment		<u>(7,400,061)</u>
		<u>9,006,813</u>
<b>7.1</b>	The breakup for the amount is as follows:	
Cost		678,450
Fair value reserve		<u>8,328,363</u>
		<u>9,006,813</u>
<b>7.2</b>	During the year, the company has received following shares of LSE Proptech Limited and LSE Venture Limit of LSE Financial Services Limited under the scheme of compromises, arrangements and reconstruction as env provisions of the Companies Act, 2017. Due to change in investments from un-quoted to quoted shares, t reclassified these investments from available for sale to fair value through profit or loss and respective accumu been charged to profit or loss.	

	Total No. of shares	Total Rupees	Pledge Rupees
LSE Proptech Limited	295,534	1,421,523	1,421,523
LSE Venture Limited	<u>842,810</u>	<u>7,585,290</u>	<u>7,585,290</u>
	<u>1,138,344</u>	<u>9,006,813</u>	<u>9,006,813</u>

## 8 LONG TERM DEPOSITS

### Deposits with/against:

National Clearing Company of Pakistan Limited	-
Pakistan Stock Exchange for BMC	-
LSE Financial Services Limited	-
Leases	-
Rental property	81,000
Eclear Services limited	<u>17,046,858</u>
	<u>17,127,858</u>

9 TRADE DEBTS	Note	Un-Audited 31 March 2024 Rupees
<b>Receivable from clients on account of:</b>		
Purchase of shares on behalf of clients		775,514
Related parties	9.3	-
		775,514
Less: Provision for doubtful debts	9.1	(1,304,591)
		(529,078)
National Clearing Company of Pakistan Ltd.		-
Eclare Services Limited		1,007,721
		<u>478,643</u>

**9.1 Movement in provision is as follows**

Opening balance		1,304,591
Provision made during the year		-
Balances written off during the year		-
	9.4	<u>1,304,591</u>

**9.2 Aging Analysis-Receiveable from clients**

Upto five days  
More than five days

**9.3 Receivable from related party comprises of the following:**

Name	Basis of relationship	Maximum aggregate amount Rupees
Syed Hassan Iqbal	Director	1,278
Mr. Mian Ghulam Mohiuddin	Director	632,973

**9.3.1 Ageing analysis of the amounts due from related parties as follows:**

Name	Upto 1 months	1 to 6 months	More than 6 months
	-----Rupees-----		
Syed Hassan Iqbal	-	-	1,278
Mr. Mian Ghulam Mohiuddin	-	632,973	-

**9.4** This includes provision relating to receiveables from directors Mr. Syed Hassan Iqbal and Mr. Mian Ghulam Mohiuddin amounting Rs. 1,278 and Rs. 444,007 respectively. Provision is based on balances outstanding for more than 5 market value of holding securities after VAR haircut.



		<b>Note</b>	<b>Un-Audited 31 March 2024 Rupees</b>
<b>10</b>	<b>LOANS AND ADVANCES</b>		
	<b>Advances to: (Interest free and un-secured but considered good)</b>		
	Employees		415,500
	Director - Syed Hassan Iqbal	<b>10.1</b>	1,280,000
	Director - Ihtisham Riaz		-
			<u>1,695,500</u>
<b>10.1</b>	<b>Particulars of advance to director:</b>		
	<b>Name</b>	<b>Basis of relationship</b>	<b>Maximum aggregate amount Rupees</b>
	Syed Hassan Iqbal	Director	1,280,000
<b>10.2</b>	This represents short term advance obtained by the director of the company. As per terms of repayment of the advance, it is recoverable on demand of the company and it would be settled in next 12 months. This is outstanding for 6 months.		
<b>11</b>	<b>TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCE WITH STATUTORY AUTHORITIES</b>		
	<b>Deposits with:</b>		
	National Clearing Company of Pakistan Ltd		-
	Tax deducted at source		<u>3,978,326</u>
			<u>3,978,326</u>
<b>12</b>	<b>CASH AND BANK BALANCES</b>		
	These were held as under:		
	Cash in hand		12,164
	Cash at bank:		
	in current accounts		
	Pertaining to brokerage house		46,599,297
	Pertaining to clients		467,430
			47,066,728
	in saving accounts		
	Pertaining to brokerage house		-
			<u>47,078,892</u>



	Note	Un-Audited 31 March 2024 Rupees
<b>13 SHARE CAPITAL</b>		
<b>Authorized</b>		
600,000 (2022: 600,000) ordinary shares of Rs.100 each		<u>60,000,000</u>
<b>Issued, subscribed and paid up</b>		
500,000 (2022: 500,000) ordinary shares of Rs.100 each issued paid in cash	13.1	<u>50,000,000</u>

