KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

M/S. ASDA SECURITIES (PRIVATE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

Suite No. 1601, Kashif Centre, Shahrah-e-Faisal, Karachi.
Phone: 92-21-35640050-1-2, Fax: 92-21-35640053
E-mail: info-khi@hyderbhimji.com

KRESTON
HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of **M/S. ASDA SECURITIES (PRIVATE) LIMITED** as at June 30, 2014 and related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a). in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

b). in our opinion:

  i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied:

  ii). the expenditure incurred during the year was for the purpose of the company's business; and

  iii). the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company.

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c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet and profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required, and respectively give a true and fair view of the state of the company's affairs as at June 30, 2014 and of the profit, its cash flows and changes in equity for the year then ended; and

d). in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980(XVIII of 1980).

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Karachi: October 04, 2014

Asda Securities (Private) Limited
Balance Sheet
As at June 30, 2014

	Note	June 2014	June 2013
		------------------Rupees--------------------	
ASSETS			
Non-Current assets			
Property, Plant and Equipment	5	603,330	693,459
Intangible Assets	6	10,505,370	10,531,770
Long Term Investments	7	40,073,830	40,073,830
Long Term Deposits		500,000	500,000
		51,682,530	51,799,059
Current Assets			
Trade Debts	8	146,629,989	31,290,116
Loans and Advances	9	4,807,699	37,422,674
Trade Deposits and Prepayments	10	15,157,916	15,525,808
Short term invesment	11	122,720,579	-
Cash and Bank Balances	12	100,000	100,000
		289,416,182	84,338,598
TOTAL ASSETS		341,098,712	136,137,657
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized Capital			
15,000,000 (2013: 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, Subscribed and Paid-up capital	13	140,000,000	140,000,000
Unappropriated profit / (Accumulated Loss)		769,387	(8,441,470)
		140,769,387	131,558,530
CURRENT LIABILITIES			
Trade and other payables	14	120,949,879	3,526,698
Accrued markup	15	1,675,066	2,813
Short term borrowings -secured	16	77,704,381	1,049,616
		200,329,325	4,579,127
Contingencies and commitments	17	-	-
		341,098,712	136,137,657

The annexed notes 1 to 30 form an integral part of these financial statements

Chief Executive

Director

Asda Securities (Private) Limited
Profit and Loss Account
For The Year Ended June 30, 2014

	Note	June 2014	June 2013
		---Rupees---	
Operating Revenues	18	15,002,658	2,024,692
Capital gain on sale of listed shares		8,030,170	1,805,624
		23,032,828	3,830,316
Administrative Expenses	19	6,532,401	1,782,082
Other operating Expenses	20	2,153,638	-
Finance Cost	21	3,317,771	2,813
		12,003,809	1,784,895
Profit/(Loss) before taxation		11,029,018	2,045,421
Provision for taxation	22	(1,818,161)	(614,238)
Profit/(Loss) after taxation		9,210,857	1,431,183
Other Comprehensive Income		-	-
Total Comprehensive Income		9,210,857	1,431,183
Earning Per Share - Basic and diluted		0.66	0.10

The annexed notes 1 to 30 form an integral part of these financial statements

Chief Executive

Mumtaz

Director

Asda Securities (Private) Limited
Cash Flow Statement
For The Year Ended June 30, 2014

	Note	June 2014	June 2013
		---------------Rupees---------------	
Cash flows From Operating activities			
Cash flow from operations	23	(73,174,608)	627,830
Finance cost paid		(1,645,518)	-
Increase in long term deposits		-	(500,000)
Income tax Paid		(1,788,638)	(194,460)
Net Cash (used in)/generated from operating activities		(76,608,764)	(66,630)
Cash flows From Investing Activities			
Additions to Property , Plant and Equipment		(46,000)	(865,564)
Addition in Intangible Asset		-	(132,000)
Net Cash (used in)/generated from investing activities		(46,000)	(997,564)
Net Cash (used in)/generated from Financing Activities			
Loan from sponsors		9,400,000	-
Net (decrease)/increase in cash and cash equivalents		(67,254,764)	(1,064,193)
Cash and cash equivalent at beginning		(949,616)	114,577
Cash and cash equivalent at end	24	(68,204,380)	(949,616)

