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Corporate Member, Pakistan Stock Exchange (Guarantee) Ltd.

**ASDA Securities (Private) Limited**

**Un- Audited Financial Statements**

**For the period Half Quarterly March 31, 2017**

# Asda Securities (Private) Limited

## Balance Sheet

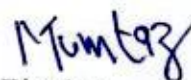
As at March 31, 2017

	Note	<u>March</u> 2017	<u>June</u> 2016
-----Rupees-----			
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, Plant and Equipment	5	9,047,010	7,401,730
Intangible Assets	6	1,023,267	1,193,067
Long Term Investments	7	24,044,300	40,073,830
Long Term Loan to Staff		91,000	82,000
Long Term Deposits	8	505,109	504,809
		<b>34,710,686</b>	<b>49,255,436</b>
<b>Current Assets</b>			
Trade Debts	9	97,864,908	140,127,926
Loans and Advances	10	6,027,000	3,042,863
Trade Deposits and Prepayments	11	45,079,038	18,809,260
Short term investment	12	173,446,184	156,926,650
Cash and Bank Balances	13	28,011,608	9,711,487
		<b>350,428,738</b>	<b>328,618,186</b>
<b>TOTAL ASSETS</b>		<b>385,139,424</b>	<b>377,873,622</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
<b>Authorized Capital</b>			
15,000,000 (2015: 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, Subscribed and Paid-up capital	14	140,000,000	140,000,000
Unappropriated profit		99,614,513	34,023,182
		<b>239,614,513</b>	<b>174,023,182</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	75,572,946	72,636,386
Accrued markup	16	3,536,975	2,728,619
Short term borrowings -secured	17	64,123,309	128,485,435
Provision for taxation - less payments		2,291,681	-
		<b>145,524,911</b>	<b>203,850,440</b>
<b>Contingencies and commitments</b>	18	-	-
		<b>385,139,424</b>	<b>377,873,622</b>

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 March 31, 2017**

	Note	<u>March</u> 2017	<u>June</u> 2016
-----Rupees-----			
Operating Revenues	19	36,522,413	22,363,412
Unrealized gain on remeasurement of listed shares		5,116,100	10,679,943
Unrealized gain on remeasurement of mutual fund		-	43,000
Realized Profit on sale of Un-Listed Share		28,853,154	-
Realized Profit on sale of Listed Share		42,327,771	9,609,848
		<b>112,819,438</b>	<b>42,696,203</b>
Administrative Expenses	20	18,170,675	13,348,577
Other operating Expenses	21	-	5,581,581
Finance Cost	22	11,015,616	10,909,369
		<b>29,186,291</b>	<b>29,839,528</b>
<b>Profit before taxation</b>		<b>83,633,147</b>	<b>12,856,675</b>
Provision for taxation	23	(18,041,816)	(4,107,490)
<b>Profit after taxation</b>		<b>65,591,331</b>	<b>8,749,185</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>65,591,331</b>	<b>8,749,185</b>
<b>Earning Per Share - Basic and diluted</b>		<b>4.69</b>	<b>0.62</b>

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

  
**Chief Executive**

  
**Director**

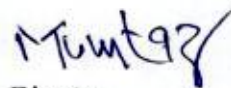
**Asda Securities (Private) Limited**  
**Statement of Changes in Equity**  
**For The Year Ended March 31, 2017**

	Issued, Subscribed and Paid up Capital	Unappropriated Profit / (Accumulated loss)	Total
	-----Rupees-----		
Balance as at July 01, 2015	140,000,000	25,273,997	165,273,997
Total Comprehensive income for the year	-	8,749,185	8,749,185
Balance as at June 30, 2016	<u>140,000,000</u>	<u>34,023,182</u>	<u>174,023,182</u>
Total Comprehensive income for the year	-	65,591,331	65,591,331
<b>Balance as at March 31, 2017</b>	<u><u>140,000,000</u></u>	<u><u>99,614,513</u></u>	<u><u>239,614,513</u></u>