**13.1 Pattern of Shareholding:**

	% age of Shares Held		Number of Shares
	31 March 2024	30 June 2023	31 March 2024
<b>Individuals</b>			
<b>Chief Executive</b>			
Mian Ghulam Mohiuddin	59%	59%	297,297
<b>Directors</b>			
Zia Mohiuddin	1%	1%	5,406
Syed Hassan Iqbal	38%	38%	191,891
<b>Shareholder</b>			
Mrs. Nagina Akhter	1%	1%	5,406
	<u>100%</u>	<u>100%</u>	<u>500,000</u>

**14 FAIR VALUE ADJUSTMENT RESERVE**

	31 March 2024 Rupees
Fair value adjustment reserve	<u>-</u>

**14.1** This represented accumulated gain on long term investments and it has be reclassified to profit or loss.

**15 LEASE LIABILITY**

	Note	Rupees
Current portion of lease liability		-
Non-current portion of lease liability		<u>-</u>
		<u>-</u>

**15.1 Movement during the year is as follows:**

Balance as at July, 01	-
Acquired during the year	-
Payments during the year	-
Final settlement during the year	<u>-</u>
Balance as at Jun, 30	<u>-</u>

**15.2** This represented facility from Bank Al-Habib for lease of vehicles. The term of the agreements were 3 to 5 year was repayable in varying monthly installments. It carries markup @ 6 months KIBOR plus 3%. During the year settled the remaining outstanding balance under the agreement and the ownership of vehicles was transferred to the company.

## 16 DEFERRED TAXATION

Deferred credits/(debits) arising due to:

Accelerated tax depreciation	2,035,104	
Unrealized gain on long term investment	1,041,045	
Provision for doubtful debts	(378,332)	
Lease	-	
Minimum tax	(208,608)	
Brought forward losses	(1,507,909)	
Deferred tax asset not recognised	1,716,517	
		<u>2,697,817</u>

Balance as at July 01, 2,697,817

Add: Charged during the year -

2,697,817

16.1 At the year end, deferred tax asset amounting Rs. 1.72 million (2022: Rs. 0.89 million) arising due to minimum taxable losses has not recognized in these financial statements being prudent. Management is of the view that the deferred tax asset shall be reassessed as at June 30, 2024.

16.2 Minimum taxes would expire as follows:

Accounting year to which minimum tax relates	Rupees	Accounting year in which minimum tax expires
2023	208,608	2026

16.3 Business losses would expire as follows:

Accounting year to which business losses relates	Rupees	Accounting year in which minimum tax expires
2023	4,173,373	2029

16.4 Depreciation losses with no limit to expire are follows:

Accounting year to which depreciation losses relates	Rupees
2023	1,026,312

## 17 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES

Accrued expenses 323,724

## 18 TRADE AND OTHER PAYABLES

Creditors for sale of shares on behalf of clients	18.1 & 18.2	1,461,901
Sales tax payable		249,148
Staff welfare fund		-
Punjab worker's welfare fund payable		331,061
		<u>2,042,110</u>

18.1 Creditors for sale of shares on behalf of clients include the following amount due to related parties:

Zia Mohiuddin Director 56,900

18.2 The total value of securities pertaining to clients, employees and directors/sponsors are amounting Rs. 297,017 and Rs. 2,077,478 respectively held in sub-accounts of the company. No client security is pledged with the firm except with National Clearing Company of Pakistan Ltd. amounting Rs. Nil for exposure margin.

## 19 CONTINGENCIES AND COMMITMENTS

### 19.1 Contingencies

19.1.1 The company has received notice from Federal Board of Revenue dated June 20, 2022 in which penalty has been Rs. 710,000 for the tax year 2021 due to non-compliance of Common Reporting Standard of the Income Tax Act 2001. The company has filed a writ petition before the Lahore High Court, Lahore against the aforesaid notice which is pending for final decision. The tax advisor of the company is of the opinion that the company has a good arguable case and that the same will be decided in the favour of the company.

19.1.2 The Trustees of LSE MCF Trust and LSE TCF Trust have given guarantee amounting Rs. 8.78 million to Pakistan Stock Exchange (PSX) on behalf of the company for meeting the Base Minimum Capital requirements.

19.1.3 The company has received show cause notice dated 12 December, 2018 from the Deputy Commissioner Audit unit-IV, Range I, Zone IV, RTO Lahore initiating proceedings u/s 111 of the Income Tax Ordinance 2001 and in addition 1,734,990 in sale/turnover declared in PRA during the Tax Year 2017. The company has replied to the notice through letter dated December 17, 2018. However, an order has been passed against the company dated 17 August 2022 without considering the reply of the company. The company has filed appeal against the aforesaid order which is pending for final decision. The Commissioner (Appeals), Inland Revenue, Lahore has passed order dated September 18, 2023 in favour of the company and has annulled the order passed by Commissioner Audit Inland Revenue.