The annexed notes 1 to 30 form an integral part of these financial statements

Chief Executive

Mumtaz

Director

Asda Securities (Private) Limited
Statement of Changes in Equity
For The Year Ended June 30, 2014

	Issued, Subscribed and Paid up Capital	Unappropriated Profit / (Accumulated loss)	Total
	-----------------------------	-Rupees-	-----------------------------
Balance as at July 01, 2013	140,000,000	(9,872,653)	130,127,347
Total Comprehensive income for the year	-	1,431,183	1,431,183
Balance as at June 30, 2013	140,000,000	(8,441,470)	131,558,530
Total Comprehensive income for the year	-	9,210,857	9,210,857
Balance as at June 30, 2014	140,000,000	769,387	140,769,387

The annexed notes 1 to 30 form an integral part of these financial statements

Chief Executive

Mumtaz
Director

Asda Securities (Private) Limited

Notes to the Financial Statements For The Year Ended June 30, 2014

1 The Company and its operation

The company was incorporated under the Companies Ordinance, 1984 on 24th March, 2006 as a Private Limited Company. The company is principally engaged in the business of equity brokerage, equity research and corporate finance advisory.

2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of Accounting and financial reporting standards for medium sized entities (MSE's) issued by the Institute of Chartered Accountants of Pakistan's and provision of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3 BASIS OF PREPARATION

3.1 Basis of measurement

These financial statements comprise of balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with explanatory notes and have been prepared under the 'historical cost convention' except as has been specifically stated below in respective notes.

3.2 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to the nearest rupee.

3.3 Critical Accounting estimates and judgments:

The preparation of financial statements requires management to make judgments, estimates and assumption that have an effect on the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on the historical experience and various factors that are believe to be reasonable under the circumstances. the result of which the basis of making judgment about the carrying amount of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management that have significant effect on the financial statements and estimates with significant probability of material adjustment in future are disclosed hereunder:

(a) Recognition of taxation and deferred taxation (note 4.6);

(b) Determining the residual values and useful lives of property and equipment (note 4.1);

(c) Impairment of financial assets (note 4.4); and

(d) Classification of Investments.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property and Equipment

Operating fixed assets are stated at cost les accumulated depreciation and impairment loss, if any.

Depreciation on all fixed assets is charged to profit and loss account applying the reducing balance method whereby the cost of an assets is written off over its estimated useful life at rates given in note no. 5. A full year's depreciation is charged on additions while no depreciation is charged on assets disposed during the year.

Maintenance and normal repairs are charged to profit and loss account, as and when incurred. Gain or loss on disposal of fixed assets is included is recognized as income in the year of disposal.

4.2 Capital work in Progress:

Capital work in progress, f any, is stated at cost.

4.3 Intangible assets

Intangible asset is recognized as an asset if it is probable that future economic benefit attributable to the asset will flow to the entity and the cost of such asset can be measured reliably.

Amortization is charged to profit and loss account on a straight line basis over the estimated useful lives of intangible assets unless such lives are indefinite. All intangible assets are systematically tested for impairment at each balance sheet date. A full year's amortization is charged on additions while no depreciation is charged on assets disposed during the year.

a) Membership Card and Offices

Membership cards, room and booth are stated at cost of acquisition. Provision is made annually in the accounts for permanent diminution, if any, in the value of this assets. During the year upon demutualization of the Karachi Stock Exchange Limited the changes effected has been recorded which are stated in respective notes.

b) Computer Software

Expenditure incurred to acquire computer software and having probable economic benefits exceeding the cost beyond one year, is recognised as an intangible asset. Such expenditure includes the purchase cost(License Fee) and related overhead cost.

Computer Software and License are stated at cost less accumulated amortization and any identified impairment loss.

Cost associated with maintaining computer software programs are recognized as an expense when incurred.