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



**Chief Executive**



**Director**



	Note No.	March 2017	June 2016
-----Rupees-----			
<b>6 INTANGIBLE ASSETS</b>			
Membership Entitlements			
Pakistan Stock Exchange Limited TREC	6.1 & 7.1	200,000	10,426,170
Less : Impairment loss		-	(10,226,170)
		<b>200,000</b>	<b>200,000</b>
<b>Computer Software</b>			
Computer software - Purchase Cost		26,400	52,800
less: Amortization during the year (1/5th amortization)		(19,800)	(26,400)
		<b>6,600</b>	<b>26,400</b>
Computer software - Back office		966,667	1,000,000
less: Amortization during the year (1/5th amortization)		(150,000)	(33,333)
		<b>816,667</b>	<b>966,667</b>
		<b>1,023,267</b>	<b>1,193,067</b>

6.1 During the year Pakistan 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 Pakistan Stock Exchange Ltd. The Company has recorded the value of membership in the KSE at Rs.50.5 Million as Intangibles while Pakistan 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 Pakistan Stock Exchange Limited shares. Fair value of the TREC has been re-evaluated and impairment loss being difference of projected bid price of TREC and recorded value has been provided for.

## 7 LONG TERM INVESTMENTS

Available for Sale

2,404,430 (2016: 4,007,383) Shares of Rs. 10 each of

Pakistan Stock Exchange Limited	6.1 & 7.1	<b>24,044,300</b>	<b>40,073,830</b>
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7.1 Face value of shares allotted by Pakistan Stock Exchange Limited in lieu of membership of the PSX 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 demutualization policy 60% of allotted 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. During the period PSX has transferred 1,602,953 shares from blocked account to new investor and proceed whereof has been given to the Company. Furthermore, 13,000 shares of PSX has also moved from CDC account by PSX which will be returned / adjusted upon completion of final transaction.

**8 LONG TERM DEPOSITS**Trade Deposits

Deposit with Pakistan Stock Exchange Ltd	200,000	200,000
Deposit with CDC Pakistan Ltd	100,000	100,000
Deposit with National Clearing Company of Pak Ltd	200,000	200,000
Base Minimum Capital Requirement PSX	5,109	4,809
	<u>505,109</u>	<u>504,809</u>

**9 TRADE DEBTS****Unsecured**

Considered Good	9.1 <u>97,864,908</u>	<u>140,127,926</u>
	<u>97,864,908</u>	<u>140,127,926</u>

9.1 This includes an amount of Rs. 2,138,027 (2016: Rs.3,396) receivable from Chief Executive. None of the amount is past due.

9.2 Aging analysis of amount due from customers

Not exceeding 5 days from trade date	42,422,103	-
Exceeding 5 days but not exceeding 14 days	5,998,744	-
	<u>48,420,847</u>	<u>-</u>
Exceeding 14 days against which listed securities held	42,174,158	-
Less: Hair cut applied on the basis of VAR	6,326,124	-
	<u>6,326,124</u>	<u>-</u>

Comparative figures are not available as disclosure regime has been applied for the first time.

March  
2017

June  
2016

-----Rupees-----

**10 LOANS AND ADVANCES-Considered good, Unsecured**

Current Portion of Long term loan to staff	27,000	152,000
Purchase of car - Honda Atlas Cars Ltd.	6,000,000	-
Advance Income tax - net of provisions	-	2,890,863
	<u>6,027,000</u>	<u>3,042,863</u>

**11 TRADE DEPOSITS AND OTHER RECEIVABLES**

Trade deposits - ( NCPL Against Trading )		-	-
Trade deposits - ( NCCPL - Ready Exposure Margin )		-	6,000,000
Trade deposits - ( NCCPL - MTS Exposure Margin )		26,607,425	9,834,080
Trade deposits - ( NCCPL - Future Exposure / Losses in DFC )		13,983,345	-
Receivable from Stock Exchange		4,488,268	-
Receivable from NCPL		-	53,117
Other Receivable from Chief Executive	11.1	-	2,845,039
Sales tax input - SRB		-	77,024
		<u>45,079,038</u>	<u>18,809,260</u>

