

MRA Securities Limited  
Balance Sheet (Unaudited)  
As on March 31, 2018

*FRANK*  
*17/4/2018*

**ASSETS**

**NON-CURRENT ASSETS**

Property & equipment  
Intangible assets  
Long term investment  
Investment property  
Long term advances & deposits

Note	Rupees 31-03-2018	Rupees 30-06-2017
4	⑥ 35,043,233	35,999,033
5	⑦ 5,000,000	5,000,000
6	⑧ 49,972,262	49,603,583
7	⑥ 6,734,420	6,734,420
8	⑨ 1,910,000	12,414,809
	98,659,915	109,751,845

**CURRENT ASSETS**

Trade receivables  
Receivable against margin financing  
Advances, deposits, pre-payments & other receivables  
Short term investments  
Cash & bank balances

9	③ 206,223,209	162,616,373
10	③ 556,028,131	624,856,778
11	⑤ 442,404,587	761,244,483
12	④ 267,018,190	67,230,470
13	② 18,562,361	12,603,212
	1,490,236,478	1,628,551,316

**TOTAL ASSETS**

1,588,896,393      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

Unappropriated profit

Unrealised gain on revaluation of available for sale investments

14	① 400,000,000	275,000,000
	① 297,695,008	237,265,708
	⑩ 25,502,982	25,134,303
	723,197,990	537,400,011

**LIABILITIES**

**NON-CURRENT LIABILITIES**

Deferred gratuity

Long term loan

15	⑮ 2,347,215	2,347,215
16	⑪ 209,000,000	332,880,000
	211,347,215	335,227,215

**CURRENT LIABILITIES**

Short term running finance - secured

Short term loan

Trade payables

Accrued expenses & other liabilities

17	⑬ 239,871,508	160,916,127
	⑭ 72,685,421	304,695,289
	⑫ 236,912,078	261,899,006
18	104,882,181	138,165,514
	654,351,188	865,675,936

**CONTINGENCIES AND COMMITMENTS**

19 - -

**TOTAL EQUITY AND LIABILITIES**

1,588,896,393      1,738,303,162

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

(0)

Chief Executive

Director

**Profit & Loss Account (Audited)**  
For the year ended March 31, 2018

	Note	Rupees 31-03-2018	Rupees 30-06-2017
<b>REVENUE</b>			
Operating revenue	20	167,149,615	391,197,407
Capital gain on sale of securities		782,010	78,057,934
Unrealised loss on remeasurement of investments		7,962,881	(13,675,880)
		<u>175,894,506</u>	<u>455,579,461</u>
Administrative expenses	22	(111,173,504)	(295,200,514)
Finance cost	23	(5,722,650)	(25,024,100)
		<u>(116,896,154)</u>	<u>(320,224,614)</u>
<b>Operating profit / (loss)</b>		<u>58,998,352</u>	<u>135,354,846</u>
<b>Other charges</b>	24	-	
<b>Other income</b>	25	63,682,963	59,671,288
<b>Profit before taxation</b>		<u>122,681,315</u>	<u>195,026,134</u>
<b>Taxation</b>	26	(62,251,998)	(47,277,756)
<b>Profit after taxation</b>		<u>60,429,317</u>	<u>147,748,378</u>
		<u>60,429,317</u>	-
<b>Earnings per share - basic and diluted</b>	27	<u>1.51</u>	<u>5.37</u>

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

Chief Executive

Director

**MRA Securities Limited**  
**Notes to the Accounts**

Notes	Rupees 31-03-2018	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	209,000,000	332,880,000
		209,000,000	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	239,871,508	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 31-03-2018	Rupees 30-06-2017
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**5 INTANGIBLE ASSETS**

Trading Right Entitlement Certificates - Pakistan Stock Exchange Limited  
Less: Impairment loss in value of Trading Right Entitlement Certificates

5.1	10,000,000 (5,000,000)	10,000,000 (5,000,000)
	<u>5,000,000</u>	<u>5,000,000</u>

5.1 During the year the Company has measured the Trading Right Entitlement Certificate (TREC) on its fair value of Rs. 2.5 Million on the basis of new membership value fixed by PSX.

**6 LONG TERM INVESTMENTS**

Available for sale - unquoted  
Investments in :

Shares of Pakistan Stock Exchange Limited  
Unrealised gain on revaluation of shares of Pakistan Stock Exchange Limited  
  
Shares of LSE Financial Services Limited

6.1	16,029,530 19,876,617	16,029,530 25,134,303
	<u>41,532,512</u>	<u>41,163,833</u>
6.2	8,439,750	8,439,750
	<u>49,972,262</u>	<u>49,603,583</u>

6.1 This represents the investment in ordinary shares of Pakistan Stock Exchange Limited (PSX) received by the Company in pursuance of the promulgation of Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012. The total number of shares received by the Company were 4,007,383. During the year 2016, Divestment Committee of the Exchange had issued an invitation for Expression of Interest for acquiring upto 40% equity stake in PSX held in blocked CDC account. Thereafter, bids were submitted by interested parties and as a result of bidding process, share price of Rs. 28/share has been offered by the Anchor investor/successful investor. Sale proceeds of 40% shares sold, after retaining 10% of sale price for one year to settle any outstanding liabilities of PSX in terms of Share Purchase Agreement (SPA), have been credited to respective TRE Certificate holders.

Furthermore, in June, PSX offered Initial Public Offering (IPO) in which the Company disposed-off additional 801,477 shares (i.e. 20% stake) at a price of Rs. 28 per share. On June 23, 2017 SECP approved PSX's application for listing and thereafter, the shares were successfully listed on June 29, 2017. Accordingly, the remaining 1,602,953 shares (i.e. 40% stake) are valued at the closing market rate of Rs. 25.68 per share as of period end.