4.4 Investments

These represent Investments in equity instruments, are valued at lower of cost and fair value, determined on an aggregated basis. The fair value of these investments representing listed equity securities is determined on the basis of year-ended bid prices.

4.5 **Trade debts**

Trade debts originated by the company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

4.6 **Taxation**

Current :

Provision for current taxation in the accounts is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, or minimum tax on turnover or alternate corporate tax, whichever is higher.

Deferred :

The Company accounts for deferred taxation arising on all temporary differences by using the liability method but does not account for net deferred tax asset unless the realization whereof is certain in foreseeable future.

4.7 **Trade and other payables**

Liabilities for trade and other amount payables are carried at cost which is the fair value of the consideration to be paid in future for good and services.

4.8 **Provisions**

A provision is recognized in the financial statements when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.9 **Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents consist of cash in hand and balances with banks.

4.10 **Financial instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

4.11 **Financial assets and liabilities**

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, or amortized cost, as the case may be.

4.12 **Offsetting of financial assets and liabilities**

All financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

4.13 Borrowings

Borrowings are recorded at the amount of proceeds received.

4.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.15 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted are normal commercial rates on the same terms and conditions.

4.16 Revenue recognition

a) Brokerage, commission, consultancy fees and other income are recognized as and when services are provided

b) Dividend income is recognized when the right to receive the dividend is established.

c) Gains/(Loss) arising on sale of investments are included in the profit and loss account in the period in which they arise.

5 Property, Plant and Equipment

	Furniture and fittings	Computers	Vehicles	Total
	-----------Rupees-----------			
Net Carrying value basis - June 30, 2014				
Opening net book value	394,041	299,418	-	**693,459**
Additions (at Cost)	-	-	46,000	**46,000**
Depreciation charge	(39,404)	(89,825)	(6,900)	**(136,129)**
Closing net book value	354,637	209,593	39,100	603,330
Gross Carrying value basis - June 30, 2014				
Cost	437,824	427,740	46,000	**911,564**
Accumulated depreciation	(83,187)	(218,147)	(6,900)	**(308,234)**
Net book value - 2014	**354,637**	**209,593**	**39,100**	**603,330**
Net Carrying value basis year ended June 30, 2013				
Opening net book value	437,824	427,740	-	865,564
Additions (at Cost)	-	-	-	-
Depreciation charge	(43,782)	(128,322)	-	(172,104)
Closing net book value	394,041	299,418	-	693,459
Gross Carrying value basis year ended June 30, 2013				
Cost	437,824	427,740	-	865,564
Accumulated depreciation	(43,782)	(128,322)	-	(172,104)
Net book value - 2013	394,041	299,418	-	693,459
Depreciation rates	10%	30%	15%	

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	Note No.	June 2014	June 2013
		----------Rupees----------	
6 INTANGIBLE ASSETS			
Membership Entitlements			
Karachi Stock Exchange Limited TRE	6.1 & 7.1	10,426,170	10,426,170
		10,426,170	10,426,170
Computer Software			
Computer software - Purchase Cost		105,600	132,000
less: Amortization during the year (1/5th amortization)		(26,400)	(26,400)
		79,200	105,600
		10,505,370	10,531,770

6.1 During the year Karachi Stock Exchange Limited has been demutualized and in terms whereof it's members have been allowed in exchange of membership," ***Trading Right Entitlement Certificate (TREC)***" along with shareholding in Karachi Stock Exchange Ltd. The Company has recorded the value of membership in the KSE at Rs.50.5 Million as Intangibles while Karachi Stock Exchange vide letter no: KSE/SECP-2013/1 have indicated notional value whereof at Rs. 15 Million. The Company have however allocated the carrying value/cost to the TREC at Rs.10.426 Million and taken the balance to the value of Karachi Stock Exchange Limited shares. Fair value of the TREC will be re-evaluated upon availability of active market in future and the TREC will be assigned fair value in consequence thereof.