11.1 This represents amount of Nil (2016:Rs.2,845,039) receivable from Chief Executive for purchase of car.

**12 SHORT TERM INVESTMENT**

In Listed Companies	12.1	172,403,184	155,883,650
NIT Units - NIT Islamic Equity Fund	12.2	1,043,000	1,043,000
Un-Listed Company - For New Subscription of Loads Ltd.		-	-
		<u>173,446,184</u>	<u>156,926,650</u>

**12.1 In Listed Shares**

Cost of Investments including held under MTS		167,287,084	145,203,707
Unrealized remeasurement gain		5,116,100	10,679,943
Net Carrying Values being market values		<u>172,403,184</u>	<u>155,883,650</u>

**12.2 In Mutual Fund - NIT Islamic Equity Fund**

Opening		1,043,000	1,000,000
Purchases		-	-
Disposed during the year		-	-
Unrealized remeasurement gain		-	43,000
Net Carrying Values being Net Asset values		<u>1,043,000</u>	<u>1,043,000</u>

Value of shares held in CDC house or customers		624,750,829	-
Value of shares under pledge house or Director		<u>279,220,460</u>	<u>-</u>

**13 CASH AND BANK BALANCES**

Js Bank Ltd - K.S.E Branch (Client A/c) - Stock Exchange Br		23,184,851	3,480,202
NIB Bank Ltd (Client A/c) - Stock Exchange Br		1,271,107	-
Meezan Bank Ltd (Client A/c) - Stock Exchange Br		3,528,610	-
Cash at bank - Client accounts balances		27,984,568	9,613,982
MCB Bank Ltd - K.S.E Branch		16,431	-
Summit Bank Ltd - K.S.E Branch		1,000	-
Meezan Bank Ltd (O/D)- K.S.E Branch		9,610	-
Cash at bank - Current Accounts		27,041	97,505
		<u>28,011,608</u>	<u>9,711,487</u>



14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2016	2015			
<b>Ordinary Shares of Rs. 10 each issued for consideration</b>				
4,500,000	4,500,000	Allotted for consideration paid in cash	45,000,000	45,000,000
9,500,000	9,500,000	Allotted for consideration other than cash, (Conversion of KSE membership)	95,000,000	95,000,000
<b>14,000,000</b>	<b>14,000,000</b>		<b>140,000,000</b>	<b>140,000,000</b>

**Pattern of shareholding**

**Name of share holders**

	% of Holding	No of shares
1. Mr. Aftab Sattar	49.99%	6,999,000
2. Mr. Abdul Rauf	10.00%	1,400,000
3. Mr. Azneem Bilwani	25.00%	3,500,000
4. Mr. Muhammad Rafiq Tai	15.00%	2,100,000
5. Others less than 5 %	0.01%	1,000
	<b>100%</b>	<b>14,000,000</b>

There is no change in shareholding from the corresponding period.

**March**                      **June**  
**2017**                      **2016**  
-----Rupees-----

15 **TRADE AND OTHER PAYABLES**

Creditors for sale of shares on behalf of clients	15.1	27,984,568	9,613,032
MTS unreleased payable		35,409,854	58,443,584
		63,394,422	68,056,616
Traders share in commission payable		10,552,418	2,533,944
Accrued Expenses		175,975	826,111
Other Liabilities	15.2	1,450,131	1,219,715
		<b>75,572,946</b>	<b>72,636,386</b>

15.1 This includes an amount of Rs.6,640 (2016: Rs. 20,343) payable to director.

15.2 **Other Liabilities**

Withholding tax		6,148	6,971
Sindh sales tax on IPO Income		32,178	32,178
Sindh sales tax on commission		526,975	351,646
Payable Against Software Micro links		55,910	-
Workers welfare fund	15.2.1	828,919	828,919
		<b>1,450,131</b>	<b>1,219,714</b>

