

MRA Securities Limited
Balance Sheet
As on September 30, 2017

	Note	Rupees 30-09-2017	Rupees 30-06-2017
ASSETS			
NON-CURRENT ASSETS			
Property & equipment	4	37,896,133	35,999,033
Intangible assets	5	5,000,000	5,000,000
Long term investment	6	49,603,583	49,603,583
Investment property	7	6,734,420	6,734,420
Long term advances & deposits	8	1,910,000	12,414,809
		101,144,136	109,751,845
CURRENT ASSETS			
Trade receivables	9	135,112,277	162,616,373
Receivable against margin financing	10	484,480,407	624,856,778
Advances, deposits, pre-payments & other receivables	11	409,847,914	761,244,483
Short term investments	12	287,235,192	67,230,470
Cash & bank balances	13	45,500,013	12,603,212
		1,362,175,803	1,628,551,316
TOTAL ASSETS		1,463,319,939	1,738,303,161
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized Capital			
40,000,000 (2017: 70,000,000) ordinary shares of Rs. 10/- each		700,000,000	400,000,000
Issued, subscribed and paid-up capital	14	400,000,000	275,000,000
Capital reserve		-	-
Unappropriated profit		222,903,380	237,265,708
Unrealised gain on revaluation of available for sale investments		25,134,303	25,134,303
		648,037,683	537,400,011
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred gratuity	15	2,347,215	2,347,215
Long term loan	16	286,880,000	332,880,000
		289,227,215	335,227,215
CURRENT LIABILITIES			
Short term running finance - secured	17	134,800,367	160,916,127
Short term loan		65,649,322	304,695,289
Trade payables		240,973,574	261,899,006
Accrued expenses & other liabilities	18	84,631,778	138,165,514
		526,055,041	865,675,936
CONTINGENCIES AND COMMITMENTS	19	-	-
TOTAL EQUITY AND LIABILITIES		1,463,319,939	1,738,303,162

The annexed notes from 1 to 37 form an integral part of these financial statements.

Chief Executive

Director

MRA Securities Limited
Profit & Loss Account
For the year ended September 30, 2017

	Note	Rupees 30-09-2017	Rupees 30-06-2017
REVENUE			
Operating revenue	20	53,012,488	391,197,407
Capital gain on sale of securities		(1,662,036)	78,057,934
Unrealised loss on remeasurement of investments		(13,716,642)	(13,675,880)
		37,633,810	455,579,461
Administrative expenses	22	(42,502,554)	(295,200,514)
Finance cost	23	(460,779)	(25,024,100)
		(42,963,333)	(320,224,614)
Operating profit / (loss)		(5,329,523)	135,354,846
Other charges	24	-	
Other income	25	14,407,516	59,671,288
Profit before taxation		9,077,993	195,026,134
Taxation	26	(23,440,321)	(47,277,756)
Profit after taxation		(14,362,328)	147,748,378
Earnings per share - basic and diluted	27	(0.36)	5.37

The annexed notes from 1 to 37 form an integral part of these financial statements.

Chief Executive

Director

4.14 CLIENTS AGING AS ON 30-09-2017 (SECURITIES VALUE @ MARKET)

ALL CLIENT - RECEIVABLES

SUMMARY

CATEGORY	NOS.	BALANCE	1 - 14	ABOVE - 14	SEC. VALUES	ALLOWED
CORPORATE	27	3,538,481.04	3,145,845.04	392,636.00	0.00	0.00
FOREIGNER	2	1,892.57	0.00	1,892.57	0.00	0.00
INDIVIDUAL	1763	118,183,699.92	93,609,359.37	24,574,340.55	801,982,994.43	14,829,876.88
PROPRIETARY	18	5,367,263.64	5,088,972.12	278,291.52	37,771,208.73	193,326.65
TOTAL	1810	127,091,337.17	101,844,176.53	25,247,160.64	839,754,203.16	15,023,203.53

MRA Securities Limited
Notes to the Accounts

Notes	Rupees 30-09-2017	Rupees 30-06-2017
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8 LONG TERM ADVANCES & DEPOSITS

Pakistan Stock Exchange Limited	110,000	110,000
National Clearing Company of Pakistan Limited	1,700,000	1,200,000
Central Depository Company of Pakistan Limited	100,000	100,000
Deposit against Base Minimum Capital Requirement	-	11,004,809
	<u>1,910,000</u>	<u>12,414,809</u>

9 TRADE RECEIVABLES

Considered good	9.1 127,091,337	162,616,373
Considered doubtful	25,247,161	6,159,406
	<u>152,338,498</u>	<u>168,775,779</u>
Provision for doubtful debts	(25,247,161)	(6,159,406)
	<u>127,091,337</u>	<u>162,616,373</u>

9.1 Trade debts are recognised initially at invoice amount less provision for doubtful debts, if any. The aging analysis for amount receivable from clients for more than five days is as follows.