	Note No.	June 2014	June 2013
7 LONG TERM INVESTMENTS			
Available for Sale			
4,007,383 Shares of Rs. 10 each of			
Karachi Stock Exchange Limited	6.1 & 7.1	40,073,830	40,073,830

7.1 Face value of shares allotted by Karachi Stock Exchange Limited in lieu of membership of the KSE works out at Rs.40.074 Million, while the recorded value of the membership card as Intangible asset was Rs. 50.5 Million, however the company have recorded the face value of the shares allotted and classified as available for sale and will follow the re-measurement method upon initiation of active market for these shares. In accordance with the demotulization policy 60% of alloted shares 2,404,430 have been kept in blocked account with Central Depository Company of Pakistan Limited while 1,602,953 shares are credited to Companies CDC account.

		June 2014	June 2013
8 TRADE DEBTS			
Unsecured			
Considered Good		146,629,989	31,290,116
		146,629,989	31,290,116

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		June 2014	June 2013
		-----------Rupees-----------	
9	**LOANS AND ADVANCES-Considered good, Unsecured**		
	Advance to staff	**632,000**	-
	Advances for purchase of rights	**-**	35,317,452
	Advance for purchase of office & improvements	**2,100,000**	-
	Advance Income tax - net of provisions	**2,075,700**	2,105,222
		4,807,699	37,422,674
10	**TRADE DEPOSITS AND OTHER RECEIVABLES**		
	Trade deposits	**15,157,916**	15,225,000
	Other Deposits	**-**	279,808
	Prepaid Software Maintenance	**-**	21,000
		15,157,916	15,525,808
11	**SHORT TERM INVESTMENT**		
	In Listed Companies 11.1	**119,570,579**	**-**
	Listing Company -For New Subscription of Pakistan Petrolium Ltd	**3,150,000**	**-**
		122,720,579	**-**
11.1	**In Listed Shares**		
	Cost of Investments including held under MTS	**121,499,135**	-
	Remeasurement (loss)	**(1,928,556)**	-
	Net Carrying Values being market values	**119,570,579**	-
12	**CASH AND BANK BALANCES**		
	Cash at bank in current accounts	**100,000**	**100,000**
		100,000	**100,000**

13 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2014	2013			
Ordinary Shares of Rs. 10 each issued for consideration				
4,500,000	4,500,000	Alloted for consideration paid in cash	**45,000,000**	45,000,000
9,500,000	9,500,000	Alloted for consideration other than cash, (Conversion of KSE membership)	**95,000,000**	95,000,000
14,000,000	14,000,000		**140,000,000**	140,000,000

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	Note	June 2014	June 2013
		-----------Rupees-----------	
14 TRADE AND OTHER PAYABLES			
Creditors for sale of shares on behalf of clients		**3,419,411**	2,875,381
Accrued Expenses		**340,565**	341,290
MTS unreleased payable		**116,844,844**	-
Other Liabilities	14.1	**345,059**	310,027
		120,949,879	3,526,698
14.1 Other Liabilities			
PTR - on Purchase & Sale Value		**15,859**	5,413
Sevices sales tax payable		**329,200**	304,614
		345,059	310,027
15 ACCRUED MARKUP			
Accrued mark-up on running finance - secured		**1,675,066**	2,813
16 SHORT TERM BORROWINGS -Secured			
Secured, Interest Bearing			
Running finances from bank	16.1	68,304,381	1,049,616
Unsecured, Interest/markup free			
Loan from Sponsors	16.2	9,400,000	-
		77,704,381	**1,049,616**

16.1 The facilities for running finance available from a commercial banks aggregating to Rs.100 Million (June-2013 : Rs.75) million and carry mark-up at the rate 3 M Kibor + 200 points spread (June-2013 : 3 M. Kibot + 200 pints spread) per annum calculated on a daily product basis chargeable and payable quarterly. These arrangements are secured against pledge/hypothecation of marketable securities, movable assets and personal guarantee of all the directors.

