

ASDA SECURITIES (PRIVATE) LIMITED

STATEMENT OF NET CAPITAL BALANCE

AS ON JUNE 30, 2019

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INDEPENDENT AUDITORS' REPORT ON STATEMENT OF NET CAPITAL BALANCE

Chief Executive Officer,
ASDA Securities (Private) Limited,
Karachi.

Opinion

We have audited the statements of Net Capital Balance of **M/s. ASDA Securities (Private) Limited** (the Securities Broker), and notes to the Statement of Net Capital Balance as at **June 30, 2019** (together "the statement").

In our opinion, the financial information in the statement of Securities Broker as at **June 30, 2019** is prepared, in all material respects, in accordance with the requirements of the Second Schedule of the Securities Brokers (Licensing and Operations) Regulations, 2016 (the Regulations) read with Rule 2(d) of the Securities Exchange Commission (SEC) Rules 1971 (SEC Rules 1971) issued by the Securities & Exchange Commission of Pakistan (SECP).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the statement section of our report. We are independent of the Securities Broker in accordance with the ethical requirements that are relevant to our audit of the statement in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Distribution

We draw attention to Note 1 to the statement, which describes the basis of accounting. The statement is prepared to assist the **M/s. ASDA Securities (Private) Limited** (the Securities Broker) to meet the requirements of the SECP, Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL). As a result, the statement may not be suitable for another purpose. Our report is intended solely for **M/s. ASDA Securities (Private) Limited** (the Securities Broker), SECP, PSX and NCCPL and should not be distributed to parties other than **M/s. ASDA Securities (Private) Limited** (the Securities Broker) or the SECP, PSX or NCCPL. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the statement

Management is responsible for the preparation of the statement in accordance with the Regulations and the SEC Rules 1971, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance is responsible for overseeing the Securities Broker's financial reporting process.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the statement is free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Securities Broker's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Hanif Razzak - FCA.

Karachi: September 12, 2019



Mohammad Hanif Razzak
KRESTON HYDER BHIMJI & CO.
Chartered Accountants

M/s. ASDA Securities (Private) Limited

Statement of Net Capital Balance as at June 30, 2019 prepared for the purpose of Rule 2 (d) of Third Schedule to the Securities and Exchange Rules, 1971.

DESCRIPTION	VALUATION BASIS	RUPEES
CURRENT ASSETS		
Cash at Banks		
- Bank Balances pertaining to brokerage House	As per book value	26,676
- Bank Balances pertaining to clients	As per book value	15,399,968
		15,426,644
Exposure deposits with NCCPL	As per book value	25,307,389
		40,734,033
Trade Receivables	As per book value	39,409,949
(Less: Outstanding for more than 14 days)	Book value less those overdue for more than fourteen days	(32,738,073)
		6,671,876
Investment in listed Securities in the name of broker	Securities on the exposure limit marked to market less 15% discount	89,830,610
Investment in listed Securities held in MTS	Securities on the exposure limit marked to market less 15% discount	32,136,371
		121,966,981
Securities Purchased for Clients	Securities purchased for the client and held by the member where the payment has not been received within fourteen days.	30,040,357
	Total Current assets	199,413,247
CURRENT LIABILITIES:		
Trade Payables	Book value less those overdue for more than 30 days.	9,855,366
Other Liabilities	As classified under the generally accepted accounting principles (including trade payable overdue for more than 30 days)	173,000,463
	Total Current liabilities	182,855,829
Net Capital Balance allocated to Pakistan Stock Exchange Ltd - June 30, 2019		16,557,418


CHIEF EXECUTIVE




DIRECTOR



**Annexures For Net Capital Balance Certificate
M/s. ASDA Securities (Private) Limited
As On June 30, 2019**

1 STATEMENT OF COMPLIANCE

The statement of net capital balance of the Company ('the Statement') of ASDA Securities (Private) Limited ('the Company') has been prepared in accordance with the Rule 2(d) of, and Third Schedule to the Securities and Exchange Rules, 1971 and in accordance with the clarifications / guidelines / guide book issued by Securities and Exchange Commission of Pakistan (SECP). All figures have been obtained from the un-audited financial statements of the Company for the year ended June 30, 2019.

2 BANK BALANCES AND CASH DEPOSITS

These are stated at book value

Cash in hand

Bank Balances pertaining to brokerage house

Bank Balances pertaining to client

Total Bank Balances

	26,676
	15,399,968
	15,426,644

3 EXPOSURE DEPOSITS AND NCCPL RECEIVABLES

Deposits against exposure and lossess with NCCPL

Ready Exposure

Future Exposure

MTS Exposure

	630,000
	21,576,822
	3,100,567
	25,307,389

4 TRADE RECEIVABLES

These are valued at cost less bad and doubtful debts (if any) and debt long outstanding for more than 14 days.

Total Receivables excluding Margin Financing receivables

Margin Financing receivables

Outstanding for more than 14 days

Balance generated with in 14 days and / or not yet due

	5,928,276
	33,481,673
	39,409,949
	(32,738,073)
	6,671,876

5 INVESTMENT IN LISTED SECURITIES IN THE NAME OF BROKER

These includes Investments in following listed equity Securities valued at market rates prevailing as on February 28, 2019 less discount as prescribed in Rule 2 (d) of the Third (Schedule to the Securities and Exchange Rules, 1971.

Investment in listed Securities in the name of Brokerage House.

Less 15% Marked to Market

	105,683,070
	(15,852,461)
	89,830,610

Investment in listed Securities in MTS

Less 15% Marked to Market

	37,807,495
	(5,671,124)
	32,136,371
	121,966,981

Total Investment

6 SECURITIES PURCHASED FOR CLIENTS

These amount represent to the lower of value of securities appearing in the clients respective sub account to the extent of over due balance for more than 14 days or value of investments.

	30,040,357
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30,040,357






7 TRADE PAYABLES

This represent balance payable against trading of shares less trade payable balances overdue for more that 30 days which has been included in other liabilities.

Book Value	15,404,969
Less Over Due more than 30 days	(5,549,603)
	<u>9,855,366</u>

8 OTHER LIABILITIES

These represents current liabilities, other than trade payable which are due within 30 days Other liabilities are stated at book value.

Over Due More than 30 Days	5,549,603
Running finance from bank and accrued markup thereon	134,281,359
MTS Payable	31,224,527
Other liabilities	1,944,974
	<u>173,000,463</u>

9 DATE OF ISSUANCE

This statement is being issued on Sept 12, 2019



CHIEF EXECUTIVE




DIRECTOR