### 19.2 Commitments

19.2.1 Commitments in respect of capital expenditures as at December 31, 2023 were amounting Rs. nil (30 June, 2023)

## 20 OPERATING REVENUE

Brokerage income	16,386,548
Less: Sales tax	(2,621,848)
	<u>13,764,700</u>

## 21 DIRECT COSTS

Charges paid to:	
Pakistan Stock Exchange Limited	437,007
Central Depository Company of Pakistan Ltd.	-
Commission Paid	1,072,636
National Clearing Company of Pakistan Ltd.	187,670
	<u>1,697,313</u>

## 22 OPERATING EXPENSES

Directors' remuneration	4,014,000
Staff salaries and benefits	4,570,517
Rent, rates and taxes	242,043
Communication and postage	139,646
Electricity charges	293,274
Printing and stationery	36,970
Repair and maintenance	330,205
Legal and professional charges	22.1 164,064
Fee and subscription	623,227
Insurance	-
Charity and donation	89,800

Entertainment		286,162
Depreciation	5	1,506,687
Travelling and conveyance		-
Others		60,647
		<u>12,357,242</u>

	Note	Un-Audited 31 March 2024 Rupees
<b>22.1 Auditor's remuneration</b>		
This includes statutory audit fee and other certification charges as detailed below :		
<b>Amin, Mudassar &amp; Co. Chartered Accountants</b>		
Statutory audit		-
Certification fee		-
		<u>-</u>
		<u>-</u>
Statutory audit		-
		<u>-</u>
		<u>-</u>
<b>23 OTHER OPERATING EXPENSES</b>		
Provision for doubtful debts		-
Punjab workers' welfare fund		-
		<u>-</u>
		<u>-</u>
<b>24 OTHER INCOME</b>		
<b>Income from financial assets</b>		
Dividend income		-
Interest income		11,929,820
Unrealized gain on long term investments		-
<b>Income from non financial assets</b>		
Gain against sale of intangible assets		-
		<u>11,929,820</u>
		<u>11,929,820</u>
<b>25 FINANCE COST</b>		
Mark-up and finance charges		-
Bank charges		7,875
		<u>7,875</u>
		<u>7,875</u>
<b>26 TAXATION</b>		
Income tax:		
- Current		-
- Deferred		-
		<u>-</u>
		<u>-</u>
<b>26.1</b>	No numeric tax rate reconciliation is presented for the current year as the company is either liable to pay ta regime or minimum tax u/s 113 of Income Tax Ordinance, 2001.	
<b>26.2 Reconciliation of taxation:</b>		
Profit before tax		
Tax on profit before tax @ 29%		
Tax effect on inadmissible expense		
Tax effect on admissible expense		
Tax on income under final tax regime		

**27 EARNINGS PER SHARE - BASIC AND DILUTED**

	<b>Un-Audited 31 March 2024</b>
Profit for the year-Rupees	<u>11,632,090</u>
Weighted Average Number of ordinary shares outstanding during the year-Numbers	<u>500,000</u>
Earnings per share-Rupees	<u>23.26</u>

**28 NUMBER OF EMPLOYEES**

	<b>Un-Audited 31 March 2024 (Number)</b>
Total number of employees at the end of year	<u>14</u>
Average number of employees during the year	<u>14</u>

**29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

The aggregate amount charged in the financial statements for the year for remuneration to the chief executive executives of the company is as follows:

	<b>2023</b>	
	<b>Chief Executive</b>	<b>Directors</b>
	----- R u p e e s -----	
Managerial remuneration	<u>2,629,804</u>	<u>3,422,196</u>
Number of persons	<u>1</u>	<u>2</u>
	<b>2022</b>	
	<b>Chief Executive</b>	<b>Directors</b>
	----- R u p e e s -----	
Managerial remuneration	<u>1,428,000</u>	<u>3,924,000</u>
Number of persons	<u>1</u>	<u>2</u>

**Un-Audited**  
**31 March**  
**2024**  
**Rupees**

**30 FINANCIAL INSTRUMENTS BY CATEGORY**

**Financial assets and financial liabilities**

**Financial assets**

**Available for sale**

Long term investment

-

**Fair value through profit or loss**

Long term investment

9,006,813

**At ammortized cost**

Long term deposits

17,127,858

Trade debts

478,643

Loans and advances

1,280,000

Trade deposits and short term prepayment

-

####

Cash and bank balances

47,078,892

65,965,393

**Financial liabilities**

**At amortized cost**

Deposits, accrued liabilities and advances

323,724

Trade and other payables

1,461,901

1,785,625

**32 CORRESPONDING FIGURES**

The corresponding figures have been rearranged and reclassified, wherever considered necessary, for comparison and better presentation. However, there is no major reclassification to report.

**33 GENERAL**

Figures have been rounded off to the nearest of rupee.

**34 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors of the Compa

**CHIEF EXECUTIVE**

**DIRECTOR**