16.2 This represents unsecured, interest/markup free loan from sponsors and repaybale in next twelve month.

17 Contingencies and Commitments

17.1 Guarantees

There were no guarantees given by the company on behalf of any related party during the year.

17.2 Contract for Capital Expenditure/Other Commitments

There were no capital expenditure/other commitment outstanding at the year end.

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		June 2014	June 2013
18	**OPERATING REVENUES**	--------------Rupees------------	
	Gross Brokerage Revenue - Securities	15,662,290	1,795,282
	Less: Trader's shares in brokerage	(2,594,454)	(138,290)
		13,067,836	1,656,992
	IPO Commission , KSE & MTS Markup Income	936,957	-
	Other income	-	367,700
	Dividend Income	997,866	-
		15,002,658	2,024,692
19	**ADMINISTRATIVE AND OPERATING EXPENSES**		
	Salaries and benefits	4,311,600	446,000
	Fees, subscription and charges	236,911	352,012
	Communication	272,481	72,970
	Utilities	208,450	97,106
	Office repairs and maintenance	17,500	-
	Vehicle running expenses	65,000	10,000
	Software Mantainance	108,471	-
	General Expenses	250,943	-
	Conveyance and Travelling	166,100	-
	Printing and stationery / Courier Service	10,147	74,350
	Rent, rates & Taxes	270,000	475,375
	Computer Expenses	103,965	-
	Entertainment	298,304	5,765
	Amortization of Intangibles	26,400	26,400
	Depreciation	136,129	172,104
	Auditors' Remuneration-Audit Fees	50,000	50,000
		6,532,401	1,782,082
20	**OTHER OPERATING EXPENSES**		
	Unrealized loss on remeasurement of shares	1,928,556	-
	Workers welfare fund	225,082	-
		2,153,638	-
21	**FINANCE COST**		
	Mark-up on short term running finances	3,317,771	2,813
		3,317,771	2,813

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		June 2014	June 2013
		--------------Rupees-------------	
22 TAXATION			
Current - for the year		1,818,161	614,238
			614,238
Deferred-(Reversal)/Charge	22.1	-	-
		1,818,161	614,238

22.1 In view of deductible temporary differences, deferred tax asset arouse which has not been recognized in view of remote possibility of realization due to final tax regime applicability on capital gains and lower normal tax regime profitability.

	2014	2013
23 Cash flows From Operation activities		
Profit/(Loss) before taxation	11,029,018	2,045,421
Adjustments for non -cash charges and other items		
Depreciation	136,129	172,104
Amortization of intangible	26,400	26,400
Unrelaized loss on remeasruement of shares	1,928,556	-
Finance cost	3,317,771	2,813
	5,408,856	201,317
Operating profit before working capital changes	16,437,874	2,246,738
Changes in working capital		
Trade debts-unsecured	(115,339,873)	(31,290,116)
Loans and advances	32,585,452	41,968,318
Trade deposits, prepayments & other receivables	367,892	(15,525,808)
Short term investment	(124,649,135)	-
	(207,035,663)	(4,847,606)
Increase /(Decrease) in Current liabilities		
Trade and other payables	117,423,181	3,228,698
	(73,174,608)	627,830

	2014	2013
24 CASH AND CASH EQUIVALENTS		
Cash and bank balances	100,000	100,000
Short term finances	(68,304,381)	(1,049,616)
	(68,204,381)	(949,616)

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25 FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets and Liabilities of the company, interest and non interest bearing, along with their maturities are as follows