6.2 This represents the investment in 843,975 unquoted ordinary shares of M/s. LSE Financial Services Limited at allocated cost.

**7 INVESTMENT PROPERTY**

Opening net book value (NBV)  
Additions (at cost)  
Disposals (at NBV)  
Depreciation charge

6,734,420	7,482,689
-	-
-	-
	<u>(748,269)</u>
<u>6,734,420</u>	<u>6,734,420</u>

**MRA Securities Limited**  
**Notes to the Accounts**

Notes	Rupees 31-03-2018	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
	<b>1,910,000</b>	<b>12,414,809</b>

**9 TRADE RECEIVABLES**

Considered good	9.1	185,049,979	162,616,373
Considered doubtful		-	6,159,406
		<b>185,049,979</b>	<b>168,775,779</b>
Provision for doubtful debts		-	(6,159,406)
		<b>185,049,979</b>	<b>162,616,373</b>

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	=====
Value of listed shares (collateral) after applying haircut on the basis of VAR	=====
Amount receivable from clients exceeding the collateral held from such customers	=====

**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	258,640,849	557,077,095
Advance payment of tax		176,861,685	177,425,952
Receivables from PSX against disposal of shares		-	26,487,368
Other receivables		6,902,053	254,068
		<b>442,404,587</b>	<b>761,244,483</b>

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.

**Notes to the Accounts**

Notes	Rupees 31-03-2018	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

267,018,190	80,906,350
	(13,675,880)

**Market value**

<b>267,018,190</b>	<b>67,230,470</b>
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**13 CASH AND BANK BALANCES**

Cash in hand

Cash at bank - *current accounts*

	60,034	104,232
<b>13.1</b>	18,502,327	12,498,980
	<b>18,562,361</b>	<b>12,603,212</b>

**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**

31-12-2017	30-06-2017
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24,300,000      24,300,000 Ordinary shares of Rs. 10 each fully paid in cash  
 3,200,000      3,200,000 Ordinary shares of Rs. 10 each issued for  
 consideration other than in cash.

243,000,000      243,000,000  
 32,000,000      32,000,000

<b>40,000,000</b>	<b>27,500,000</b>
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<b>400,000,000</b>	<b>275,000,000</b>
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**MRA Securities Limited**  
**Notes to the Accounts**

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<b>Add</b> : Provision made during the year	-	-
	<u>2,147,215</u>	<u>4,378,161</u>
<b>Less</b> : Paid during the year		(2,230,946)
		<u><u>2,147,215</u></u>

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	<b>16.1</b>	209,000,000	332,880,000
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**MRA Securities Limited**  
**Notes to the Accounts**

Notes	Rupees 31-03-2018	Rupees 30-06-2017
<b>18 ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Accrued expenses		1,653,176
Markup payable	2,990,313	1,767,942
Workers' welfare fund payable	18.1 -	-
SST payable	2,964,441	2,509,978
CGT payable	-	2,055,800
Other liabilities	98,927,427	130,178,619
	<b>104,882,181</b>	<b>138,165,514</b>

- 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	163,749,646	388,276,948
Dividend income	3,399,969	2,920,459
	<b>167,149,615</b>	<b>391,197,407</b>



**MRA Securities Limited**  
**Notes to the Accounts**

Notes	Rupees 31-03-2018	Rupees 30-06-2017
<b>22 ADMINISTRATIVE EXPENSES</b>		
Directors' remuneration	29 4,500,000	6,000,000
Salaries, wages and other benefits	20,292,635	35,886,518
Rent, rates and taxes	683,200	762,000
Telephone and communication charges	2,162,393	4,604,205
Utility charges	1,773,217	2,691,065
Printing and stationery	664,188	5,604,012
Travelling and conveyance	1,976,580	3,953,175
Postage and courier	102,322	268,705
Entertainment	2,211,353	9,025,355
Repair and maintenance	310,870	9,692,067
Computer and software expenses	486,252	5,955,987
Vehicle running expenses	405,588	3,978,296
Agents' commission	38,103,331	126,726,322
Fees and subscription	2,667,755	5,294,991
Audit fee	142,560	150,000
Bad debts	132,000	6,159,406
Legal and professional charges	-	109,200
Insurance	74,454	14,055
Service and transaction charges	31,110,088	47,933,603
Donation	783,435	8,415,775
Depreciation	-	6,223,446
Miscellaneous expenses	2,591,283	5,004,042
	<b>111,173,504</b>	<b>294,452,225</b>
<b>23 FINANCE COSTS</b>		
Bank charges and others	1,243,518	1,409,622
Markup on short term borrowings from banking companies	4,479,132	23,614,479
	<b>5,722,650</b>	<b>25,024,100</b>
<b>24 OTHER CHARGES</b>		
Workers' Welfare Fund	-	-
Loss on disposal of property & equipment	-	-
	<b>-</b>	<b>-</b>
<b>25 OTHER INCOME</b>		
<b>From financial assets</b>		
Profit on exposure deposit	5,410,840	8,084,954
Markup on margin financing	37,088	15,026
IPO commission	471,808	491,187
	<b>5,919,736</b>	<b>8,591,167</b>
<b>From non-financial assets</b>		
Recoveries	50,706,257	45,534,773
Reversal of provision for Workers' Welfare Fund	-	889,504
Rental income from investment property	7,056,970	4,655,844
	<b>57,763,227</b>	<b>51,080,121</b>
	<b>63,682,963</b>	<b>59,671,288</b>

MRA Securities Limited  
Notes to the Accounts

26 TAXATION

Current  
Prior

Notes	Rupees 31-03-2018	Rupees 30-06-2017
	60,246,143	47,277,756
	2,005,855	-
	<u>62,251,998</u>	<u>47,277,756</u>