Amount due from clients for more than 5 days	<u>35,268,947</u>
Value of listed shares (collateral) after applying haircut on the basis of VAR	<u>545,081,654</u>
Amount receivable from clients exceeding the collateral held from such customers	<u>-</u>

10 RECEIVABLE AGAINST MARGIN FINANCING

This represents receivable against margin financing from clients amounting to **Rs. 484,480,407/- (2017: 624,856,779/-)**

11 ADVANCES, DEPOSITS, PRE-PAYMENTS & OTHER RECEIVABLES

Exposure deposits	11.1 227,434,494	557,077,095
Advance payment of tax	175,696,822	177,425,952
Receivables from PSX against disposal of shares	-	26,487,368
Other receivables	158,330	254,068
	<u>403,289,646</u>	<u>761,244,483</u>

11.1 This represents deposit with National Clearing Company of Pakistan Limited against the exposure margin in respect of trade in future and ready market. These deposits carry profit at rates ranging from 2.75% to 3.1% (2016: 3.12% to 3.82%) per annum.

MRA Securities Limited
Notes to the Accounts

Notes	Rupees 30-09-2017	Rupees 30-06-2017
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12 SHORT TERM INVESTMENTS

Investments at fair values through profit & loss held for trading

Listed equity securities

Unrealized gain / (loss) as a result of measurement at market value

287,235,192	80,906,350
	(13,675,880)

Market value

287,235,192	67,230,470
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13 CASH AND BANK BALANCES

Cash in hand

Cash at bank - *current accounts*

	79,917	104,232
13.1	45,420,096	12,498,980
	45,500,013	12,603,212

13.1 Detail of customer assets held in designated bank accounts and Central Depository Company (CDC) are as follows.

Customer assets held in the designated bank accounts

-

Customer assets held in the Central Depository Company

-

Securities pledged with financial institution

-

14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

Ordinary Shares of Rs. 10 /- each

30-09-2017	30-06-2017		30-09-2017	30-06-2017
24,300,000	24,300,000	Ordinary shares of Rs. 10 each fully paid in cash	243,000,000	243,000,000
3,200,000	3,200,000	Ordinary shares of Rs. 10 each issued for consideration other than in cash.	32,000,000	32,000,000
40,000,000	27,500,000		400,000,000	275,000,000

MRA Securities Limited
Notes to the Accounts

Notes	Rupees 30-09-2017	Rupees 30-06-2017
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- 14.1** The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.

15 DEFERRED LIABILITIES - GRATUITY

Opening balances	2,147,215	4,378,161
Add : Provision made during the year	-	-
	2,147,215	4,378,161
Less : Paid during the year		(2,230,946)
		2,147,215

In the opinion of the management actuarial valuation would not result in material difference between the provision provided in accounts.

16 LONG TERM LOAN - UNSECURED

Related parties	16.1	286,880,000	332,880,000
		286,880,000	332,880,000

- 16.1** This facility is obtained from directors and other associated persons without any markup & repayable at the discretion of the company.

17 SHORT-TERM RUNNING FINANCE - SECURED

From banking company	17.1	134,800,367	160,916,127
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- 17.1** The Company has obtained short term running finance facilities from commercial banks, to meet exposure and working capital requirements, amounting to Rs. 500 million (2016: 500 million). The mark-up charged on these facilities ranges from 3 months KIBOR + 2.00% to 6 months KIBOR +2.00 per annum on daily outstanding balances payable quarterly. These facilities are secured against pledge of shares of blue chip companies and personal guarantees of all directors of the Company.

MRA Securities Limited
Notes to the Accounts

Notes	Rupees 30-09-2017	Rupees 30-06-2017
18 ACCRUED EXPENSES AND OTHER LIABILITIES		
Accrued expenses	1,551,171	1,653,176
Markup payable	385,028	1,767,942
Workers' welfare fund payable	-	-
SST payable	1,812,839	2,509,978
CGT payable	-	2,055,800
Other liabilities	80,882,761	130,178,619
	84,631,799	138,165,514

18 ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses		1,551,171	1,653,176
Markup payable		385,028	1,767,942
Workers' welfare fund payable	18.1	-	-
SST payable		1,812,839	2,509,978
CGT payable		-	2,055,800
Other liabilities		80,882,761	130,178,619

84,631,799 138,165,514

- 18.1** During the year ended June 30, 2017, the Honorable Supreme Court of Pakistan vide its order dated September 27, 2016 revoked the amendments made in the Finance Act, 2006 and Finance Act, 2008 that broadened the scope of the obligation on industrial establishments to contribute towards Workers' Welfare Fund. The Honorable Supreme Court of Pakistan revoked the amendments pronouncing that contribution towards Workers' Welfare Fund constitutes a fee and not a tax; hence, the said amendments cannot be made through money bills (i.e. finance acts). Based on the order of the Honorable Supreme Court of Pakistan, the Company has reversed the provision for Workers' Welfare Fund recognized in prior years.