	Jun-14						
	Markup / Interest Bearing			Non Markup / Interest Bearing			Total
	Maturity Upto One Year	Maturity after One Year	Sub Total	Maturity Upto One Year	Maturity after One Year	Sub Total	
FINANCIAL ASSETS							
Long term investments				-	40,073,830	**40,073,830**	**40,073,830**
Long Term deposits	-	-	-	-	500,000	**500,000**	**500,000**
Trade Debts	-	-	-	146,629,989	-	**146,629,989**	**146,629,989**
Short term investments	-	-	-	122,720,579	-	**122,720,579**	**122,720,579**
Loans and advances	-	-	-	632,000	-	**632,000**	**632,000**
Trade deposits	-	-	-	15,157,916	-	**15,157,916**	**15,157,916**
Cash and Bank Balances	-	-	-	100,000	-	**100,000**	**100,000**
	-	-	-	285,240,483	40,573,830	**325,814,313**	**325,814,313**
FINANCIAL LIABILITIES							
Trade and other payables	-	-	-	120,949,879	-	**120,949,879**	**120,949,879**
Short-term borrowing	68,304,381	-	**68,304,381**	9,400,000	-	**9,400,000**	**77,704,381**
Accrued Markup	-	-	-	1,675,066	-	**1,675,066**	**1,675,066**
	68,304,381	-	**68,304,381**	132,024,945	-	**132,024,945**	**200,329,325**

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	Jun-13						
	Markup / Interest Bearing			Non Markup / Interest Bearing			Total
	Maturity Upto One Year	Maturity after One Year	Sub Total	Maturity Upto One Year	Maturity after One Year	Sub Total	
FINANCIAL ASSETS							
Long term investments	-	-	-	-	40,073,830	40,073,830	40,073,830
Long Term deposits	-	-	-	-	500,000	500,000	500,000
Trade Debts	-	-	-	31,290,116	-	31,290,116	31,290,116
Loans and advances	-	-	-	35,317,452	-	35,317,452	35,317,452
Trade deposits	-	-	-	15,504,808	-	15,504,808	15,504,808
Cash and Bank Balances	-	-	-	100,000	-	100,000	100,000
	-	-	-	82,212,376	40,573,830	122,786,206	122,786,206
FINANCIAL LIABILITIES							
Trade and other payables		-	-	3,526,698	-	3,526,698	3,526,698
Short-term borrowing	1,049,616	-	1,049,616	-	-	-	1,049,616
Accrued Markup	-	-	-	2,813	-	2,813	2,813
	1,049,616	-	1,049,616	3,529,511	-	3,529,511	4,579,127

The effective interest/markup rates for the financial assets and liabilities are mentioned in respective notes to the financial statements. While commission chargeable on off balance sheet items is chargeable as advised by the banks.

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26 FINANCIAL INSTRUMENTS

26.1 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company's activities expose it to a certain financial risks:

- Credit risk
- Liquidity risk
- Market risk (including currency risk, interest rate risk and other price risk)

The Company's overall risk management programs focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board) under policies approved by the board. The Board provides formal principles for overall risk management, as well as significant policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

The information about the company's exposure to each of the above risk, the company's objectives, policies and procedures for measuring and managing risk, and the company's management of capital, is as follows;

a) Credit risk and concentration of credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk interalia by limiting advances and credit to individual customers based on their credit worthiness, obtaining advance against exposure, obtaining collaterals where considered necessary and making appropriate provision for doubtful receivables.

Exposure to credit Risk

Company's credit risk is mainly attributable to loans and advances, balances with banks and financial institutions, and credit exposure to customers, including trade receivables and committed transactions. The maximum exposure of the company to credit risk is as follows:

	2014	2013
	Rupees	
Long Term deposits	**500,000**	500,000
Long Term Investments	**40,073,830**	40,073,830
Trade Debts	**146,629,989**	31,290,116
Short term investments	**122,720,579**	-
Loans and advances	**632,000**	35,317,452
Trade deposits	**15,157,916**	15,504,808
Bank Balances	**100,000**	100,000
	325,814,313	122,786,206

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Loans and advances

These loans and advances are essentially due from employees and are usually adjustable against their salaries and retirement benefit balances. The Company regularly pursues for the recovery of the these and the Company does not expect these employees will fail to meet their obligations. Hence the company believes that no impairment allowance is necessary in respect of loans.