15.2.1 Workers welfare fund is adjustable from income tax refundable as appearing in note 10.



<b>16 ACCRUED MARKUP</b>			
Accrued mark-up on running finance - secured		<u>3,536,975</u>	<u>2,728,619</u>
<b>17 SHORT TERM BORROWINGS -Secured</b>			
Secured, Markup Bearing			
Running finances from bank	17.1	64,010,184	128,485,435
<b>Unsecured, markup free</b>			
Due to Chief Executive	17.2	<u>113,125</u>	<u>-</u>
		<u>64,123,309</u>	<u>128,485,435</u>

17.1 The facilities for running finance available from a commercial banks aggregating to Rs.300 Million (June-2015 : Rs.150 million) and carry mark-up at the rate 3 M Kibor + 200 points spread (June-2015 : 3 M. Kibor + 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.

17.2 This represents unsecured, interest/markup free loan from sponsors and has been repaid during the year.

Value of shares under pledge with lending banks - House Account	<u>61,519,555</u>	<u>        </u>
Value of shares under pledge with lending banks - Director	<u>167,397,090</u>	<u>        </u>

#### 18 Contingencies and Commitments

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

There were no contingencies and commitments at the year end.

March 2017	June 2016
-----Rupees-----	

#### 19 OPERATING REVENUES

Brokerage Revenue - Securities	19.1	<u>35,459,051</u>	<u>21,874,654</u>
Income From Exposure Deposits NCCPL		249,862	189,624
Income From Exposure Deposits PSX		113,691	34,610
Income From New script Commission (IPO)		<u>25,500</u>	<u>422,250</u>
		35,848,103	22,521,138
Less: Trader's shares in brokerage		<u>(1,811,909)</u>	<u>(6,523,639)</u>
		34,036,194	15,997,499
Dividend Income		<u>2,486,219</u>	<u>6,365,913</u>
		<u>36,522,413</u>	<u>22,363,412</u>
<b>19.1 Brokerage revenue:</b>			
From Proprietary trade		12,285,477	-
From Retail customers		22,801,024	-
From Institutional customers		<u>372,550</u>	<u>-</u>
		<u>35,459,051</u>	<u>-</u>

Comparative figures are not available as disclosure regime has been applied for the first time.

**20 ADMINISTRATIVE AND OPERATING EXPENSES**

Salaries and benefits	6,793,500	5,969,500
Fees, subscription and charges	3,495,040	1,678,972
Communication	276,689	328,941
Conveyance and Travelling Expenses	1,314,060	-
KSE IT and Kats	273,681	147,325
Utilities	165,957	190,655
Office repairs and maintenance	3,265,586	1,960,818
Software Maintenance	247,919	186,076
General Expenses	707,628	653,267
Printing and stationery / Courier Service	13,763	10,323
Rent, rates & Taxes	-	68,150
Computer Expenses	260,822	329,804
Insurance	46,500	-
Entertainment	356,209	275,618
Donation	50,000	690,000
Amortization of Intangibles	169,800	59,733
Depreciation	684,720	689,395
Auditors' Remuneration	20.1 48,800	110,000
	<u>18,170,675</u>	<u>13,348,577</u>

**20.1 Auditors' Remuneration**

Audit fees	-	50,000
Certifications fees	48,800	60,000
	<u>48,800</u>	<u>110,000</u>

**21 OTHER OPERATING EXPENSES**

Loss on disposal of property, plant & equipment	-	519,200
Impairment loss on TREC	-	4,800,000
Workers welfare fund	-	262,381
	<u>-</u>	<u>5,581,581</u>

**22 FINANCE COST**

Mark-up on short term running finances	11,015,616	10,909,369
	<u>11,015,616</u>	<u>10,909,369</u>



Chief Executive



Director