19 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as on June 30, 2017 (2016: Nil).

20 OPERATING REVENUE

Brokerage commission	52,825,681	388,276,948
Dividend income	186,807	2,920,459
	53,012,488	391,197,407

21 INVESTMENT TURNOVER

Turnover during the period comprises of the following:

During the year ended June 30, 2017

Institution

Retail

Proprietary

Total

Turnover in Value

-
-
-
-

MRA Securities Limited
Notes to the Accounts

Notes	Rupees 30-09-2017	Rupees 30-06-2017
22 ADMINISTRATIVE EXPENSES		
Directors' remuneration	29 1,500,000	6,000,000
Salaries, wages and other benefits	✓ 7,490,773	35,886,518
Rent, rates and taxes	508,200	762,000
Telephone and communication charges	✓ 583,985	4,604,205
Utility charges	✓ 623,853	2,691,065
Printing and stationery	144,207	5,604,012
Travelling and conveyance	315,400	3,953,175
Postage and courier	8,629	268,705
Entertainment	625,888	9,025,355
Repair and maintenance	121,650	9,692,067
Computer and software expenses	94,330	5,955,987
Vehicle running expenses	355,964	3,978,296
Agents' commission	15,085,474	126,726,322
Fees and subscription	✓ 1,724,575	5,294,991
Audit fee	142,560	150,000
Bad debts	-	6,159,406
Legal and professional charges	-	109,200
Insurance	7,953	14,055
Service and transaction charges	✓ 12,190,948	47,933,603
Donation	-	8,415,775
Depreciation	-	6,223,446
Miscellaneous expenses	978,165	5,004,042
	42,502,554	294,452,225
23 FINANCE COSTS		
Bank charges and others	75,751	1,409,622
Markup on short term borrowings from banking companies	385,028	23,614,479
	460,779	25,024,100
24 OTHER CHARGES		
Workers' Welfare Fund	-	-
Loss on disposal of property & equipment	-	-
	-	-
25 OTHER INCOME		
From financial assets		
Profit on exposure deposit	2,549,832	8,084,954
Markup on margin financing	13,906	15,026
IPO commission	240,550	491,187
	2,804,288	8,591,167
From non-financial assets		
Recoveries	10,827,254	45,534,773
Reversal of provision for Workers' Welfare Fund	-	889,504
Rental income from investment property	775,974	4,655,844
	11,603,228	51,080,121
	14,407,516	59,671,288

MRA Securities Limited
Notes to the Accounts

Notes	Rupees 2017	Rupees 30-06-2017		
26 TAXATION				
Current	23,440,321	47,277,756		
Prior	-	-		
	<u>23,440,321</u>	<u>47,277,756</u>		
26.1 Relationship between income tax expense and accounting profit	9,077,993	195,774,404		
Profit before taxation	<u>9,077,993</u>	<u>195,774,404</u>		
Tax at the applicable tax rate of 31% (2016 : 32%)	2,814,178	60,690,065		
Tax effect of income taxed at lower tax rates	(24,831,559)	(24,831,559)		
Tax effect of exempt income	(275,746)	(275,746)		
Tax effect of non deductible expenses	4,661,532	7,962,123		
Others	3,958,839	3,946,203		
	<u>(13,672,756)</u>	<u>47,491,086</u>		
27 EARNINGS PER SHARE - BASIC AND DILUTED				
27.1 Basic earnings per share				
Profit after taxation	(14,362,328)	147,748,379		
Number of shares issued up to the end of the year	40,000,000	27,500,000		
	<u>(0.36)</u>	<u>5.37</u>		
27.2 Diluted earnings per share				
There is no dilutive effect on the basic earnings per share of the Company, since there are no convertible instruments in issue as at June 30, 2017 and June 30, 2016 which would have any effect on the earnings per share if the option to convert is exercised.				
28 CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at the end of the reporting year as shown in the cash flow statement are reconciled to the related items in the balance sheet as follows:				
Short term running finance	(134,800,367)	(160,916,127)		
Cash & bank balances	45,500,013	12,603,212		
	<u>(89,300,354)</u>	<u>(148,312,915)</u>		
29 REMUNERATION OF DIRECTORS AND CHIEF EXECUTIVE				
	2017	2016		
	Directors	Chief Executive	Directors	Chief Executive
Remuneration	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Number of person(s)	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>