Bank balances

The company maintains balances with banks that have good and stable credit rating. Given these credit ratings, management does not expect that any counter party will fail to meet their obligations.

b) Liquidity risk

Liquidity risk represent the risk where the Company will encounter difficulty in meeting obligations associated with financial liabilities when they fall due. Contractual maturities of financial liabilities, including interest payments excluding the impact of netting arrangements, are shown in the Note 27.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The management forecasts liquidity risks on the basis of expected cash flow considering the level of liquid assets necessary to meet such risk. This involves monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient cash on demand to meet expected working capital requirements.

c) Market Risk

Market risk is the risk that the fair value or future cash flows of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. Market risk comprises of three types of risks: Foreign Exchange / Currency risk, interest rate risk and other price risk. The company is directly exposed to other price risk and interest rate risk only.

Foreign exchange / Currency risk

Foreign exchange risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arise mainly from future economic transactions or receivables and payables that exist due to transaction in foreign exchange.

Interest / Markup rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to change in the interest / mark-up rates. The exposure to interest rate risk is mainly arises in respect of variable markup / interest bearing long term and short borrowings from banks. The Company's net exposure to markup/interest rate risk is as follows;

	2014	2013
	Rupees	
Short term borrowings	68,304,381	1,049,616
	68,304,381	1,049,616

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have (increased) / decreased profit for the year by Rs. 683,044 (2013: Rs. 10,496). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

d) **Other price risk**

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest or currency rate risk), whether those changes are caused by factors specified to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to equity price risk. The Company is also exposed to commodity price risk which is managed and mitigated by keping sufficient exposure from the client's of the

At reporting date if the share price of investment at fair value through profit or loss had strengthened/weakened by 10% with all other variables held constant, pre tax profit for the year would have been higher/lower by the amount shown below.

	2014	2013
Effect on profit and investment	12,272,058	-

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets/ liabilities of the Company.

26.2 **Fair value of Financial Assets and liabilities**

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair value except those which are described in policy notes.

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27 CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company finance its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. In order to maintain or adjust capital structure, the company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt. Consistent with others in industry , the company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of shareholders.

During year the Company's strategy was to maintain gearing. The gearing ratio as at balance sheet date is as follows:

	2014	2013
	Rupees	
Total interest bearing borrowings	68,304,381	1,049,616
Cash and bank	(100,000)	(100,000)
Net debt / (cash)	68,204,381	949,616
Total equity	140,769,387	131,558,530
Total capital	208,973,768	132,508,146
Gearing ratio	32.64%	0.72%

28 NO OF EMPLOYESS

	2014	2013
As on balance sheet date	8	3
Average during the year	6	3

The Company have yet to formulate employees retirement benefit policy which is underway.

29 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorized for issue by the Board of Directors on 04-October, 2014.

30 GENERAL

30.1 Figures have been rounded off to the nearest rupee.

Chief Executive

Director

ASDA SECURITIES (PVT) LIMITED

DIRETORS REPORT

Your directors are pleased to welcome you at the Annual General Meeting and present Annual audited financial statements for the year ended 30-June-2014. During the year company's business remained on the part of growth and as is evident from the profit and loss account bottom line also improved on brokerage revenues as well as capital gains which are attributable to the stringent efforts of our team members.

Financial Results	(Rupees)
Profit after taxation	9,210,857
Loss forward Profit	(8,441,470)
Profit carried forward	769,387
Earning per share Paisa	0.66

Future Prospectus

Your directors projects for further double digit growth in brokerage business of the company as during the last year appetite for securities and investment activities in the country will likely to persist as well in the years to come and that will enable your company to penetrate and grab its due market share with the innovations and ideas of IT technology.

Recommendation

In view of the business growth requiring financing no recommendations has been proposed by the directors.

The auditors M/s KRESTON HYDER BHIMJI & CO, Chartered Accountants retire and being eligible offers them for reappointment.

We acknowledge the dedication, loyalty support of the shareholders at all times.

For and on behalf of Board of Directors

(Aftab Sattar)
Chief Executive

Karachi the: 04-Oct-2014

637, 6th Floor, KSE building, Stock Exchange Road, Karachi-74000 Tel: 32467806, 32467807 Fax: 32467804 E-mail: asdasecurities@gmail.com